

**CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE
REQUEST FOR COMMITTEE ACTION**

Date Submitted: March 16, 2015

Meeting Date: March 24, 2015

To: Utility Financial Oversight Committee

From: Darren Schulz, Director of Public Works

Subject Title: For Possible Action: Review and discussion of the proposed Storm Water Fund budget and its compliance with adopted financial policies, with possible action to provide recommendations to the Board of Supervisors.

Staff Summary: The Committee will review the proposed Fiscal Year 2016 budget, for compliance with financial policies for Enterprise Funds and make recommendations to the Board of Supervisors.

Type of Action Requested: (check one)

- () None – Informational Only
- (X) Formal Action/Motion

Recommended Commission Action: I move to recommend to the Board of Supervisors, approval of the Storm Water Fund budget for Fiscal Year 2016. The Committee recognizes it is not consistent with the adopted financial policies because the one-time rate increase was not developed to meet the financial policies.

Explanation for Recommended Commission Action: The Storm Water Fund is funded through Storm Water fees but was not part of the 5 year phase in plan that is associated with water and sewer funds. Due to a lack of continued annual rate increases and a relatively small fund amount, the Storm Water Fund cannot achieve the defined financial goals.

Applicable Statute, Code, Policy, Rule or Regulation: NA

Fiscal Impact: Budget as required

Alternatives: NA

Supporting Material:

- Budget Model, Storm Water
- Fiscal Summary for Enterprise Funds, Storm Water
- Budget Preparation Worksheet, Storm Water
- Capital Improvement Plan, Storm Water

Prepared By: David Bruketta, Utility Manager

Reviewed By:

ALM Brubetta
(Utility Manager)

Date: 3/16/15

[Signature]
(Public Works Director)

Date: 3/16/15

Joseph L. Ward Jr.
(District Attorney)

Date: 3/16/15

Michael A. Pulito
(Finance Director)

Date: 3/16/15

Committee Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

_____ (Vote Recorded By)

**Budget Model
Fund 505 - Stormwater**

	2014-15 Budget	2014-15 Projected	2015-16 3rd Year	2016-17 4th Year	2017-18 5th Year	2018-19	2019-20
Operating - Beginning Balance - June 30	669	669	78,435	91,080	155,775	191,880	196,920
Operating Revenue							
Rate Revenue	1,359,817	1,394,958	1,401,933	1,488,562	1,584,562	1,680,562	1,776,562
Other Revenue	-	-	-	-	-	-	-
Interest Income	500	500	500	500	500	500	500
Total Operating Revenue	1,360,317	1,395,458	1,402,433	1,489,062	1,585,062	1,681,062	1,777,062
Operating Expenditures							
Salaries & Benefits	192,692	189,383	198,665	204,625	210,764	217,087	223,600
Service & Supplies	446,798	446,798	540,009	553,509	567,347	581,531	596,069
Other Expenditures	-	-	-	-	-	-	-
Transfer to Capital	642,656	681,511	651,114	666,233	770,846	877,404	952,173
Rate Funded System Reinvestment	-	-	-	-	-	-	-
Total Operating Expenditures	1,282,146	1,317,692	1,389,788	1,424,367	1,548,957	1,676,022	1,771,842
Net Income (Loss)	78,171	77,766	12,645	64,695	36,105	5,040	5,220
Operating - Ending Balance	78,840	78,435	91,080	155,775	191,880	196,920	202,140
Capital - Beginning Balance - June 30	0	0	20,666	109,666	469,165	202,134	345,198
plus: Grants/Developer Contributions	-	-	-	-	-	-	-
plus: Bond Proceeds	580,000	580,000	533,000	887,000	-	-	3,580,000
plus: Interest Income	-	-	-	-	-	-	-
plus: Transfer from Operating	642,656	681,511	651,114	666,233	770,846	877,404	952,173
less: Debt Service	453,199	517,456	561,115	596,734	637,877	684,340	637,674
less: Bond Issuance Costs	55,439	56,189	1,000	-	-	-	100,000
less: Capital Projects	563,637	667,200	533,000	597,000	400,000	50,000	3,785,000
Capital - Ending Balance	150,381	20,666	109,666	469,165	202,134	345,198	354,697
TOTAL CASH BALANCE	229,221	99,101	200,746	624,940	394,014	542,118	556,837
FINANCIAL STABILIZATION POLICY							
Projected Reserve Amounts							
Operating Reserve	78,840	78,435	91,080	155,775	191,880	196,920	202,140
Capital Project Reserve	150,381	20,666	109,666	469,165	202,134	345,198	354,697
Debt Proceeds Reserve	-	-	-	-	-	-	-
Emergency Reserve	-	-	-	-	-	-	-
System Replacement Reserve	-	-	-	-	-	-	-
Established Goals for Reserve Amounts							
Operating Reserve - 90 days, minimum 45 days	157,680	156,870	182,160	186,930	191,880	196,920	202,140
Capital Project Reserve - 2% of fixed assets original costs	176,444	176,444	176,444	176,444	176,444	176,444	176,444
Debt Proceeds Reserve - unspent debt proceeds and related interest earnings	-	-	-	-	-	-	-
Emergency Reserve - \$75,000, minimum \$50,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
System Replacement Reserve - annual depreciation	334,404	268,500	246,000	246,000	246,000	246,000	246,000
Projected Percentage of Goal Attained							
Operating Reserve	50%	50%	50%	83%	100%	100%	100%
Capital Project Reserve	85%	12%	62%	266%	115%	196%	201%
Debt Proceeds Reserve - unspent debt proceeds and related interest earnings	-	-	-	-	-	-	-
Emergency Reserve - \$75,000, minimum \$50,000	0%	0%	0%	0%	0%	0%	0%
System Replacement Reserve - annual depreciation	0%	0%	0%	0%	0%	0%	0%

