

MEMORANDUM

TO: Board of Trustees

THROUGH: Mike Bandelin
Interim General Manager

FROM: Bobby Magee
Interim Director of Finance

SUBJECT: Draft Budget Calendar for Fiscal Year 2024-25

DATE: January 10, 2024

I. RECOMMENDATIONS

That the Board of Trustees:

1. Review the draft budget calendar outline which was designed and structured to give insight as to the process of preparing the annual budget providing comments as appropriate; and,
2. Receive and file the draft budget calendar; and,
3. Discuss and propose a future date for a potential special Board of Trustees meeting for Kevin Lyons, of Governance Sciences Inc., to review and discuss the results of the FlashVote Priorities Survey as part of a Board Strategic Budget Planning Retreat and Capital Improvement 5-Year Plan.

II. DISTRICT STRATEGIC PLAN

This action supports Long Range Principle #3, Finance; *“The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial polices for operating budgets, fund balances, capital improvement and debt management.”*

- *Comply with State and Federal regulations.*
- *Develop and maintain a long term plan to sustain financial resources.*

III. BACKGROUND

Overview

The Finance Department has begun its preparations for the upcoming fiscal year 2024-25 budget. The budget calendar was the first step in the preparations and

provides insight to the process along with estimated timelines for milestones of this project. Information related to the timing of events will be shared with each department head and interested staff, and the Finance Department will begin to work on each individual process related to the overall budget development process. As the timing of events is of interest to the public and the Board, staff is presenting the draft document for review and comment.

One of the items staff is recommending as part of the budget development process is a Board Strategic Budget Planning Retreat. The concept of the Retreat would include a review of the existing Strategic Plan, a review of the 5-year Capital Improvement Plan, and staff requesting direction on the elements of each item and gaining additional information as to what the Board would like to see included as part of the budget process for its future consideration. Staff is recommending the Strategic Budget Planning Retreat occur as a Special Board Meeting sometime during the week of February 12th.

VI. FINANCIAL IMPACT AND BUDGET

The recommended actions will have no financial impact.

V. ALTERNATIVES

The Board could choose to direct staff to work without the guidelines the budget calendar provides, or provide alternate timelines for completion of events; the risk to this strategy would be potential delays in the budget process that could lead to non-compliance with State regulations with respect to filing approved budgets.

Attachment: Draft Budget Calendar

Budget Process

OVERVIEW:

The District adheres to the Local Government Budget Act incorporated within Nevada Revised Statutes (NRS) which includes the following major procedures to establish the budgetary data reflected in these financial statements.

Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis, which is where revenue is recognized when it becomes available and measurable and expenditures are recognized in the period in which the liability is incurred except for inventories, interest and debt service payments. Proprietary-funds type budgets are adopted on an accrual basis, which is the recognition of revenue when earned and expenses when incurred. They are recorded at the end of an accounting period even though cash has not been received or paid. The District can amend or augment the governmental fund budget after following state statutes and public hearing procedures.

The budget plan is approached as two separate processes - operating and capital expenditures - and brought back together and presented as one budget plan. The capital expenditures is the first of the budget process to begin followed by the operating budget process. Departments are required to prepare and submit requests for both the upcoming budget year in addition to preparing a 5-year plan as required by NRS 354.5945.

The capital budget is prepared once a year in conjunction with the operating budget. Each operating area will prepare a 5-year plan that includes all of the projects that they would like to see contained within the capital budget. All planned items shall fall under the following purpose and justification criteria; safety, regulatory, infrastructure, revenue, and service level and rated with a priority level of high, medium, and low.

The capital budget is paid for by using available cash, issuing bonds, grants and donations, or a combination of the aforementioned. The amount of funds available for capital projects shall be determined during the capital and operating budget process.

Funds approved by the Board of Trustees shall be spent only on the items detailed in the Capital Improvement Plan (CIP) budget for each individual CIP project. Expenditures shall be made following the guidelines set forth in NRS 332.039 and 354.5945.

The budget amount of a project may need to be amended from time to time. For those which transfer funds from one CIP project to another, the General Manager can and must approve budget amendments below \$25,000. The Board of Trustees must approve budget amendments above \$25,000. All amendments where the total CIP is increased (i.e. not a net zero transfer between existing projects) must be approved by the Board of Trustees. In order to request an amendment, a memorandum must be drafted and routed through the Director of Finance, Accounting and Information Technology before it can be presented to either the General Manager or the Board of Trustees.

