



Regular Board Meeting

May 25, 2023

Item 8: Proposed Fiscal Year 2023/24 Budget

Item 8: Proposed FY 2023/24 Budget

- Recommendation:
 - Review Proposed FY 2023/24 Budget and Schedule Adoption for June 29, 2023 Meeting.

Item 8: Proposed FY 2023/24 Budget

Budget and Forecast	Current Fiscal Year (FY2023)		
	FY2022-2023		
	Mid-Year Adjust/Approved Budget	Year-End Estimate	\$ Variance - Mid-Year Budget vs. Forecast Fav/(Unf)
TOTAL REVENUES	\$96,825,523	\$97,203,350	\$377,827
TOTAL OPERATING EXPENSES	89,845,542	90,449,730	(604,188)
NET INTEREST EXPENSE/(INCOME)	565,447	1,050,000	(484,553)
CHANGE IN NET POSITION	\$6,414,534	\$5,703,620	(\$710,914)
Net Position at the beginning of period	(\$3,333,642)	(\$3,333,642)	
Net Position at the end of period	\$3,080,892	\$2,369,978	(\$710,914)

FY 2022/23 Year-End Estimates

- Expenditure Variances
 - Staffing costs - \$239K favorable
 - Unplanned bad debt accrual - \$852K unfavorable (may be less)
 - Interest Expense - \$485 unfavorable
- Ending Change in Net Position meets 5% Operating Reserve Contribution



Item 8: Proposed FY 2023/23 Budget

- FY 23/24 Proposed Budget Assumptions
 - Revenues based on current adopted rates
 - Power supply costs based on actual executed contracts and May forward price curve
 - Consulting Services based on approved contracts
- Priorities & Goals
 - Financial Stability
 - Regulatory Compliance
 - Successful Expansion in Oceanside and Vista

Item 8: Proposed FY 2023/24 Budget

Budget and Forecast	FY2022-2023	FY2023-2024	FY2023-2024
	Year-End Estimate	Proposed Budget	\$ Change - FY23 Year-End Estimate vs. Proposed Budget
TOTAL REVENUES	\$97,203,350	\$230,915,000	\$133,711,650
TOTAL OPERATING EXPENSES	90,449,730	212,661,205	122,211,475
NET INTEREST EXPENSE/(INCOME)	1,050,000	700,000	(350,000)
CHANGE IN NET POSITION	\$5,703,620	\$17,553,795	\$11,850,175
Net Position at the beginning of period	(\$3,333,642)	\$2,369,978	
Net Position at the end of period	\$2,369,978	\$19,923,773	

FY 2023/24 Proposed Budget

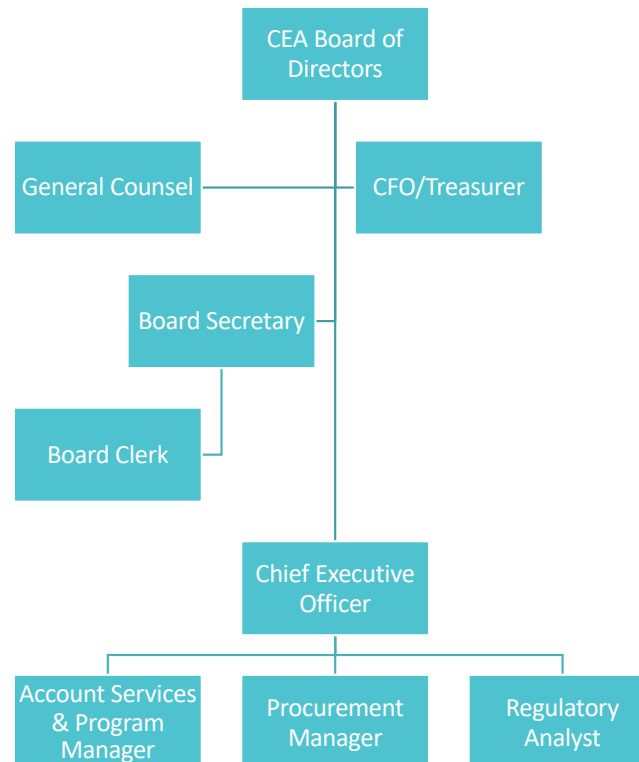
- Increase in revenue due to
 - Full Year Escondido & San Marcos Expansion
 - April 2024 Oceanside and Vista Expansion
- Increase in expenditure due to
 - Energy purchases to serve expanded service territory, higher energy/RA prices
 - Admin Costs re: Full Time Staffing
- Change in Net Position Meets 5% Operating Reserve Target