FISCAL SUMMARY FOR ENTERPRISE FUNDS

Department Name: Stormwater Drainage Fund					
Department Number: 505-3702					
	2013-2014	2014-15	2015-16	% Change	\$ Change
	Actual	Estimated	Proposed	Budget	Budget
REVENUE					
Charges for Services	\$ 1,333,434	\$ 1,394,958	\$ 1,401,933	0.50%	\$ 6,975
Intergovernmental	80,123	-	-	0.00%	-
Non-Operating Income	597	500	500	0.00%	-
TOTAL	\$ 1,414,154	\$ 1,395,458	\$ 1,402,433	0.50%	\$ 6,975
EXPENDITURE					
Salary	\$ 182,335	\$ 132,580	\$ 138,064	4.14%	\$ 5,484
Benefits	77,879	65,184	69,820	7.11%	4,636
Service & Supplies	574,146	446,798	540,009	20.86%	93,211
Depreciation	267,687	268,500	246,000	-8.38%	(22,500)
Bond Interest	180,262	116,956	133,215	13.90%	16,259
Other	14,399	56,189	1,000	-98.22%	(55,189)
Operating Transfers Out	1,307	-	-	0.00%	-
TOTAL	\$ 1,298,015	\$ 1,086,207	\$ 1,128,108	3.86%	\$ 41,901
NET INCOME (LOSS)	\$ 116,139	\$ 309,251	\$ 274,325	-11.29%	\$ (34,926)
BOND PROCEEDS					
Bond Proceeds	\$ -	\$ 580,000	\$ 533,000	-8.10%	\$ (47,000)
Capital Outlay	\$ 250,583	\$ 667,200	\$ 533,000	-20.11%	\$ (134,200)
Bond Principal Payments	\$ 365,800	\$ 400,500	\$ 427,900	6.84%	\$ 27,400
Cash Balance - June 30	\$ 669	\$ 99,101	\$ 200,745		
FTE					
	2.30	2.30	2.30		

BUDGET PRERARATION WORKSHEET Item 8: Budget Preparation Worksheet, Storm Water - Page 1 of 4
 FOR FISCAL YEAR 2016
 FUND 505 STORMWATER