The budget is anticipated to be filed with the Nevada Department of Taxation (DOT) on or before June 1, 2024. The following budget chart gives an overview of the timing of the budget process:

BUDGET CALENDAR

Budget Kickoff Meeting ----- December 19, 2023

Develop planning process for the upcoming budget and funding strategy

First Board of Trustees Meeting of 2024 ----- January 10, 2024

Review 2024/25 budget calendar and timeline including possible direction by the Board of Trustees relating to budget workshops and budget reporting

Budget Workshops (Internal) ----- JAN/FEB

Meet with departments, Tyler Enterprise Budget Module training, major goal setting, and strategic planning

Board of Trustees Special Meeting ----- Week of Feb 12, 2024 (Proposed)

Strategic Budget Planning Retreat

Board of Trustees Special Meeting ----- Week of April 15, 2024 (Proposed)

Recommended Budget Hearings

Board of Trustees Meeting ----- May 8, 2024

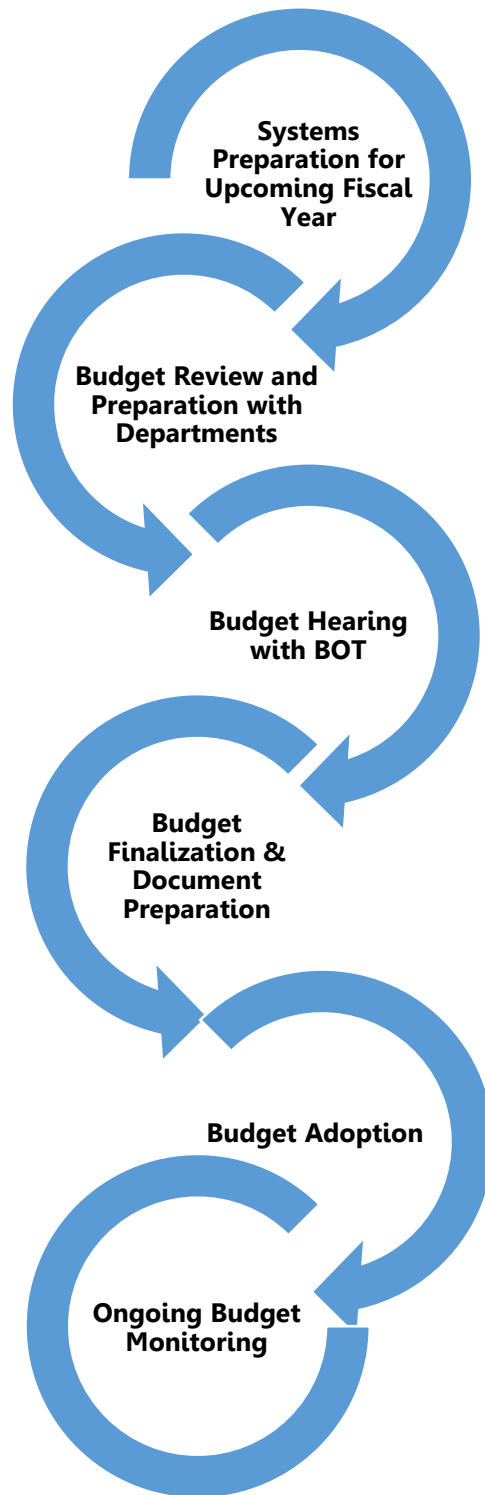
Final Form 4044 Completed

Board of Trustees Meeting ----- May 8, 2024

Tentative Final Budget Adopted

Submit 4044 to Nevada Department of Taxation ----- Prior to June 1, 2024 (Anticipated)

BUDGET FLOW CHART



BUDGET TIMELINE

BUDGET TIMELINE

IVGID- Budget Planning 2024-25	23-Dec	24-Jan	24-Feb	24-Mar	24-Apr	24-May	24-Jun
Finance and Accounting prepare system for budget process	→						
Capital Investment Committee meets to discuss capital budgets		→	→				
Departments prepare 5-year capital plan	→	→	→				
Operating areas input to the budget model		→	→	→	→		
Lock down wages sheet for input			→	→			
Board of Trustees Strategic Budget Planning Retreat - Departmental Capital Budgets			→	→			
Budget meetings and training with department managers		→					
Departments present goals, issues, and budget requests to Finance team		→	→	→			
New and old capital improvement project sheets completed		→	→	→			
Personnel restructure memos are completed		→					
Budget review with General Manager				→			
Board meeting to review Recomend Budget					→	→	
Draft budget books are presented to the Board of Trustees					→	→	
Prepare and file Budget with the Nevada Department of Taxation						→	→
Prepare final Budget Books to distribute to Board and District Staff							→