Item 8: Proposed FY 2023/24 Budget

- Proposed Positions – Transition from Contract to Permanent
 - Chief Executive Officer
 - Board Secretary
- Positions Approved FY 2022/23
 - Accounts Services/Program Manager
 - Procurement Manager
 - Regulatory Analyst
- Fund Repayments of Loans
 - JPMorgan - \$5M
 - Startup loans from Carlsbad, Del Mar & Solana Beach

Item 8: Proposed FY 2023/24 Budget



Budget and Forecast	FY2022-2023		FY2023-2024
	Mid-Year Adjust/Approved Budget	Year-End Estimate	Proposed Budget
TOTAL REVENUES	\$96,825,523	\$97,203,350	\$230,915,000
OPERATING EXPENSES			
Power Supply	86,635,982	86,662,905	200,000,000
Data Management/Call Center	1,151,180	1,100,000	2,500,000
Staffing/Consultants	382,900	290,500	3,000,000
Legal Services	335,000	350,000	467,500
Professional Services	1,002,100	934,200	1,448,885
Audit Services	10,000	8,900	10,000
Software & Licenses	15,100	9,325	15,000
Memberships & Dues	121,000	90,000	292,040
G&A (includes Bad Debt expense)	192,280	1,003,900	4,927,780
TOTAL OPERATING EXPENSES	89,845,542	90,449,730	212,661,205
OPERATING MARGIN	\$6,979,981	\$6,753,620	\$18,253,795
FINANCING			
NET INTEREST EXPENSE/(INCOME)	565,447	1,050,000	700,000
CHANGE IN NET POSITION	\$6,414,534	\$5,703,620	\$17,553,795
Net Position at the beginning of period	(\$3,333,642)	(\$3,333,642)	\$2,369,978
Net Position at the end of period	\$3,080,892	\$2,369,978	\$19,923,773
Repaid to Member Agencies			504,017
Repaid to Line of Credit (JP Morgan)			5,000,000
Total Outflows - Board Approval			218,865,222

5/25/22

Item 8: Proposed FY 2023/24 Budget

- Community Advisory Committee Recommendations for Consideration:
 - Community Solar/Feed-in-Tariff Program
 - Home Electrification Program
 - Grant Writer
- Staff Recommendation
 - Board direct staff develop specific program and budget request and bring to Board for approval during FY 23/24

Item 8: Proposed FY 2023/24 Budget

- Next Step
 - June 29, 2023 Regular Board Meeting – Budget Adoption

Questions/Discussion

Item 9: Employee Handbook, Drug & Alcohol Policy and Employee Benefits

Item 9: Proposed Employee Benefits

- Recommendation:
 - Approve CEA Employee Handbook.
 - Approve CEA Drug and Alcohol Policy
 - Approve CEA Employee Benefits Policy

Item 9: Proposed Employee Benefits

- Employee Handbook
 - Based on existing best practices
 - Current labor laws
 - General Counsel review
- Drug & Alcohol Policy
 - Based on current labor laws
 - Existing Best Practices
 - General Counsel Review

Item 9: Proposed Employee Benefits

- Staff Recommendation Based on Survey:
 - Member City Benefit Packages
 - San Diego Community Power
 - Similar CCAs throughout state

Item 9: Proposed Employee Benefits

- Proposed comprehensive benefits plan including:
 - Medical Insurance
 - Up to 3 options
 - Dental Insurance
 - Vision Insurance
 - Recommend CEA offer pay 100% Employee and 50% Dependent premiums

Item 9: Proposed Employee Benefits

- Other Benefits:
 - Basic Life Insurance (with option for employee-paid supplemental)
 - Long-term Disability Insurance
 - Retirement
 - Social Security (Employer and Employee contribution)
 - Not PERS Agency – no long-term liability
 - 457(b) Employee Contribution to IRS Maximum
 - 401(a) Employer Contribution
 - Match up to 5% of 457 Employee Contribution
 - Employer 5% Contribution regardless of Employee Contribution

Item 9: Proposed Employee Benefits

- Paid-Time Off
 - Vacation
 - Upon Hire – 15 days per year
 - Year 3 – 6 – 20 days per year
 - Year 7 & after – 25 days per year
 - Sick – 8 hours per month/maximum 144 hours accrual
 - Holidays – 10 defined days and Winter Break (December 24 to December 31)
- Tech Allowance
 - Company-provided standard equipment
 - \$100/month allowance for cell phone, internet, etc.
- Remote Work Allowance
 - To be defined at a later time

Item 9: Proposed Employee Benefits

- Cost Estimate:
 - Costs will vary depending on each Employee's dependent coverage and employee salary (for retirement contribution calculation).
- Examples:
 - Executive: range of \$40,000 - \$55,000 per year
 - Analyst: range of \$25,000 - \$40,000 per year

Questions/Discussion