

Meeting Date: 1/15/14

Agenda Item Number: 3

SUBJECT: FY 13/14 CFD Operation and Maintenance Budget

COMMENTS: Roger Hallsted will give a status update of the 13/14 budget and start dialog on the 14/15 budget.

**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>