

# Carson City Budget Presentation

## FY 2020 Proprietary Funds



# Enterprise Funds

- Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business and are financed primarily through user charges.
- Carson City has 6 enterprise funds:
  - 3 Utility: Wastewater, Water and Stormwater
  - Ambulance
  - Building Permits
  - Cemetery

# Utility Finance Oversight Committee (UFOC)

“Draft budgets for the Wastewater, Water, and Stormwater funds were presented at the March 26, 2019, Utility Finance Oversight Committee meeting. The UFOC unanimously approved each draft budget as being in substantial compliance with adopted financial policies and recommended approval to the Board of Supervisors. In particular, it was noted that the City has made great progress achieving the goal of complying with the adopted financial policies; however, program needs often exceed available funding and continued interest and support by the Board of Supervisors is needed.”

*-Chairperson Bennett*

# Budget Updates Since UFOC

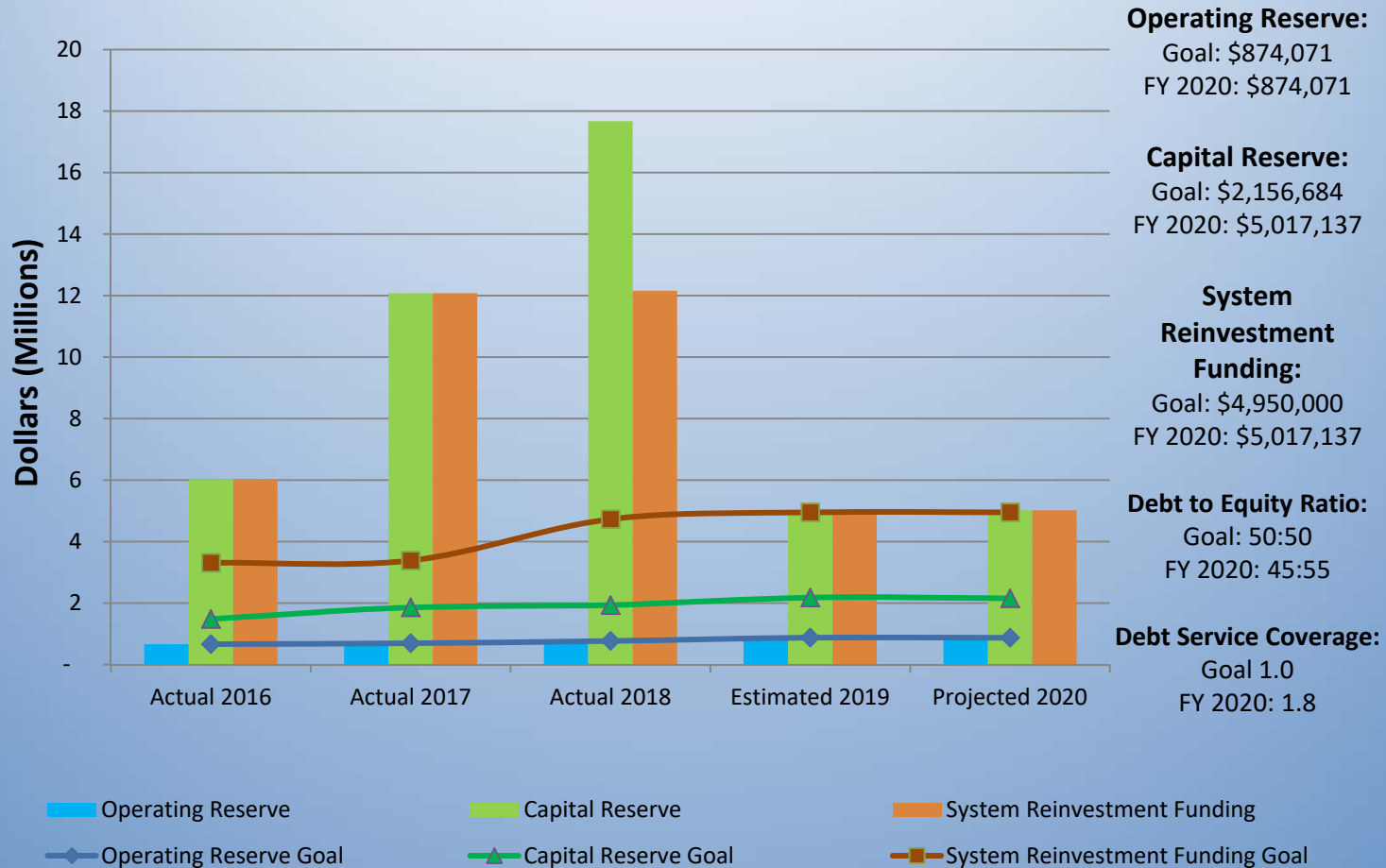
- Wastewater Utility Fund (formerly Sewer Fund)
  - Salaries increased \$10,434 (0.10 FTE error discovered)
  - Benefits decreased \$24,996 (reduction of Health Insurance)
  - Services & supplies decreased \$307,040 (discussed at UFOC)
  - Capital outlay increased \$299,000
- Water Utility Fund
  - Est. FY19 salaries & benefits increased \$11,321, (FTE Error)
  - FY2020 salaries increased \$8,476 (0.10 FTE – Supplemental)
  - Benefits decreased \$12,902 (reduction of Health Insurance)
  - Services and supplies decreased \$5,000
- Stormwater Utility Fund
  - Benefits decreased \$2,595 (reduction of Health Insurance)

