

**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Indra S. Winquest  
District General Manager

**FROM:** Paul Navazio  
Director of Finance

**SUBJECT:** FY2022/23 Budget Update: Summary of Revisions to Tentative Budget to be included in Final Budget subject to Board approval on May 26, 2022

**STRATEGIC PLAN:** Long Range Principle #2 - Finance

**DATE:** May 11, 2022

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**I. BACKGROUND**

Staff presented the FY2022/23 Tentative Budget to the Board of Trustees at the meeting of April 13, 2022 prior to filing with the State of Nevada Department of Taxation on April 15, 2022. At that meeting, Staff noted that several pending revisions were anticipated prior to preparation of documents for the Board’s formal adoption of the FY2022/23 budget on May 26, 2022.

This agenda item has been prepared to provide the Board of Trustees with an update on revisions to the District’s FY2022/23 budget scheduled for adoption at the meeting of May 26, 2022. Included among the revisions being made to the final budget are changes to reflect actions taken by the Board of Trustees since the meeting of April 13, 2022.

**II. DISCUSSION**

The following provides a summary of revisions being made to the District’s FY2022/23 budget in preparation for the Board action to approve the budget, following a public hearing to be held on May 26, 2022:

*District-wide Updates (All Funds)*

### Cost-of-Living Adjustment (COLA) – March 2022 CPI

As noted throughout the budget process, the District's negotiated labor agreements provide for annual COLA's to take effect on July 1, 2022 based on the published Bureau of Labor Statistics (March-to-March). This index was published on April 10, 2022 and while this information was noted at the Board of Trustees meeting of April 13, 2022, the COLA adjustment had not yet been fully reflected in the Tentative Budget documents presented at that meeting.

The March 2022 year-over-year CPI for the Urban Wage Earners, U.S. City Average (CPI-W) as published by the Bureau of Labor Statistics was 9.4%. This COLA adjustment has been factored into the FY2022/23 budget, as follows:

- The COLA resulted in an increase to the District-wide Personnel Budget of \$313,658 (all funds). As discussed with the Board of Trustees, adjustments have been made to the FY2022/23 budget to offset the COLA such that the increase is fully-absorbed within each of the District's funds as follows:
  - ✓ A 1% "salary savings" factor has been incorporated into the District's personnel budget to reflect savings anticipated by vacancies over the course of the fiscal year. Historically, the District has experienced a vacancy rate of 3%-5%, resulting in personnel costs consistently ending the year under budget. The salary savings factor used for FY2022/23 (\$252,702) is within the historical vacancy factor.
  - ✓ Additional budget reductions have been incorporated into the operating budgets for the General Fund (\$16,782) and the Utility Fund (\$61,264) to ensure that the COLA does not result in an increase in budget over what was presented in the Tentative Budget.

### *General Fund*

The following summarizes adjustments being incorporated into the District's final FY2022/23 General Fund budget:

- Ad Valorem Tax Revenues – The final budget will include the Ad Valorem Tax revenue estimate of \$2,008,289, reflecting the estimate provided by the State of Nevada Department of Taxation. This revenue estimate was updated in the Tentative Budget forms filed with the State of Nevada on April 15, 2022 and reflects an increase of \$31,063 from the estimate shown in the forms included in the Board of Trustees packet for the meeting of April 13, 2022, as required by the Department of Taxation.

- League of Nevada Municipalities – Funding has been increased from \$4,000 to \$12,000 to cover anticipated increase in District’s membership dues per the One Nevada Plan presented by Executive Director Wesley Harper of Nevada League of Cities to the Board of Trustees on April 27, 2022.
- Audit Services – The budget has been augmented by \$20,000 in anticipation of the Board of Trustees concurrence with expanding the scope of audit services to be performed in conjunction with the independent auditor’s audit of the District’s FY2021/22 financial statements (see separate agenda item).
- Web Site Redesign Phase 2 – Funding in the amount of \$10,000 is being added to the FY2022/23 budget to reflect the General Fund portion of costs associated with Phase 2 of the Website Redesign Project (see separate agenda item).
- Dog Park Project (CIP) – The final budget is being adjusted to remove the transfer of \$100,000 in General Fund funding to the Parks Fund proposed to cover design costs in FY2022/23. The State of Nevada Department of Taxation has advised the District that governmental funds cannot be transferred in this manner to an enterprise fund. However, this funding is being retained within the General Fund with design costs for the Dog Park proposed to be charged directly to a General Fund-supported CIP project.
- Central Services Overhead Cost Allocation – The Central Services Overhead Cost Allocation has been updated in the final FY2022/23 Budget to reflect the updated General Fund costs and allocation amounts, based on the final budget. The Tentative Budget continued to include the “baseline” Central Services Cost Allocation originally estimated earlier in the budget process. The amount of the allocation has been increased from \$1,859,660 (Tentative budget) to \$1,887,589 (Final budget).

