



CITY OF TEMPE
REQUEST FOR CFD BOARD ACTION

CFD Board Meeting Date: 12/19/2016
Agenda Item: 1

ACTION: Hold a public hearing and adopt a resolution authorizing the adoption of the Rio Salado Community Facilities District (City of Tempe, Arizona) fund balance reserve policy. (Resolution No. CFD R2016.3)

FISCAL IMPACT: There is no immediate fiscal impact; the proposed policy does not deviate significantly from current policies and practices.

RECOMMENDATION: Adopt Resolution No. CFD R2016.3

BACKGROUND INFORMATION: The City of Tempe formally updated all operating fund balance policies through formal City Council approvals on June 27, 2013 (Resolution No. 2013.79).

The Rio Salado Community Facilities District budget accounts for operating water to maintain Tempe Town Lake's water level for safety and recreational purposes. If an event occurred that would require a release of the lake's water, the fund balance reserve can support that expense, which potentially could be \$560,000 (Central Arizona Project water rate of approximately \$200 per acre foot multiplied by Tempe Town Lake's volume of 2,800 acre feet). Additionally, replacement of hydraulic oil in the downstream dam's hydraulic system is projected to be \$500,000 every 5 to 7 years.

ATTACHMENTS: Resolution, Legal Description, Community Facilities District Map

STAFF CONTACT: Jeffrey Tamulevich, Community Development Director (480) 350-8441

Department Director: Jeffrey Tamulevich, Community Development Director
Legal review by: Cynthia McCoy, Assistant City Attorney
Prepared by: Roger Hallsted, Rio Salado Financial Analyst

RESOLUTION NO. CFD R2016.3

A RESOLUTION OF THE RIO SALADO COMMUNITY FACILITIES
DISTRICT GOVERNING BOARD OF THE CITY OF TEMPE, ARIZONA,
ESTABLISHING A FUND BALANCE POLICY FOR THE
RIO SALADO COMMUNITY FACILITIES DISTRICT'S FUND RESERVES

WHEREAS, the Rio Salado Community Facilities District Governing Board (the "District Governing Board") of the City of Tempe is establishing a Rio Salado Community Facilities District (the "District") fund balance policy, with reserves, sufficient to make payment of replacement water for Tempe Town Lake and hydraulic oil replacement for the downstream dams, and,

WHEREAS, the District Governing Board has the authority to update such policy, when necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT GOVERNING BOARD OF THE CITY OF TEMPE, ARIZONA, as follows:

The City of Tempe adopts a fund balance policy for the District's Fund, as follows:

1. The District shall maintain a total fund balance in the District's Fund between 15% and 25% of the current year budgeted amount.

PASSED AND ADOPTED BY THE RIO SALADO COMMUNITY FACILITIES DISTRICT GOVERNING BOARD OF THE CITY OF TEMPE, ARIZONA, this 19th day of December, 2016.

Mark W. Mitchell, Chairman, District Governing Board

ATTEST:

Brigitta M. Kuiper, District Clerk

APPROVED AS TO FORM:

Judith R. Baumann, City Attorney



RIO SALADO COMMUNITY FACILITIES DISTRICT (CFD)



Operating Budget History

Operating Budget	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
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	\$3,329,200	\$3,205,000	\$3,290,000
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	\$2,706,446	\$3,089,237	\$2,721,303	
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	\$443,554	\$239,963	\$483,697	

Operating Budget History

