

**City of Carson City
Agenda Report**

Date Submitted: April 11, 2014

Agenda Date Requested: April 24, 2014

Time Requested: 5 Minutes

To: Mayor and Supervisors

From: Public Works

Subject Title: For Possible Action: Report of the Utility Financial Oversight Committee.
(Andrew Burnham)

Staff Summary: The Utility Financial Oversight Committee met on March 25, 2014 to review proposed budgets for the Water, Sewer, and Stormwater funds for FY 2014/2015 and recommended approval of the budgets based on meeting adopted financial policies as adopted by the Board of Supervisors.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☐ Formal Action/Motion

☒ Other (No Action –Presentation only)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to accept the report of the Utility Financial Oversight Committee from their meeting of March 25, 2014.

Explanation for Recommended Board Action: The Utility Financial Oversight Committee met on March 25, 2014 and had 5 possible action items on their agenda. The first item (#6) was a review of water and sewer connection fees. The committee recommends the Board reconsider increasing connection fee charges with consideration to existing or on-going developments which have already been approved. The committee passed this recommendation on a vote of 4-1.

The second item (#7) was to recommend that the Board approve the proposed Water budget for Fiscal Year 2014/2015 which is consistent with the financial goals as adopted recognizing the phased approach to meeting the goals as developed as part of the rate program. The committee passed this recommendation on a vote of 5-0.

The third item (#8A) was to recommend that the Board approve the proposed Sewer budget for Fiscal Year 2014/2015 which is consistent with the financial goals as adopted recognizing the phased approach to meeting the goals as developed as part of the rate program. The committee passed this recommendation on a vote of 5-0.

The fourth item (#8B) was a review of the possible use of sewer funds being utilized for the purchase of the Empire Ranch Golf Course. The committee took no action on this item indicating the issue was not under the purview of the committee.

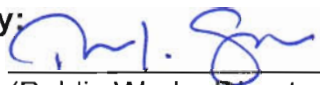
The fifth item (#9) was to recommend that the Board approve the proposed Stormwater budget for Fiscal Year 2014/2015. The committee passed this recommendation on a vote of 5-0.

Applicable Statute, Code, Policy, Rule or Regulation: Utility Financial Oversight Resolution

Fiscal Impact: na

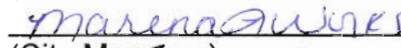
Prepared By: Andrew Burnham, Deputy Public Works Director

Reviewed By:



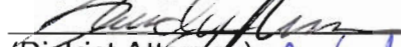
(Public Works Director)

Date: 4/17/14



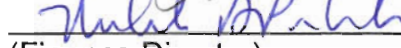
(City Manager)

Date: 4/16/14



(District Attorney)

Date: 4/16/14



(Finance Director)

Date: 4/16/14

Board Action Taken:

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

(Vote Recorded By)

Carson City Budget Presentation FY 2015 – Sewer, Water and Stormwater Drainage Funds

Nick Providenti
Finance Director



Sewer Fund

- Tentative Budget includes a 15% rate increase for capital projects effective July 1, 2014.
 - Salaries and benefits increased in FY 2015 due to COLA's, merits and transfers.
 - Services and supplies increased by \$180,746 in FY 2015.
 - Internal service charge / General Fund – increase of \$135,000.
 - Chemicals – increase of \$24,000.
 - Small tools/ instruments and furnishings – increase of \$18,000.
 - We included \$5,073,000 in capital outlay and are anticipating selling \$4.54 million in bonds to fund this capital in FY 2015.
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FISCAL SUMMARY FOR ENTERPRISE FUNDS

Department Name: Sewer Fund

Department Number: 510 and 515

	2012-13 Actual	2013-14 Estimated	2014-15 Proposed	% Change Budget	\$ Change Budget
REVENUE					
Charges for Services	\$ 7,466,053	\$ 8,312,131	\$ 9,744,210	17.23%	\$ 1,432,079
Non-Operating Income	13,514	19,793	19,232	-2.83%	(561)
Connection Fees	20,093	24,000	24,000	0.00%	-
Grant Revenue	6,296	344,766	1,600	-99.54%	(343,166)
TOTAL	\$ 7,505,956	\$ 8,700,690	\$ 9,789,042	12.51%	\$ 1,088,352
EXPENDITURE					
Salary	\$ 1,350,493	\$ 1,367,976	\$ 1,552,119	13.46%	\$ 184,143
Benefits	543,044	606,970	687,238	13.22%	80,268
Service & Supplies	3,335,690	3,297,330	3,477,806	5.47%	180,476
Depreciation	3,218,810	3,500,000	3,500,000	0.00%	-
Bond Interest	490,023	441,090	483,603	9.64%	42,513
Other	52,045	357,611	-	-100.00%	(357,611)
TOTAL	\$ 8,990,105	\$ 9,570,977	\$ 9,700,766	1.36%	\$ 129,789
NET INCOME (LOSS)	\$ (1,484,149)	\$ (870,287)	\$ 88,276	-110.14%	\$ 958,563
Bond Proceeds	\$ -	\$ 1,000,000	\$ 4,540,000	354.00%	\$ 3,540,000
Capital Outlay	\$ 260,338	\$ 4,267,124	\$ 5,073,000	18.89%	\$ 805,876
Bond Principal Payments	\$ 1,905,599	\$ 2,095,994	\$ 1,965,850	-6.21%	\$ (130,144)
Cash Balance - June 30	\$ 2,958,677	\$ 446,314	\$ 1,591,941		
FTE	21.85	22.95	23.75		