### *Utility Fund*

The following summarizes adjustments being incorporated into the District’s final FY2022/23 Utility Fund budget:

- Charges for Services/Utility Rate Adjustment – At the Board of Trustees meeting of April 27, 2022, the Board of Trustees approved utility rate adjustments for water and sewer charges for services. The approved revenue adjustments (16.0% and 13.5%, respectively) represent a reduction from the rate adjustments used for the Tentative Budget (20.0% and 15.0%, respectively). The final budget has been updated to reflect this Board of Trustees action which results in a reduction of \$362,836 in FY2022/23 Utility Fund revenues from the amounts reflected in the Tentative Budget.
- Web Site Redesign Phase 2 – Funding in the amount of \$10,000 is being added to the FY2022/23 budget to reflect the Utility Fund portion of costs associated with Phase 2 of the Website Redesign Project (see separate agenda item).

- Odor Scrubber (WRRF) – The operating budget for the Wastewater utility has been increased by \$50,000 to reflect the need to replace a critical piece of equipment. Funding is proposed to be added to the FY2022/23 budget rather than request a carry-over from the current-year budget so that the equipment can be ordered as soon as practical in the new fiscal year.

### *Community Services Fund*

The following summarizes adjustments being incorporated into the District's final FY2022/23 budget within the Community Services fund(s):

- Championship Golf Course – Cart Maintenance – Due to anticipated delays in shipment of the new Championship Golf Course Golf Cart fleets (ordered in November), funding (\$50,000) is being included in the FY2022/23 final budget for additional battery replacements anticipated to be required to continue to operate the existing golf carts through next fall.
- Diamond Peak – Director of Ski Patrol – Funding, in the amount of \$26,262, is being provided within the Ski Fund to cover the cost of increasing the hours for the position of Director of Ski Patrol (from 7 months to 10 months).
- Web Site Redesign Phase 2 – Funding, in the amount of \$20,000, is being added to the FY2022/23 budget to reflect the Community Services Fund portion of costs associated with Phase 2 of the Website Redesign Project (see separate agenda item).
- Recreation Center Expansion Project (CIP) – At the Board of Trustees meeting on April 27, 2022, the Board of Trustees took action on the funding for the design phase of the Recreation Center Expansion Project. It has been reduced, in the FY2022/23 budget, by \$65,000 to reflect the contract for 30% schematic design being awarded in the current fiscal year. In addition, the full \$25 million in construction funding previously reflected in the draft five-year capital plan for FY2022/23 and FY2023/24 has been moved into the FY2022/23 capital plan consistent with the project schedule presented to the Board of Trustees on April 27, 2022. The schedule currently contemplates award of the construction contract for the Recreation Center Expansion Project in FY2022/23. As this is a donor-funded project, grant revenues have also been adjusted to support FY22/23 project budget appropriations.

### *Beach Fund*

The following summarizes adjustments being incorporated into the District's final FY2022/23 budget within the Beach Fund:

- Beach Concessions (Food and Beverage) – The FY2022/23 final budget for the Beach Fund is being updated to reflect the planned transition of food and beverage service at both Incline Beach and Burnt Cedar Beach from in-house services to a concessionaire contract. As a result, revenues from the sale of food and beverages is being replaced by a fixed payment to be made by the selected concessionaire and costs for personnel and cost-of-goods sold associated with food and beverage services is being deleted from the FY2022/23 Beach Fund budget.
- Pavement Maintenance – Burnt Cedar Beach (CIP#3972LI1202x) – Funding in the amount of \$67,500 is being eliminated in the FY2022/23 budget as a pavement contract for Burnt Cedar Beach has been awarded in the current fiscal year.