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY2013 ACTUALS	FY2014 ACTUALS	FY2015 ADJUSTED BUDGET	FY2015 YTD ACTUAL	FY2015 ESTIMATED	FY2016 TENTATIVE
REVENUES							
INTERGOVERNMENTAL							
FEDERAL GOVERNMENT GRANTS							
505-0000-331.56-50	PUBLIC ASSISTANCE GRANT	885	4,681	-	-	-	-
505-0000-331.94-75	DIESEL STREET SWEEPER	-	75,442	-	-	-	-
* FEDERAL GOVERNMENT GRANTS		885	80,123	-	-	-	-
** INTERGOVERNMENTAL		885	80,123	-	-	-	-
PROPRIETARY REVENUES							
USER FEES AND CHARGES							
505-0000-370.01-00	SERVICE CHARGES	1,169,115	1,333,434	1,359,817	650,524	1,394,958	1,401,933
* USER FEES AND CHARGES		1,169,115	1,333,434	1,359,817	650,524	1,394,958	1,401,933
INTEREST EARNED							
505-0000-377.02-00	INTEREST INCOME	2,310	302	500	100	500	500
505-0000-377.03-00	NET INC IN FAIR VALUE INV	(2,185)	295	-	-	-	-
* INTEREST EARNED		125	597	500	100	500	500
** PROPRIETARY REVENUES		1,169,240	1,334,031	1,360,317	650,624	1,395,458	1,402,433
OTHER FINANCING SOURCES							
PROCEEDS OF GENL L-T LIAB							
505-0000-383.03-00	BOND PROCEEDS	-	-	580,000	3,597,633	580,000	533,000
* PROCEEDS OF GENL L-T LIAB		-	-	580,000	3,597,633	580,000	533,000
** OTHER FINANCING SOURCES		-	-	580,000	3,597,633	580,000	533,000
*** STORMWATER DRAINAGE		1,170,125	1,414,154	1,940,317	4,248,257	1,975,458	1,935,433
EXPENDITURES							
SALARIES AND WAGES							
505-3702-437.01-01	SALARIES	124,668	105,960	117,485	57,001	117,080	122,564
505-3702-437.01-06	MANAGEMENT LEAVE PAY	419	497	-	120	-	-
505-3702-437.01-07	ANNUAL LEAVE PAYOFF	1,083	1,668	-	-	-	-
505-3702-437.01-08	SICK LEAVE PAYOFF	(198)	66,244	-	-	-	-
505-3702-437.01-09	WORKERS' COMPENSATORY LV	(1,762)	1,464	-	159	-	-
505-3702-437.01-11	OVERTIME	10,799	3,672	8,000	2,818	8,000	8,000
505-3702-437.01-12	CALL BACK PAY	949	780	2,500	67	2,500	2,500

