

Enhanced Services Commission Report



Meeting Date: 11/13/13

Agenda Item Number: 4

SUBJECT: FY 13/14 CFD Operation and Maintenance Budget

COMMENTS: Attached is the Operation and Maintenance budget for FY13/14. As we are about a third of the way into this budget, we wanted to give you an update on where we are. Staff will give the current update at the commission meeting on Nov 13.

**Rio Salado Community Facilities District (CFD)
FY 2013/14 Operations and Maintenance Budget
Summary**

Operating Budget	
	<u>2013/14</u>
Administration/Project Management	\$400,200
Lake Operations	\$322,500
Water Quality Management	\$362,895
Security	\$340,300
Lake Surface, Shoreline Cleanup, and Landscaping	\$500,300
Electricity	\$275,000
Replacement Water	\$304,100
Equipment	\$55,000
Audit	\$1,000
Liability Insurance Premium	\$74,275
Contingencies (General, Chemical)	\$0
Total Operating Budget	<u>\$2,635,570</u>

Other Assessable Costs	
	<u>2013/14</u>
Infrastructure Replacement ¹	\$579,630
<p>¹ In addition to the proposed operating and capital budget, additional funding is required to create and maintain a reserve for the replacement of capital items located between seat wall-to-seat wall, dam-to-dam. This item will appear on the CFD annual financial statements as a reserve for capital replacement and will be an assessable cost to CFD property owners. The annual funding requirement for the replacement capital reserve is currently \$579,627.34, rounded to \$579,630.</p> <p>This infrastructure replacement cost was anticipated to change upon completion of a reserve study for capital asset replacement. The Rio Salado Enhanced Services Commission recommended that this reserve study be completed to ensure that an appropriate replacement reserve is accounted for in this budget.</p> <p>The infrastructure reserve budget will be modified each year based upon changes to replaced items during the previous year, and also based upon the annual western region CPI.</p>	

	<u>2013/14</u>
Operations and Maintenance Budget	\$3,215,200
Less Projected Revenues (permits, use fees)	<u>\$65,200</u>
Total Operations and Maintenance Budget	<u>\$3,150,000</u>



