

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

December 12, 2011

**Schedule for Mid-year Budget Review and
Fiscal Year 2012-2013 Budget Development**

Synopsis

The Board of Directors is requested to provide direction to staff regarding the schedule for the mid-year budget review and the development of the Fiscal Year 2012-2013 budget.

Report

For the last couple of years, the District has done a midyear budget review to consider how several underutilized line items from the budget could be used to finance unfunded capital equipment and capital projects. The intent has been to do a midyear review for the current fiscal budget. From previous discussions with the Board, it had been hoped to have that discussion in January. However, it would be premature to have this discussion without having a full six months of data. It may be better to repeat what was done for the 2010-2011 budget mid-year, which is to have the Board discussion in February meeting after the Finance Oversight Committee has discussed staff's review of the budget at the January meeting of the Committee.

Traditionally, staff has begun developing the next fiscal year budget in January and February, hold study sessions with the Board in March and April but the final approval is not until June. While minor revisions are made during the process, staff makes limited changes after April to the budget requests that have been made. A more effective process would be to wait until after the mid-year review is completed and begin the budget development in March. This would provide eight months of data regarding the current budget and managers would have a better insight of their budgetary needs to make budgetary projections for the upcoming fiscal year.

Based on recent years, the budget review with the Board has been streamlined. There would still be more than adequate time to discuss the budget with the Board and the Finance Oversight Committee if the budget development is pushed back a month. Therefore, staff would like to propose the following schedule for the mid-year budget review and development of the Fiscal Year 2012-2013 budget.

January 24	Finance Oversight Committee Meeting – Mid-Year Budget Review
February 14	Board Meeting – Mid-Year Budget Review
March	Staff Develops FY 2012-2013 Budget
April 16	Finance Oversight Committee Meeting – Review Budget

April 30	Board Study Session – Review Budget
May 14	Board Meeting – Further Budget Discussion
May 21	Finance Oversight Committee – Budget Discussion if necessary Schedule Board Study Session if necessary
June 11	Board Meeting – Approval of FY 2012-2013 Budget

Recommendation

It is recommended that the Board of Directors provide direction to staff regarding the schedule for budgetary discussions in 2012. No formal motion is required. Staff believes this schedule will better ensure that the budget is a reliable and useful road map for the next fiscal year.

Respectfully submitted,

Mark R. Stratton, P.E.
General Manager