# Wastewater Utility Fund

|                          | 2017-18<br>Actual    | 2018-19<br>Estimated | 2019-20<br>Proposed  | % Change<br>Budget | \$ Change<br>Budget   |
|--------------------------|----------------------|----------------------|----------------------|--------------------|-----------------------|
| <b>REVENUE</b>           |                      |                      |                      |                    |                       |
| Charges for Services     | \$ 15,131,864        | \$ 14,992,914        | \$ 14,910,458        | -0.55%             | \$ (82,456)           |
| Non-Operating Income     | 168,870              | 160,595              | 41,000               | -74.47%            | (119,595)             |
| Connection Fees          | 770,103              | 884,757              | 160,000              | -81.92%            | (724,757)             |
| Grant Revenue            | 1,464                | 327,026              | 1,550                | -99.53%            | (325,476)             |
| <b>TOTAL</b>             | <b>\$ 16,072,301</b> | <b>\$ 16,365,292</b> | <b>\$ 15,113,008</b> | <b>-7.65%</b>      | <b>\$ (1,252,284)</b> |
| <b>EXPENDITURE</b>       |                      |                      |                      |                    |                       |
| Salary                   | \$ 1,641,850         | \$ 1,656,405         | \$ 1,787,202         | 7.90%              | \$ 130,797            |
| Benefits                 | 1,064,284            | 1,129,220            | 1,235,924            | 9.45%              | 106,703               |
| Service & Supplies       | 3,907,354            | 4,731,282            | 4,500,943            | -4.87%             | (230,339)             |
| Depreciation             | 4,728,685            | 4,950,000            | 4,950,000            | 0.00%              | -                     |
| Bond Interest            | 1,475,714            | 1,518,656            | 1,428,580            | -5.93%             | (90,076)              |
| Other                    | 285,692              | 1,500                | 1,500                | 0.00%              | -                     |
| <b>TOTAL</b>             | <b>\$ 13,103,579</b> | <b>\$ 13,987,063</b> | <b>\$ 13,904,149</b> | <b>-0.59%</b>      | <b>\$ (82,915)</b>    |
| <b>NET INCOME (LOSS)</b> | <b>\$ 2,968,722</b>  | <b>\$ 2,378,229</b>  | <b>\$ 1,208,859</b>  | <b>-49.17%</b>     | <b>\$ (1,169,369)</b> |
|                          |                      |                      |                      |                    |                       |
| Bond Proceeds            | \$ 10,224,938        | \$ -                 | \$ -                 | 0.00%              | \$ -                  |
| Capital Outlay           | \$ 8,272,843         | \$ 17,292,487        | \$ 3,719,750         | -78.49%            | \$ (13,572,737)       |
| Bond Principal Payments  | \$ 2,752,580         | \$ 3,059,120         | \$ 2,810,835         | -8.12%             | \$ (248,285)          |
| Cash Balance - June 30   | \$ 18,438,227        | \$ 5,828,549         | \$ 5,891,208         |                    |                       |
|                          |                      |                      |                      |                    |                       |
| FTE                      | 23.55                | 23.45                | 23.80                |                    |                       |