Water Fund

- Tentative Budget includes a 6.5% rate increase for capital projects effective July 1, 2014.
 - Salaries and benefits increased in FY 2015 due to COLA's, merits and promotions.
 - Services and supplies increased by \$82,400 in FY 2015.
 - Water purchase / Douglas County – increase of \$446,000.
Mostly offset by decrease in various other line items including power, equipment repair and maintenance, general fund internal service charge, and water meters and services.
 - We included \$2,440,000 in capital outlay and are anticipating selling \$1.86 million in bonds to fund this capital in FY 2015.
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FISCAL SUMMARY FOR ENTERPRISE FUNDS

Department Name: Water

Department Number: 520

	2012-13 Actual	2013-14 Estimated	2014-15 Proposed	% Change Budget	\$ Change Budget
REVENUE					
Charges for Services	\$ 12,609,227	\$ 13,245,497	\$ 14,264,998	7.70%	\$ 1,019,501
Non-Operating Income	190,281	16,803	15,691	-6.62%	(1,112)
Connection Fees	13,584	19,770	21,747	10.00%	1,977
Grant Revenue	464,145	1,076,667	590,908	-45.12%	(485,759)
TOTAL	\$ 13,277,237	\$ 14,358,737	\$ 14,893,344	3.72%	\$ 534,607
EXPENDITURE					
Salary	\$ 1,387,860	\$ 1,446,238	\$ 1,580,541	9.29%	\$ 134,303
Benefits	620,775	691,519	765,941	10.76%	74,422
Service & Supplies	4,586,837	5,217,947	5,300,393	1.58%	82,446
Depreciation	3,067,251	3,300,000	3,500,000	6.06%	200,000
Bond Interest	2,178,866	2,254,843	2,270,810	0.71%	15,967
Other	34,567	560,841	-	-100.00%	(560,841)
TOTAL	\$ 11,876,156	\$ 13,471,388	\$ 13,417,685	-0.40%	\$ (53,703)
NET INCOME (LOSS)	\$ 1,401,081	\$ 887,349	\$ 1,475,659	66.30%	\$ 588,310
Bond Proceeds	\$ -	\$ 4,527,092	\$ 1,860,000	-58.91%	\$ (2,667,092)
Capital Outlay	\$ 6,140,921	\$ 7,112,268	\$ 2,440,000	-65.69%	\$ (4,672,268)
Bond Principal Payments	\$ 1,773,784	\$ 2,373,287	\$ 3,007,588	26.73%	\$ 634,301
Cash Balance - June 30	\$ 3,260,485	\$ 3,037,915	\$ 4,493,966		
FTE	23.70	23.70	25.00		

Stormwater Drainage Fund

- Tentative Budget assumes a 3.79% increase in charges for services.
 - Services and supplies decreased by \$104,000 in FY 2015 mainly due to a decrease in professional services and the general fund internal service charge.
 - We have included \$667,200 in capital outlay and we are anticipating selling bonds to cover this capital cost.
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FISCAL SUMMARY FOR ENTERPRISE FUNDS

Department Name: Stormwater Drainage Fund

Department Number: 505-3702

	2012-2013 Actual	2013-14 Estimated	2014-15 Proposed	% Change Budget	\$ Change Budget
REVENUE					
Charges for Services	\$ 1,169,116	\$ 1,310,217	\$ 1,359,817	3.79%	\$ 49,600
Intergovernmental	885	75,000	-	-100.00%	(75,000)
Non-Operating Income	125	500	500	0.00%	-
TOTAL	\$ 1,170,126	\$ 1,385,717	\$ 1,360,317	-1.83%	\$ (25,400)
EXPENDITURE					
Salary	\$ 140,589	\$ 121,964	\$ 132,985	9.04%	\$ 11,021
Benefits	75,347	66,599	68,088	2.24%	1,489
Service & Supplies	528,349	552,502	448,797	-18.77%	(103,705)
Depreciation	262,640	266,639	334,404	25.41%	67,765
Bond Interest	178,700	176,009	186,137	5.75%	10,128
Other	7,569	98,000	-	-100.00%	(98,000)
Operating Transfers Out	1,191	1,307	-	-100.00%	(1,307)
TOTAL	\$ 1,194,385	\$ 1,283,020	\$ 1,170,411	-8.78%	\$ (112,609)
NET INCOME (LOSS)	\$ (24,259)	\$ 102,697	\$ 189,906	84.92%	\$ 87,209
Bond Proceeds	\$ -	\$ 194,593	\$ 580,000	198.06%	\$ 385,407
Capital Outlay	\$ 2,481	\$ 278,000	\$ 667,200	140.00%	\$ 389,200
Bond Principal Payments	\$ 329,842	\$ 365,800	\$ 377,500	3.20%	\$ 11,700
Cash Balance - June 30	\$ 17,342	\$ 28,041	\$ 96,032		
FTE	3.30	2.30	2.30		