

**Metropolitan Domestic Water Improvement District
Board of Directors**

March 13, 2023

Discussion of the Requested Budget for Fiscal Year 2024

Synopsis

The Board of Directors is requested to review the Requested Budget for Fiscal Year 2024.

Background

The process of preparing a budget is both an art and a science. Revenue sources are identified and estimated revenue and rates and fees are calculated. Expenses are prioritized to support the District's mission while balancing the budget to the anticipated revenue sources prior to formally requesting budget revenue and expenses.

Requested Budget Overview

The District has utilized a mission driven prioritization process to prepare the budget since Fiscal Year 2015 to ensure a strategic review is completed and revenue sources and uses are allocated to best support the mission of the District.

The fringe benefit and indirect overhead rates were calculated based upon the requested budget using the standardized methodology approved by the Board on September 8, 2014. The direct labor fringe benefit rate is 58.59% and the indirect rate is 133.74%. These overhead rates are located on the last page of the budget book.

The twelve-month consumer price index as of January 2023 was 6.4%. There will be a 0.12% increase in Arizona State Retirement and Long-term Disability costs in Fiscal Year 2024. The requested budget includes a 5.5% cost of living increase effective on the pay period ending on July 5, 2023.

The Fiscal Year 2024 requested budget includes a projected beginning fund balance, revenue, Water Infrastructure Financing Authority funding, Northwest Recharge Recovery and Delivery System funding reimbursements from Oro Valley and the Town of Marana, and an anticipated grant totaling \$75,592,089 with the Requested Budget expenditures of \$52,171,265.

Recommendation

It is recommended that the Board of Directors review and discuss with staff the requested budget for Fiscal Year 2024 and provide direction in the form of a motion for any proposed modifications that should be made. If no modifications are needed, then no motion is required. The consideration

to adopt the Fiscal Year 2024 budget will be at the May 15, 2023 Board Meeting following the rate hearing.

Suggested Motion (if the Board wishes to modify the Requested Budget)

I move to direct staff to make the following modifications to the Requested Budget for Fiscal Year 2024 _____.

Respectfully submitted,

Diane Bracken, M.Adm.
Chief Financial Officer

I concur with the recommendation.
Respectfully submitted,

Joseph Olsen, P.E.
General Manager