# Wastewater Utility Fund – Financial Policies

## Wastewater Operating and System Reserves



# Water Utility Fund

|                          | 2017-18              | 2018-19              | 2019-20              | % Change       | \$ Change             |
|--------------------------|----------------------|----------------------|----------------------|----------------|-----------------------|
|                          | Actual               | Estimated            | Proposed             | Budget         | Budget                |
| <b>REVENUE</b>           |                      |                      |                      |                |                       |
| Charges for Services     | \$ 15,920,047        | \$ 16,339,271        | \$ 16,292,873        | -0.28%         | \$ (46,398)           |
| Non-Operating Income     | 292,156              | 63,700               | 30,000               | -52.90%        | (33,700)              |
| Connection Fees          | 249,664              | 505,126              | 201,867              | -60.04%        | (303,259)             |
| Grant Revenue            | 349,277              | 1,479,559            | 349,277              | -76.39%        | (1,130,282)           |
| <b>TOTAL</b>             | <b>\$ 16,811,144</b> | <b>\$ 18,387,656</b> | <b>\$ 16,874,017</b> | <b>-8.23%</b>  | <b>\$ (1,513,639)</b> |
| <b>EXPENDITURE</b>       |                      |                      |                      |                |                       |
| Salary                   | \$ 1,675,034         | \$ 1,768,973         | \$ 1,921,191         | 8.60%          | \$ 152,218            |
| Benefits                 | 1,239,505            | 1,350,580            | 1,398,960            | 3.58%          | 48,380                |
| Service & Supplies       | 5,106,110            | 5,221,160            | 5,524,309            | 5.81%          | 303,149               |
| Depreciation             | 3,283,296            | 3,500,000            | 3,500,000            | 0.00%          | -                     |
| Bond Interest            | 1,960,200            | 2,230,159            | 2,331,154            | 4.53%          | 100,995               |
| Other                    | 47,852               | 315,785              | 2,000                | -99.37%        | (313,785)             |
| <b>TOTAL</b>             | <b>\$ 13,311,997</b> | <b>\$ 14,386,657</b> | <b>\$ 14,677,614</b> | <b>2.02%</b>   | <b>\$ 290,957</b>     |
| <b>NET INCOME (LOSS)</b> | <b>\$ 3,499,147</b>  | <b>\$ 4,000,999</b>  | <b>\$ 2,196,403</b>  | <b>-45.10%</b> | <b>\$ (1,804,596)</b> |
|                          |                      |                      |                      |                |                       |
| Bond Proceeds            | \$ -                 | \$ 17,791,465        | \$ -                 | -100.00%       | \$ (17,791,465)       |
| Capital Outlay           | \$ 588,058           | \$ 14,134,841        | \$ 3,247,896         | -77.02%        | \$ (10,886,945)       |
| Bond Principal Payments  | \$ 3,366,154         | \$ 3,461,910         | \$ 13,667,623        | 294.80%        | \$ 10,205,713         |
| Cash Balance - June 30   | \$ 7,330,883         | \$ 15,556,596        | \$ 4,867,480         |                |                       |
|                          |                      |                      |                      |                |                       |
| <b>FTE</b>               | <b>25.30</b>         | <b>25.85</b>         | <b>25.45</b>         |                |                       |