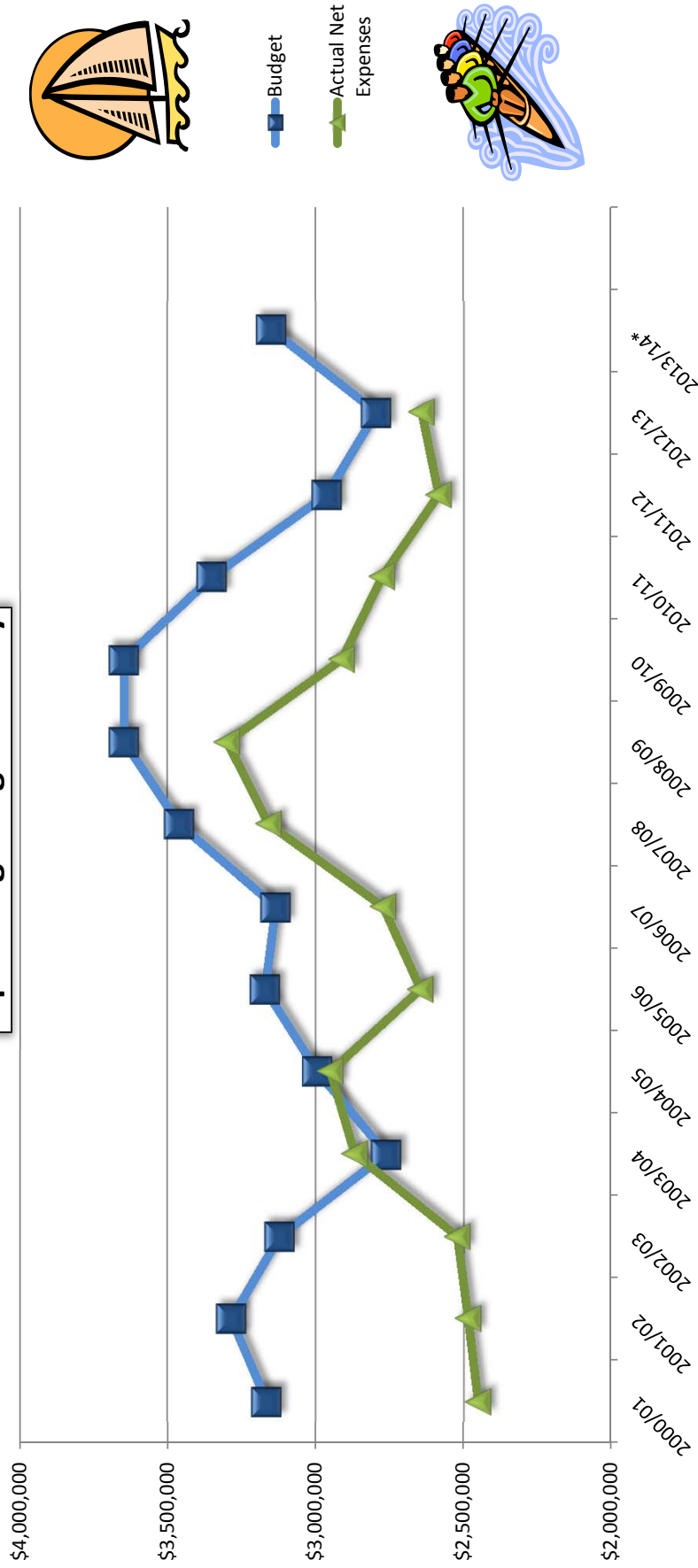
RIO SALADO COMMUNITY FACILITIES DISTRICT (CFD)



Operating Budget History

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14*
Operating Budget	\$3,165,993	\$3,284,711	\$3,121,599	\$2,762,100	\$2,995,000	\$3,170,700	\$3,135,000	\$3,460,000	\$3,646,000	\$3,646,000	\$3,350,400	\$2,962,675	\$2,796,095	\$3,150,000
Actual Net Expenses	\$2,452,561	\$2,486,005	\$2,522,521	\$2,868,650	\$2,950,680	\$2,646,922	\$2,773,022	\$3,158,306	\$3,299,258	\$2,912,310	\$2,776,817	\$2,585,532	\$2,643,092	
Annual Savings	\$713,432	\$798,706	\$599,078	-\$106,550	\$44,320	\$523,778	\$361,978	\$301,694	\$346,742	\$733,690	\$573,583	\$377,143	\$153,003	

Operating Budget History



Rio Salado Community Facilities District (CFD)