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY2013 ACTUALS	FY2014 ACTUALS	FY2015 ADJUSTED BUDGET	FY2015 YTD ACTUAL	FY2015 ESTIMATED	FY2016 TENTATIVE
505-3702-437.01-13	STAND-BY PAY	4,066	1,740	5,000	786	5,000	5,000
505-3702-437.01-14	FLSA	59	52	-	34	-	-
505-3702-437.01-16	HOLIDAY PAY	506	258	-	189	-	-
* Salaries and Wages		140,589	182,335	132,985	61,174	132,580	138,064
EMPLOYEE BENEFITS							
505-3702-437.02-25	MEDICARE	1,885	1,564	1,799	836	1,872	1,887
505-3702-437.02-30	RETIREMENT	27,691	24,546	25,502	11,652	25,636	28,789
505-3702-437.02-40	GROUP INSURANCE	34,582	27,383	28,748	12,140	25,619	26,252
505-3702-437.02-50	WORKERS' COMPENSATION	1,597	1,261	1,286	379	1,289	1,286
505-3702-437.02-65	CLOTHING ALLOWANCE	2,016	1,698	2,000	1,185	2,000	2,000
505-3702-437.02-66	FOUL WEATHER ALLOWANCE	398	323	323	323	323	323
505-3702-437.02-71	PHONE ALLOWANCE	48	48	49	24	49	49
505-3702-437.02-72	MOBILE DEVICE ALLOWANCE	-	3	-	7	15	15
505-3702-437.02-86	OPEB COST	7,132	21,053	8,381	-	8,381	9,219
* EMPLOYEE BENEFITS		75,349	77,879	68,088	26,546	65,184	69,820
SERVICE AND SUPPLIES							
505-3702-437.03-09	PROFESSIONAL SERVICES	75,934	49,778	-	4,189	-	22,000
505-3702-437.03-12	AUDITING FEES	1,003	1,219	1,200	826	1,200	1,200
505-3702-437.03-30	TRAINING	935	20	2,500	-	2,500	2,500
505-3702-437.03-62	UNEMPLOYMENT COMPENSATION	-	2,646	-	-	-	-
505-3702-437.04-33	SOFTWARE MAINTENANCE	2,000	-	2,000	-	2,000	2,000
505-3702-437.04-35	VEHICLE REPAIR & MAINT	149	1,267	5,000	480	5,000	5,000
505-3702-437.04-45	EQUIPMENT RENTAL	-	-	2,000	-	2,000	2,000
505-3702-437.04-46	FIRE SUPPRESSION	-	37,500	37,500	37,500	37,500	37,500
505-3702-437.04-47	CONTRIB TO TAHOE CONSERV	-	6,867	2,000	2,522	2,000	2,000
505-3702-437.05-80	TRAVEL	2,053	1,994	2,000	-	2,000	2,000
505-3702-437.06-01	OFFICE SUPPLIES	1,191	816	500	585	500	500
505-3702-437.06-02	POSTAGE / SHIPPING	8,419	9,124	9,000	3,789	9,000	9,000
505-3702-437.06-25	OPERATING SUPPLIES	16,889	18,689	25,000	9,149	23,251	25,000
505-3702-437.06-60	VEHICLE FUEL/OIL	12,032	5,975	10,000	3,789	10,000	10,000
505-3702-437.07-10	TELEPHONE	991	742	800	138	800	800
505-3702-437.09-01	ISC: GENERAL FUND	350,058	379,605	294,466	122,695	294,466	358,837
505-3702-437.09-15	INSURANCE	21,750	24,750	24,750	12,375	24,750	26,250
505-3702-437.09-20	ISC: SEWER FUND(S)	1,187	1,212	-	-	-	-
505-3702-437.09-24	ISC: WATER FUND	1,780	1,817	-	-	-	-
505-3702-437.09-50	FLEET	31,978	29,264	29,382	14,691	29,382	33,188
505-3702-437.09-55	RADIOS	-	861	449	225	449	234