# Water Utility Fund – Financial Policies

## Water Operating and System Reserves



**Operating Reserve:**  
 Goal: \$1,366,761  
 FY 2020: \$1,366,761

**Capital Reserve:**  
 Goal: \$2,166,894  
 FY 2020: \$3,500,719

**System Reinvestment Funding:**  
 Goal: \$3,500,000  
 FY 2020: \$3,500,719

**Debt to Equity Ratio:**  
 Goal: 50:50  
 FY 2020: 52:48

**Debt Service Coverage:**  
 Goal 1.0  
 FY 2020: 1.3

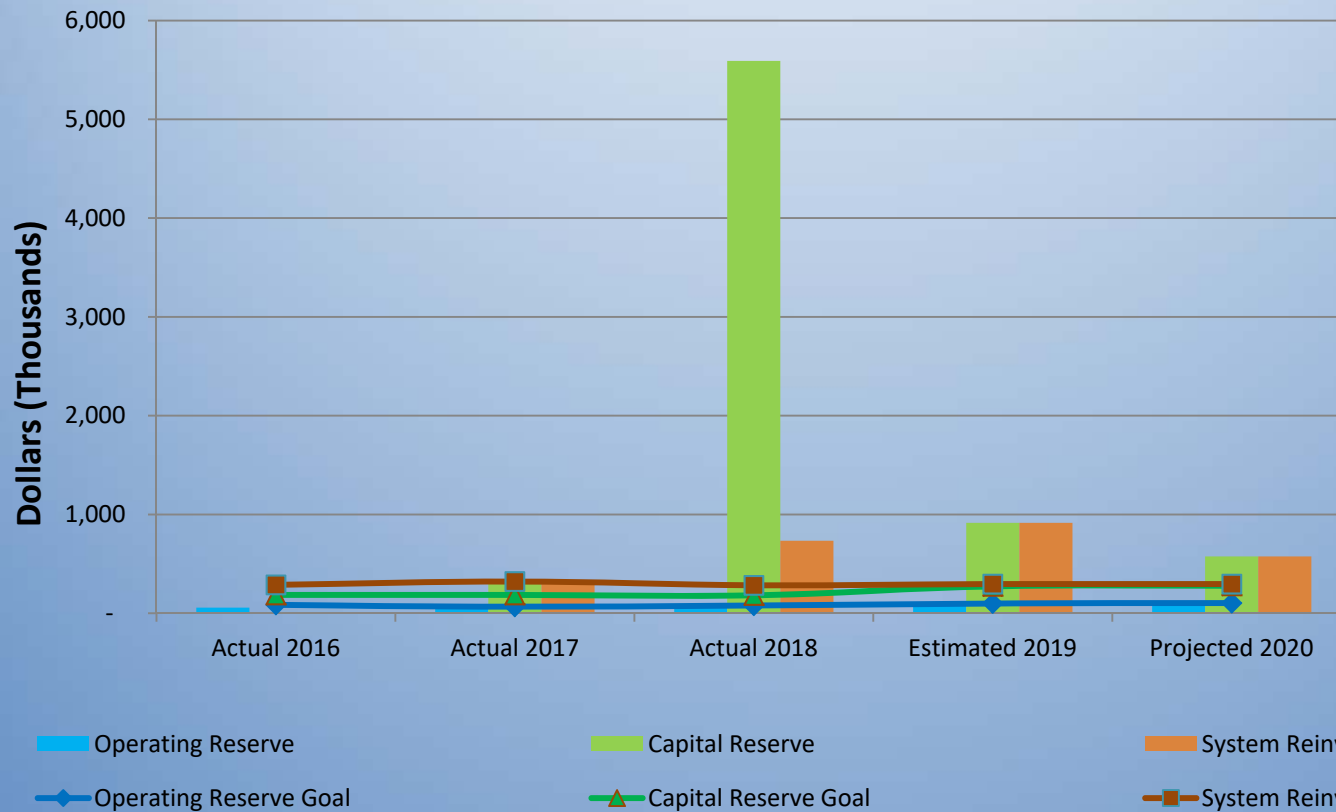


# Stormwater Utility Fund

|                          | 2017-18<br>Actual   | 2018-19<br>Estimated | 2019-20<br>Proposed | % Change<br>Budget | \$ Change<br>Budget |
|--------------------------|---------------------|----------------------|---------------------|--------------------|---------------------|
| <b>REVENUE</b>           |                     |                      |                     |                    |                     |
| Charges for Services     | \$ 1,707,494        | \$ 1,808,405         | \$ 1,808,405        | 0.00%              | \$ -                |
| Non-Operating Income     | 43,855              | 43,000               | 1,500               | -96.51%            | (41,500)            |
| <b>TOTAL</b>             | <b>\$ 1,751,349</b> | <b>\$ 1,851,405</b>  | <b>\$ 1,809,905</b> | <b>-2.24%</b>      | <b>\$ (41,500)</b>  |
| <b>EXPENDITURE</b>       |                     |                      |                     |                    |                     |
| Salary                   | \$ 130,779          | \$ 150,808           | \$ 161,597          | 7.15%              | \$ 10,789           |
| Benefits                 | 84,381              | 99,006               | 106,465             | 7.53%              | 7,459               |
| Service & Supplies       | 435,538             | 584,431              | 600,308             | 2.72%              | 15,877              |
| Depreciation             | 283,268             | 295,000              | 295,000             | 0.00%              | -                   |
| Bond Interest            | 164,351             | 296,716              | 283,450             | -4.47%             | (13,266)            |
| Other                    | 227,134             | -                    | -                   | 0.00%              | -                   |
| <b>TOTAL</b>             | <b>\$ 1,325,451</b> | <b>\$ 1,425,961</b>  | <b>\$ 1,446,820</b> | <b>1.46%</b>       | <b>\$ 20,859</b>    |
| <b>NET INCOME (LOSS)</b> | <b>\$ 425,898</b>   | <b>\$ 425,444</b>    | <b>\$ 363,085</b>   | <b>-14.66%</b>     | <b>\$ (62,359)</b>  |
|                          |                     |                      |                     |                    |                     |
| Bond Proceeds            | \$ 5,113,503        | \$ -                 | \$ -                | 0.00%              | \$ -                |
| Capital Outlay           | \$ 48,214           | \$ 4,891,344         | \$ 555,000          | -88.65%            | \$ (4,336,344)      |
| Bond Principal Payments  | \$ 497,522          | \$ 510,202           | \$ 468,800          | -8.11%             | \$ (41,402)         |
| Cash Balance - June 30   | \$ 5,668,838        | \$ 1,015,483         | \$ 678,903          |                    |                     |
|                          |                     |                      |                     |                    |                     |
