


TRFMA Proposed Base Budget for Fiscal Year 2014

Budget Assumptions and Overview
March 8, 2013




Talking Points

- ▶ Budget schedule
- ▶ FY2014 Budget Assumptions
- ▶ General Fund – Base Budget
- ▶ Capital Projects Fund – Base Budget
- ▶ Questions




Budget Schedule

- ▶ Today – Base Budget Review
- ▶ April 12 – Tentative Budget
- ▶ April 15 – File Tentative Budget with State
- ▶ May 7 – Publish Notice of Public Hearing
- ▶ May 10 – Tentative Budget, final review
- ▶ May 16 – Public Hearing for Tentative Budget and Budget Adoption
- ▶ June 1 – File Final Budget with State



FY2014 Budget Assumptions

- ▶ Continue 5 Year Plan of Action
- ▶ Sales Tax Distribution +2.0%
- ▶ Staff budgeted at current levels
- ▶ Probable office relocation
 - New lease cost
 - Cost of move
 - New telephone system
- ▶ Computer replacements



FY2014 Budget Assumptions

5-Year Plan of Action, FY2014

- Complete engineering for LIP and LRP
- Continue with USACE process
- Complete rate study
- Public outreach on project
- Continue lobbying effort
- VSB continues
- Continue IRS Tax issue with home elevation
- Tracy Restoration project
- Flood warning system operation
- Train on and begin use of Regional Hydro Model

FY2014 Budget Assumptions

- ▶ Budgeting staff at current level
- ▶ Staffing in FTEs:

FY11	FY12	FY13	FY14
13	10	9	9

FY2014 Budget Assumptions

Probable Office Relocation

- Budgeting FY2014 move, but may be this year
- Lease cost is not known, but using current lease of \$60,000/year in budget
- Other Expenses includes \$35,000 for move
- Current telephone system is on last legs, will need replacement - not in budget, but estimated \$10,000-\$20,000

FY2014 Base Budget – General Fund

- ▶ Payroll Expenditures
 - Health insurance is flat
 - Employee salaries at current salary schedule
 - PERS is going up 2%

FY2014 Base Budget – General Fund

- ▶ Professional Services
 - Complete engineering and rate study contracts
 - Prepare for rate hearings
- ▶ Maintenance and Utilities down
- ▶ County Overhead will go down further
- ▶ Other Expenses

FY2014 Base Budget – General Fund

- ▶ Capital Purchases
 - Telephone system – not in budget
 - Replacement computers – not in budget

FY2014 Base Budget – General Fund

- ▶ Reserves
 - Operating Reserve
 - 25% of operating expenses
 - Emergency Repair & Replacement Reserve
 - 10% of replacement cost of uninsured capital structures
 - Long Term Capital Replacement Reserve
 - 15% of Total Assets
 - Insurance Reserve
 - To cover \$1,000,000 deductible

FY2014 Base Budget – General Fund

- ▶ Operating Reserve
 - Required – ¶606.C.1 .iii of JPA Interlocal Agreement
 - 25% of operating expenses
 - To be fully funded within 3 years of implementation of rates and fees
 - Currently fully funded
 - Budgeted to remain fully funded

FY2014 Base Budget – General Fund

- ▶ **Emergency Repair & Replacement Reserve**
 - Required – ¶606.C.1.ii of JPA Interlocal Agreement
 - 10% of replacement cost of uninsured capital structures
 - To be fully funded within 5 years of implementation of rates and fees
 - Currently funded at 5%, or half of required reserve
 - Budgeted to remain at 5% of replacement cost

FY2014 Base Budget – General Fund

- ▶ **Long-Term Capital Replacement Reserve**
 - Not required by ICA
 - Established by Board approval, FY12 budget
 - To be funded to 15% of Total Assets
 - To be used for asset replacement as needed
 - Currently funded at an estimated 3% of Total Assets
 - Budgeted to remain at 3% level

FY2014 Base Budget – General Fund

- ▶ **Insurance Reserve**
 - Not required by ICA
 - Established by Board approval, FY13 budget
 - To cover \$1,000,000 insurance deductible
 - \$250,000/year to be added to reserve until fully funded
 - Currently funded at \$250,000
 - Budgeted to be \$500,000

FY2014 Base Budget – General Fund

- ▶ **In summary:**
 - Revenue will cover
 - all expenditures
 - debt service payment to Washoe County
 - Revenue and fund balance will support the \$1,000,000 transfer to Capital Projects Fund
 - Ending fund balance estimated to be \$13.2 million
 - Review of 5 year cash flow to budget will be covered at April meeting

FY2014 Base Budget – Capital Projects Fund

- ▶ Tenant Relocation – Bristlecone
- ▶ Possible Hidden Valley Home Elevation Grants
- ▶ Completion of VSB Final Design
- ▶ Completion of Tracy Power Plant Restoration
- ▶ McCarran Reclaimed Water Stub-out

FY2014 Base Budget – Capital Projects Fund

- ▶ In summary:
 - All projects will be complete by year end
 - VSB Design
 - Tracy Power Plant Restoration
 - Bristlecone relocation
 - McCarran stub-out
 - Perhaps start funding Home Elevation Grants
 - Ending fund balance estimated to be \$35,028

Questions