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY2013 ACTUALS	FY2014 ACTUALS	FY2015 ADJUSTED BUDGET	FY2015 YTD ACTUAL	FY2015 ESTIMATED	FY2016 TENTATIVE
505-3702-500.50-00	CAPITALIZED ASSETS	(2,482)	(250,583)	-	-	-	-
* SERVICE AND SUPPLIES		525,867	323,563	448,547	212,953	446,798	540,009
	DEPRECIATION EXPENSE						
505-3702-437.44-65	DEPRECIATION EXPENSE	262,640	267,687	334,404	-	268,500	246,000
* DEPRECIATION EXPENSE		262,640	267,687	334,404	-	268,500	246,000
	NON-OPERATING EXPENSE						
505-3702-475.48-45	FISCAL CHARGES	250	250	250	866	1,000	1,000
505-3702-475.48-46	BOND ISSUANCE COSTS	7,319	97,100	-	55,189	55,189	-
* NON-OPERATING EXPENSE		7,569	97,350	250	56,055	56,189	1,000
	CAPITAL OUTLAY						
505-3702-437.70-70	LABOR	1,282	24,211	-	4,369	-	-
505-3702-437.77-50	HTE FIXED ASSETS	1,200	-	-	-	-	-
505-3702-437.77-75	EQUIPMENT	-	210,195	292,200	216,812	292,200	-
* CAPITAL OUTLAY		2,482	234,406	292,200	221,181	292,200	-
	OPERATING TRANSFERS OUT						
505-3702-491.72-83	GROUP MEDICAL FUND	-	1,307	-	-	-	-
505-3702-491.72-91	GRANT FUND	1,191	-	-	-	-	-
* OPERATING TRANSFERS OUT		1,191	1,307	-	-	-	-
** MAINTENANCE		1,015,687	1,184,527	1,276,474	577,909	1,261,451	994,893
	CAPITAL OUTLAY						
505-3705-437.70-40	CONSTRUCTION	-	4,500	375,000	90,606	375,000	533,000
505-3705-437.70-70	LABOR	-	11,677	-	1,585	-	-
* CAPITAL OUTLAY		-	16,177	375,000	92,191	375,000	533,000
	PRINCIPAL REDEMPTION						
505-3705-471.83-35	2012 MT REFUNDING	-	-	97,500	48,800	97,500	98,900
505-3705-471.83-50	2005 STORMWATER BONDS	-	-	280,000	-	280,000	290,000
505-3705-471.83-53	2014 Stormwater Refunding	-	-	-	-	23,000	39,000
* PRINCIPAL REDEMPTION		-	-	377,500	48,800	400,500	427,900
	INTEREST REDEMPTION						
505-3705-472.93-13	2013 STORMWATER BONDS	-	1,641	21,406	1,641	21,406	27,974
505-3705-472.93-35	2012 MT REFUNDING	15,187	14,030	9,426	5,248	9,426	7,582
505-3705-472.93-50	2005 STORMWATER BONDS	173,097	164,591	155,305	-	21,867	10,633
505-3705-472.93-51	2009 STORMWATER BONDS	(9,584)	-	-	-	-	-
505-3705-472.93-53	2014 Stormwater Refunding	-	-	-	-	64,257	87,026
* INTEREST REDEMPTION		178,700	180,262	186,137	6,889	116,956	133,215
** CAPITAL PROJECTS		178,700	196,439	938,637	147,880	892,456	1,094,115

FUND 505 STORMWATER

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY2013 ACTUALS	FY2014 ACTUALS	FY2015 ADJUSTED BUDGET	FY2015 YTD ACTUAL	FY2015 ESTIMATED	FY2016 TENTATIVE
***	STORMWATER DRAINAGE	1,194,387	1,380,966	2,215,111	725,789	2,153,907	2,089,008

FY 2016-20 Capital Improvement Plan, Storm Water							
Description	Fund	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Equipment	505	-	-	-	-	460,000	460,000
Citywide Minor Improvement Projects	505	50,000	50,000	50,000	50,000	450,000	650,000
Kings Canyon Channel Maintenance Project		-	-	-	-	-	-
W.Washington Pipe Improvements		125,000	-	-	-	-	125,000
WNC Storm Improvements & Vicee Basin Landscaping			-	-	-	-	-
Carson St - Downtown (E Fifth St to William)	505	340,000	-	-	-	-	340,000
Third St	505	-	-	-	-	-	-
Curry St	505	18,000	192,000	-	-	-	210,000
Carson St- North (Winnie-Freeway)	505	-	208,000	-	-	-	208,000
Carson St- South Central (E Fifth St - Fairview)	505	-	-	-	-	1,750,000	1,750,000
Carson St - South (Rhodes- Fairview)	505	-	-	-	-	1,125,000	1,125,000
William St - (Carson St-Freeway)	505	-	147,000	-	-	-	147,000
US 50 East - (Freeway - Fairview)	505	-	-	-	-	-	-
Kings Street Storm System Improvements	505	-	-	-	-	-	-
Voltaire Canyon Storm System Improvements	505	-	-	-	-	-	-
Lower Goni Water Quality Improvements	505	-	-	100,000	-	-	100,000
Goni Wash Sediment and Detention Basins	505	-	-	-	-	-	-
Empire Area Storm System Improvements	505	-	-	-	-	-	-
Lakeview Storm System Improvements	505	-	-	250,000	-	-	250,000
Vicee Watershed Access Management	505	-	-	-	-	-	-
Stormwater Total		533,000	597,000	400,000	50,000	3,785,000	5,365,000