| FTE                      | 2.30                | 2.35                 | 2.40                |                    |                     |

# Stormwater Utility Fund – Financial Policies

## Stormwater Utility Operating and System Reserves



### Operating Reserve:

Goal: \$103,467

FY 2020: \$103,467

### Capital Reserve:

Goal: \$278,131

FY 2020: \$575,436

### System Reinvestment Funding:

Goal: \$295,000

FY 2020: \$575,436

### Debt to Equity Ratio:

Goal: 50:50

FY 2020: **56:44**

### Debt Service Coverage:

Goal 1.0

FY 2020: 1.2

Ambulance Fund – used to account for the operations of the Ambulance Service provided by the Carson City Fire Department.

|                          | 2017-18<br>Actual   | 2018-19<br>Estimated  | 2019-20<br>Proposed | % Change<br>Budget | \$ Change<br>Budget   |
|--------------------------|---------------------|-----------------------|---------------------|--------------------|-----------------------|
| <b>REVENUE</b>           |                     |                       |                     |                    |                       |
| Charges for Services     | \$ 4,973,579        | \$ 4,975,258          | \$ 4,934,351        | -0.82%             | \$ (40,907)           |
| Non-Operating Income     | 82,577              | 57,123                | 25,000              | -56.23%            | (32,123)              |
| Transfers In             | 276,797             | -                     | -                   | 0.00%              | -                     |
| <b>TOTAL</b>             | <b>\$ 5,332,953</b> | <b>\$ 5,032,381</b>   | <b>\$ 4,959,351</b> | <b>-1.45%</b>      | <b>\$ (73,030)</b>    |
| <b>EXPENDITURE</b>       |                     |                       |                     |                    |                       |
| Salary                   | \$ 1,698,351        | \$ 1,747,165          | \$ 1,777,903        | 1.76%              | \$ 30,738             |
| Benefits                 | 1,636,818           | 1,762,337             | 1,917,563           | 8.81%              | 155,226               |
| Service & Supplies       | 1,042,068           | 977,250               | 1,045,880           | 7.02%              | 68,630                |
| Depreciation             | 94,898              | 55,000                | 100,000             | 81.82%             | 45,000                |
| Transfers Out            | 31,020              | 1,971,020             | 31,020              | -98.43%            | (1,940,000)           |
| <b>TOTAL</b>             | <b>\$ 4,503,155</b> | <b>\$ 6,512,773</b>   | <b>\$ 4,872,366</b> | <b>-25.19%</b>     | <b>\$ (1,640,406)</b> |
| <b>NET INCOME (LOSS)</b> | <b>\$ 829,798</b>   | <b>\$ (1,480,392)</b> | <b>\$ 86,985</b>    | <b>-105.88%</b>    | <b>\$ 1,567,376</b>   |
|                          |                     |                       |                     |                    |                       |
| Capital Outlay           | \$ 213,675          | \$ 60,000             | \$ 271,042          | 351.74%            | \$ 211,042            |
| Cash Balance - June 30   | \$ 2,065,225        | \$ 1,462,179          | \$ 2,180,966        |                    |                       |
|                          |                     |                       |                     |                    |                       |
| FTE                      | 22                  | 22.41                 | 22.41               |                    |                       |