### *FY2022/23 Capital Plan Budget and Carry-forward Estimates*

An estimated \$6.89 million in carry-forward appropriations are expected to be rolled forward from the current year capital budget to the FY2022/23 capital budget. However, of this amount, \$124,300 (General Fund carry-forward – see below) is proposed to be included in the Final Budget presented for Board of Trustees approval on May 26, 2022.

The two General Fund capital project carry-forwards included in the final budget are:

- Power Infrastructure Improvements (CIP#1213CE2101) - \$40,000
- Network Upgrades –Switches, Controllers, WAP (CIP#1213CE2102) - \$75,000
- Pavement Maintenance – Admin Bldg. (CIP#1099LI1705) - \$9,300

As was the case for FY2021/22, the balance of carry-forward appropriations will be presented for formal Board of Trustees approval following the close of the current fiscal year. This modified carry-forward process will help ensure that appropriate amounts are carried-forward based on actual expenditures through June 30, 2022 rather than estimates of funds expected to be available at year-end.

By including these carry-forwards in the May 26, 2022 Final Budget approval action avoids the need for a General Fund budget augmentation, which is subject to approval by the Department of Taxation, later in the fiscal year.

#### Attachments:

- FY2022/23 DRAFT Capital Improvement Budget with Carry-forward Estimates
- FY2022/23 DRAFT Capital Plan Expense Budget with Carry-forward Estimates

**FY2022/23 CAPITAL IMPROVEMENT PROJECT BUDGET (w/ Carry-Forward Estimates)**

Department				FY2022/23	(May)	(June 30)	(September)	FY2022/23
Description	Project #	Project Title	New Appropriations	Requested	Final	Estimated	Actual	Amended
			FY2022/23	Carry-Forward	Budget	Carry-Forward	Carry-Forward	Budget
<b>General Fund</b>								
Accounting/Information	1213BD2106	Network Closet Updates (HVAC)	15,000		15,000			
	1213CE2101	Power Infrastructure Improvements	38,000	40,000	78,000			
	1213CE2102	Network Upgrades - Switches, Controllers, WAP	210,000	75,000	285,000			
	1213CE2104	Fiber Installation/Replacement	25,000		25,000			
	1213CE2105	Security Cameras	100,000		100,000			
		<b>Total</b>	<b>388,000</b>	<b>115,000</b>	<b>503,000</b>	<b>-</b>		
General	4378LI2104	IVGID Community Dog Park	100,000		100,000			
	NEW	Board Meeting - Technology Upgrades	30,000		30,000			
		<b>Total</b>	<b>130,000</b>	<b>-</b>	<b>130,000</b>	<b>-</b>		
		<b>Total General Fund</b>	<b>518,000</b>	<b>115,000</b>	<b>633,000</b>	<b>-</b>		
<b>Utilities</b>								
Public Works Shared	2097CO2101	Public Works Billing Software Replacement			-	20,000		
	209HE1725	Loader Tire Chains - 2 sets			-	20,000		
	2097HE1729	2002 Caterpillar 950G Loader #523			-	265,000		
	2097HE1730	2003 Caterpillar 950G Loader #525			-	265,000		
	2097LE1720	Snowplow #300A			-	19,000		
	2097LE1721	Snowplow #307A			-	19,000		
	2097LI1701	Pavement Maintenance, Reservoir 3-1 WPS 4-2/5-1	90,000		90,000	125,000		
	2097LE2221	Medium Duty Truck Plow	16,500		16,500			
	NEW	Chevy 1/2-Ton Pick-up Truck	32,000		32,000			
		<b>Total</b>	<b>138,500</b>		<b>138,500</b>	<b>733,000</b>		
Water	2299DI1707	Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank			-	140,018		
	2299WS1705	Watermain Replacement - Crystal Peak Road	1,500,000		1,500,000			
	2299WS1802	Watermain Replacement - Alder Avenue	65,000		65,000			
	2299DI1102	Water Pumping Station Improvements	50,000		50,000			
	2299DI1401	Burnt Cedar Water Disinfection Plant Improvements	25,000		25,000			
	NEW	LIMs Software	55,000		55,000			
		<b>Total</b>	<b>1,695,000</b>		<b>1,695,000</b>	<b>140,018</b>		
Sewer	2524SS1010	Effluent Pipeline Project	10,000,000		10,000,000	500,000		
	2599SS2010	Effluent Pond Lining	3,000,000		3,000,000	1,053,419		
	2599DI1703	Sewer Pump Station #1 Improvements	500,000		500,000	1,033,370		
	2599DI1104	Sewer Pumping Station Improvements	50,000		50,000			
	2599SS1102	Water Resource Recovery Facility Improvements	100,000		100,000			
	2599SS1103	Wetlands Effluent Disposal Facility Improvements	100,000		100,000	170,266		
		<b>Total</b>	<b>13,750,000</b>		<b>13,750,000</b>	<b>2,757,055</b>		
		<b>Total Utilities</b>	<b>15,583,500</b>		<b>15,583,500</b>	<b>3,630,073</b>		

