

Budget Overview for FY 2021-22
Proposed Final Draft For Board Consideration and Adoption
6/2/2021

A draft net operating budget was presented to the District Board of Directors at the May 5th, 2021 public Board meeting. There are 3 revisions to the May 5 draft proposed budget. The first is an increase of Community Grants allocation dollars to \$750K (rather than \$600K). This is due to the transfer of Covid Emergency Fund dollars previously approved by the board. The second was a reduction in FIF Funds (Future Impact Funds) to zero as all dollars have been allocated to programs. The final change was a \$15K decrease in the Sequoia Strong program budget.

The proposed budget and adopted budget are adopted before the end of the fiscal year and are an estimate of revenue and expenses. The proposed and final budgets are based on the actual budget for 2019-2020 and the adopted and estimated actual for 2020-21. The attached final draft 2021-22 budget totals \$15,718,800.

Key budget items are illustrated below:

Income:

Notable changes to our **income** this year include:

- The decrease in our rental income due to rent reduction for tenants through Dec 2021 and anticipated commercial rent reduction in 2022 as demand for office space is expected to remain lower
- Increase in tax revenue over the past several years. Trend indicates we can anticipate at least \$14M annually, likely closer to \$15M
- A reduction in anticipated investment income from \$250,000 to \$180,000 based on actuals and recent market instability resulting from COVID.
- Pension pass-through decrease from \$3M to \$1.5M

Expenses:

Notable changes include:

Changes under \$50K

- Investment fees down \$10,000 to align with actuals- fees based on profits
- Reduced Board Health Insurance by \$20,000 based on current actuals
- Accounting fees increased by \$20,000 due to board-requested extensive audit which was put on hold in 2020-21; to be conducted in 2022.
- Added \$30,000 for desired building improvements

Changes over \$50K

- Grant Admin payroll increase due to staff time increases on grants and increases to compensation of grants manager and CEO
- Election Fees reduced by \$275,000 as there is no election in 2022
- Increased Legal Fees to \$240,000 based on actuals and anticipated litigation

- Pension pass through decrease from \$3M expected in 2021 to \$1.5M in 2022

Changes in the grants and program expense areas include:

1. Increased Community Grants from \$3M to \$3.75M based on Board approval (includes transfer of Covid-19 Funds)
2. Increased Healthy Schools from \$4,461,604 to \$4,770,355 based on Board approval, including transfer of Covid-19 emergency funds from FY 2021
3. Increased Sequoia Strong from \$80,000 to \$145,000 to support a new SS program manager and program communication efforts
4. Future Impact Funds (FIF) - reduced to zero as all dollars have been allocated to programs

Total income including tax revenue and other sources: \$15,718,800

14,000,000 (property taxes)

+1,718,800 (other sources)

Total expenses including grants and programs \$15,718,800

\$7,964,595 Grants (including \$1M Covid funds)

\$4,990,355 Programs

\$1,263,850 Admin/other

\$1,500,000 Pension

= \$15,718,800

Income= \$15,718,800

Expenses- 15,718,800

Net Loss = 0

Recommendation

1. Present final budget for consideration and accept public comment
2. Adopt the recommended final budget for 2021-22 of \$15,718,800 as proposed or with any desired changes
3. Post newly adopted budget on website

Attachments

- A. Budget Spreadsheet for FY21-22 including adopted FY 20-21 budget
- B. Budget Assumptions for FY21-22