Building Permits Fund – used to account for the revenues and expenses of the Building Permit Program.

|                               | 2017-18             | 2018-19             | 2019-20             | % Change        | \$ Change           |
|-------------------------------|---------------------|---------------------|---------------------|-----------------|---------------------|
|                               | Actual              | Estimated           | Proposed            | Budget          | Budget              |
| <b>REVENUE</b>                |                     |                     |                     |                 |                     |
| <b>Charges for Services</b>   | \$ 1,133,408        | \$ 1,709,911        | \$ 975,016          | -42.98%         | \$ (734,896)        |
| <b>Non-Operating Income</b>   | 5,263               | 7,500               | 5,000               | -33.33%         | (2,500)             |
| <b>TOTAL</b>                  | <b>\$ 1,138,671</b> | <b>\$ 1,717,411</b> | <b>\$ 980,016</b>   | <b>-42.94%</b>  | <b>\$ (737,396)</b> |
| <b>EXPENDITURE</b>            |                     |                     |                     |                 |                     |
| <b>Salary</b>                 | \$ 164,907          | \$ 163,157          | \$ 195,198          | 19.64%          | \$ 32,041           |
| <b>Benefits</b>               | 61,105              | 88,319              | 93,803              | 6.21%           | 5,484               |
| <b>Service &amp; Supplies</b> | 951,881             | 1,342,842           | 1,053,705           | -21.53%         | (289,138)           |
| <b>TOTAL</b>                  | <b>\$ 1,177,893</b> | <b>\$ 1,594,318</b> | <b>\$ 1,342,706</b> | <b>-15.78%</b>  | <b>\$ (251,613)</b> |
| <b>NET INCOME (LOSS)</b>      | <b>\$ (39,222)</b>  | <b>\$ 123,093</b>   | <b>\$ (362,690)</b> | <b>-394.65%</b> | <b>\$ (485,783)</b> |
| <b>Cash Balance - June 30</b> | <b>\$ 572,209</b>   | <b>\$ 715,152</b>   | <b>\$ 373,305</b>   |                 |                     |
|                               |                     |                     |                     |                 |                     |
| <b>Capital Outlay</b>         | \$ -                | \$ -                | \$ -                | 0.00%           | \$ -                |
|                               |                     |                     |                     |                 |                     |
| <b>FTE</b>                    | <b>1.95</b>         | <b>1.95</b>         | <b>1.95</b>         |                 |                     |

# Building Permit Fees – 2010 to Y-T-D

## Building Permit Fees FY 2010-2019



# Internal Service Funds

- Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis.
- Carson City has 4 internal service funds:
  - Group Medical Insurance Fund
  - Workers' Compensation Fund
  - Insurance Fund
  - Fleet Management Fund

Group Medical Insurance Fund – used to account for the funds collected from City departments, employees and retirees to provide health benefits. These benefits include medical, dental, vision and life insurance.

