



August 16, 2016

TO: LOCSD Board of Directors
FROM: Peter J. Kampa, Interim General Manager
SUBJECT: **Agenda Item 2A – 8/17/2016 Special Board Meeting**
Adopt Resolution Approving the Fiscal Year 2016-2017
Final Budget

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STAFF RECOMMENDATION

Staff recommends that the Board approve the following action:

Motion: I move that the Board adopt Resolution 2016-33 approving the Fiscal Year 2016/2017 Final Budget.

DISCUSSION

State law requires that the District adopt a budget for the ensuing fiscal year by July 1. The District can adopt either a Preliminary or Final budget by the July 1 deadline. Adoption of a final budget in a single Board action is the normal procedure for most enterprise special districts, such as LOCSD since our revenue and expenses are for the most part accurately predictable by the end of June each year.

On June 29, 2016, the Board adopted a Preliminary Budget and directed staff to hold special committee meetings of all committees for review of the budget, prior to a final budget being adopted on August 17, 2016.

The Budget is presented in Summary fashion and includes many changes that will be highlighted at the meeting. Detail budget sheets listing all line item expenditures are not included with this packet since the Board's policy allows management to move funding from one area to another in the budget, except for personnel, reserves and capital projects. Approving the summary clarifies that the Board is not limiting expenditures by budget line; although the total budget amounts must be achieved by management per policy.

FINANCIAL IMPACT

The financial impact of adoption of the Final Budget is described in detail in the attached Budget Document.

Attachments:

1. Budget Preparation Memorandum dated August 17, 2016
2. District Organizational Chart
3. Reserves Summary
4. Budget Document containing revenue and expense projections for District Administration, Water, Drainage, Fire Department and Parks and Recreational Service
5. Capital Improvement Schedule