Operating Expense History

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 Budget	2013/14 Estimate*	% of budget
Administration/Project Management	\$440,242	\$419,919	\$430,653	\$411,469	\$364,977	\$395,840	\$418,860	\$413,775	\$450,000	\$480,000	\$481,000	\$400,121	\$396,394	\$370,800	\$400,200	\$166,750.00	41.7%
Lake Operations	\$338,490	\$313,899	\$268,212	\$243,221	\$352,424	\$344,678	\$273,765	\$417,849	\$357,670	\$263,149	\$293,018	\$327,721	\$260,192	\$264,846	\$322,500	\$63,477.76	19.7%
Water Quality Management	\$282,057	\$284,606	\$334,193	\$314,366	\$393,785	\$386,002	\$436,033	\$397,019	\$364,463	\$309,333	\$192,180	\$351,061	\$287,177	\$135,558	\$362,895	\$23,370.12	6.4%
Security	\$316,998	\$306,719	\$362,522	\$343,333	\$374,871	\$414,260	\$369,621	\$428,293	\$516,763	\$616,502	\$560,857	\$526,230	\$394,108	\$326,571	\$340,300	\$287,683.66	84.5%
Lake Surface, Shoreline Cleanup	\$134,097	\$155,138	\$112,230	\$191,432	\$260,177	\$302,688	\$365,895	\$376,736	\$461,502	\$548,079	\$513,933	\$382,657	\$415,280	\$402,726	\$500,300	\$81,650.22	16.3%
Electricity	\$310,102	\$305,600	\$306,377	\$273,684	\$261,233	\$189,066	\$194,353	\$121,362	\$209,805	\$171,280	\$226,402	\$146,926	\$183,815	\$245,285	\$275,000	\$107,696.94	39.2%
Replacement Water	\$11,567	\$137,335	\$93,974	\$158,052	\$265,513	\$320,897	\$19,232	\$0	\$123,763	\$286,792	\$1,634	\$38,776	\$96,362	\$330,380	\$304,100	\$1,599.37	0.5%
Equipment	\$78,069	\$46,610	\$48,038	\$51,900	\$59,500	\$59,300	\$59,300	\$103,194	\$165,942	\$90,500	\$94,400	\$46,466	\$40,660	\$51,000	\$55,000	\$22,916.67	41.7%
Audit	\$0	\$2,500	\$3,000	\$3,000	\$4,500	\$4,500	\$1,551	\$983	\$850	\$973	\$830	\$745	\$967	\$902	\$1,000	\$0.00	0.0%
Liability Insurance Premium	\$24,860	\$0	\$28,386	\$39,850	\$39,850	\$39,850	\$20,111	\$23,575	\$25,193	\$71,441	\$61,439	\$61,439	\$64,628	\$64,628	\$74,275	\$64,627.97	87.0%
Contingencies (General, Chemical)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	#DIV/0!
Total Operating Budget	\$1,936,482	\$1,972,327	\$1,987,584	\$2,030,307	\$2,376,829	\$2,456,881	\$2,158,721	\$2,282,784	\$2,675,951	\$2,818,049	\$2,425,693	\$2,282,142	\$2,129,484	\$2,192,696	\$2,635,570	\$819,732.71	31.1%
Infrastructure Replacement	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$531,000	\$579,630	\$193,210.00	33.3%
CFD Operations & Maintenance	\$2,467,482	\$2,503,327	\$2,518,584	\$2,561,307	\$2,907,829	\$2,987,881	\$2,689,721	\$2,813,784	\$3,206,951	\$3,349,049	\$2,956,693	\$2,813,142	\$2,660,484	\$2,723,696	\$3,215,200	\$1,012,942.71	31.5%
Less: Revenues (boat permits, use fees)	\$54,318	\$50,766	\$32,580	\$38,786	\$39,179	\$37,201	\$42,799	\$40,762	\$48,644	\$49,791	\$44,383	\$36,326	\$74,952	\$80,604	\$65,200	\$27,918.36	42.8%
Total CFD O&M Expenses	\$2,413,163	\$2,452,561	\$2,486,005	\$2,522,521	\$2,868,650	\$2,950,680	\$2,646,922	\$2,773,022	\$3,158,306	\$3,299,258	\$2,912,310	\$2,776,817	\$2,585,532	\$2,643,092	\$3,150,000	\$985,024.35	31.3%
Private Sector Assessments	\$112,695	\$114,615	\$138,340	\$189,058	\$174,062	\$259,523	\$683,896	\$492,278	\$1,009,594	\$769,373	\$1,799,700	\$938,190	\$858,656	\$814,575	\$814,575	\$814,575.19	
CFD Expenses (City of Tempe)	\$2,300,468	\$2,337,946	\$2,347,665	\$2,333,463	\$2,694,588	\$2,691,158	\$2,063,026	\$2,280,744	\$2,146,712	\$2,529,884	\$1,112,610	\$1,838,626	\$1,726,876	\$1,828,517	\$3,150,000	\$170,448.16	

Operations & Maintenance Expenses

