

OC San FY 2023-24 Budget Update Assumptions / Calendar

Presented by:
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Controller

Administration
Committee

February 8, 2023



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Budget Development Assumptions

Economics

- Inflation for Orange County is 4.9% (12/22)

Revenue

- The single-family residence (SFR) rate will increase by \$11 (3.2 percent) to \$358

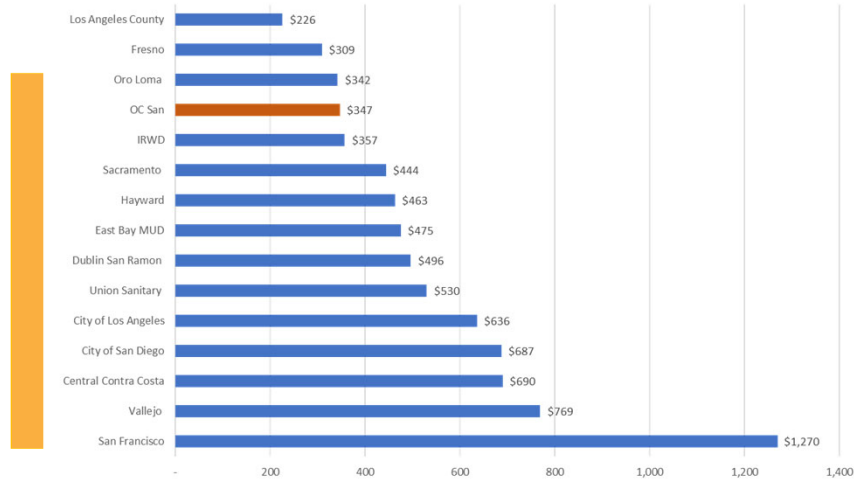
Reserves

- Current reserve policy is unchanged

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Comparison - SFR Rates (July 2022)



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Operations

- Average daily flows are projected to be 185 mgd
- Operating expenses are expected to approximate the adopted FY 2023-24 budget of \$210 Million

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Staffing

- Staffing level is expected to increase by 1 FTE in FY 2023-24 to 648
- A 3% vacancy factor will be budgeted for authorized positions
- Salary adjustments will be based on current MOUs
- Moderate increases in benefits are anticipated

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Capital Improvement Program (CIP)

- Cash flow assumptions are based on the most recent validated CIP
- Baseline CIP is \$315 million for FY 2023-24

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Debt Financing

- No additional “new money” or refunding debt issuance is scheduled for FY 2023-24

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Budget Summary

Revenues	FY 23-24	Ten Year Cash Flow
Fees and Charges	\$ 371M (71%)	\$ 4,195M (72%)
Property Taxes	112M (21%)	1,248M (22%)
Interest / Other	<u>43M (8%)</u>	<u>316M (6%)</u>
Total Revenues	\$ 526M	\$ 5,759M
Expenditures	FY 23-24	Ten Year Cash Flow
Operating	\$ 210M (35%)	\$ 2,333M (38%)
CIP / RRR	315M (52%)	3,076M (50%)
Debt Service	69M (12%)	707M (11%)
Other	<u>7M (1%)</u>	<u>45M (1%)</u>
Total Outlays	\$ 601M	\$6,161M
Net Surplus (Deficit)	\$ (75M)	\$ (402)M

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Budget - Key Meeting Dates

Administration Committee

- Budget Assumptions
February
- Review of Revenues
March
- Review of Expenditures
April

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Budget - Key Meeting Dates

Operations Committee

- Budget Elements Overview
May, June

Administration Committee

- Budget Elements Review
May, June



Board Meeting

- FY 23-24 Budget Update Approval
June

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Questions



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