|                               | <b>2017-18</b>      | <b>2018-19</b>      | <b>2019-20</b>      | <b>% Change</b> | <b>\$ Change</b>   |
|-------------------------------|---------------------|---------------------|---------------------|-----------------|--------------------|
|                               | <b>Actual</b>       | <b>Estimated</b>    | <b>Proposed</b>     | <b>Budget</b>   | <b>Budget</b>      |
| <b>REVENUE</b>                |                     |                     |                     |                 |                    |
| <b>Charges for Services</b>   | \$ 8,767,878        | \$ 9,136,947        | \$ 9,216,370        | <b>0.87%</b>    | \$ 79,423          |
| <b>Non-Operating Income</b>   | 4,854               | 200                 | 200                 | <b>0.00%</b>    | -                  |
| <b>TOTAL</b>                  | <b>\$ 8,772,732</b> | <b>\$ 9,137,147</b> | <b>\$ 9,216,570</b> | <b>0.87%</b>    | <b>\$ 79,423</b>   |
| <b>EXPENDITURE</b>            |                     |                     |                     |                 |                    |
| <b>Salary</b>                 | \$ 208,292          | \$ 223,609          | \$ 251,661          | <b>12.55%</b>   | \$ 28,052          |
| <b>Benefits</b>               | 157,038             | 154,299             | 163,041             | <b>5.67%</b>    | 8,742              |
| <b>Service &amp; Supplies</b> | 8,549,995           | 8,583,171           | 8,721,112           | <b>1.61%</b>    | 137,941            |
| <b>TOTAL</b>                  | <b>\$ 8,915,325</b> | <b>\$ 8,961,079</b> | <b>\$ 9,135,814</b> | <b>1.95%</b>    | <b>\$ 174,735</b>  |
| <b>NET INCOME (LOSS)</b>      | <b>\$ (142,593)</b> | <b>\$ 176,068</b>   | <b>\$ 80,756</b>    | <b>-54.13%</b>  | <b>\$ (95,312)</b> |
| <b>Capital Outlay</b>         |                     |                     |                     |                 |                    |
| <b>Capital Outlay</b>         | \$ -                | \$ -                | \$ -                | <b>0.00%</b>    | \$ -               |
| <b>Cash Balance 6/30</b>      | \$ 15,192           | \$ 255,683          | \$ 404,003          |                 |                    |
| <b>FTE</b>                    | <b>2.80</b>         | <b>2.80</b>         | <b>2.80</b>         |                 |                    |

Workers' Compensation Fund – used to account for the funds collected from City departments to be expended for payment of claims, as required by law, to employees injured while at work.

|                               | 2017-18             | 2018-19             | 2019-20             | % Change       | \$ Change        |
|-------------------------------|---------------------|---------------------|---------------------|----------------|------------------|
|                               | Actual              | Estimated           | Proposed            | Budget         | Budget           |
| <b>REVENUE</b>                |                     |                     |                     |                |                  |
| <b>Charges for Services</b>   | \$ 957,329          | \$ 985,666          | \$ 1,084,232        | 10.00%         | \$ 98,567        |
| <b>Non-Operating Income</b>   | 52,619              | 32,344              | 30,000              | -7.25%         | (2,344)          |
| <b>TOTAL</b>                  | <b>\$ 1,009,948</b> | <b>\$ 1,018,010</b> | <b>\$ 1,114,232</b> | <b>9.45%</b>   | <b>\$ 96,223</b> |
| <b>EXPENDITURE</b>            |                     |                     |                     |                |                  |
| <b>Salary</b>                 | \$ 118,451          | \$ 116,628          | \$ 108,676          | -6.82%         | \$ (7,952)       |
| <b>Benefits</b>               | 98,646              | 106,255             | 97,040              | -8.67%         | (9,215)          |
| <b>Service &amp; Supplies</b> | 852,446             | 1,055,095           | 1,081,867           | 2.54%          | 26,772           |
| <b>Depreciation</b>           | 21,980              | 21,980              | 15,401              | -29.93%        | (6,579)          |
| <b>TOTAL</b>                  | <b>\$ 1,091,523</b> | <b>\$ 1,299,958</b> | <b>\$ 1,302,984</b> | <b>0.23%</b>   | <b>3,026</b>     |
| <b>NET INCOME (LOSS)</b>      | <b>\$ (81,575)</b>  | <b>\$ (281,948)</b> | <b>\$ (188,752)</b> | <b>-33.05%</b> | <b>\$ 93,197</b> |
| <b>Cash Balance - June 30</b> |                     |                     |                     |                |                  |
|                               | <b>\$ 3,085,889</b> | <b>\$ 2,872,397</b> | <b>\$ 2,747,846</b> |                |                  |
| <b>FTE</b>                    |                     |                     |                     |                |                  |
|                               | <b>1.15</b>         | <b>1.15</b>         | <b>1.15</b>         |                |                  |