**FY2022/23 CAPITAL IMPROVEMENT PROJECT BUDGET (w/ Carry-Forward Estimates)**

Department				FY2022/23	(May)	(June 30)	(September)	FY2022/23
Description	Project #	Project Title	New Appropriations	Requested	Final	Estimated	Actual	Amended
			FY2022/23	Carry-Forward	Budget	Carry-Forward	Carry-Forward	Budget
<b>Community Services Funds</b>								
Championship Golf	3141LI1202	Cart Path Replacement - Champ Course	55,000		55,000	114,804		
	3141LV1898	Championship Golf Course Electric Cart Fleet and GPS				533,360		
	3153BD2001	Recoat Chateau F&B Grill and Catering Kitchen Floors	39,700		39,700			
	3142LE1741	2016 Bar Cart #724	20,000		20,000			
	3142LE1742	2016 Bar Cart #725	20,000		20,000			
	3142LE1744	2014 Toro Tri-Plex Mower 3250D #694				42,781		
	3142LE1745	2017 Toro 3500D Mower #743				36,184		
	3142LE1746	2012 JD 8500 Fairway Mower #670				93,486		
	3142LE1750	2013 JD 3235 Fairway Mower #685	98,000		98,000			
	3142LE1759	2014 3500D Toro Rotary Mower #693				37,000		
	3142LE1760	Replacement of 2010 John Deere 8500 #641	92,000		92,000			
	3143GC2002	Replace Icemaker Championship Golf Course Cart Barn				20,000		
	3199OE1501	Championship Golf Printer Copier Replacement 955 Fairway	10,000		10,000			
		<b>Total</b>	<b>334,700</b>		<b>334,700</b>	<b>877,615</b>		
					-			
Mountain Golf	3241LI2001	Mountain Golf Cart Path Replacement - Phase II	1,100,000		1,100,000	86,122		
	3241GC1404	Irrigation Improvements	18,000		18,000			
	3242LE1726	2016 Bar Cart #726	20,000		20,000			
		<b>Total</b>	<b>1,138,000</b>		<b>1,138,000</b>	<b>86,122</b>		
					-			
Facilities	3351BD1703	Aspen Grove Outdoor Seating BBQ and Landscaping	10,000		10,000			
		<b>Total</b>	<b>10,000</b>		<b>10,000</b>			
					-			
Ski	3453BD1806	Base Lodge Walk In Cooler and Food Prep (Kitchen) Reconfiguration	110,000		110,000	32,407		
	3462HE1711	Lodgepole Ski Lift Maintenance and Improvements	18,000		18,000			
	3462HE1712	Red Fox Ski Lift Maintenance and Improvements	75,000		75,000			
	3463HE1722	Loader Tire Chains (1-Set)				9,750		
	3463HE1723	2002 Caterpillar 950G Loader #524				265,000		
	3464LE1601	Ski Resort Snowmobile Fleet Replacement	17,000		17,000			
	3464LE1729	Snowplow #304A				19,000		
	3464LE1734	2016 Polaris Ranger Crew #723	19,000		19,000			
	3468RE0002	Replace Ski Rental Equipment				259,000		
	3469HE1740	Replace 2010 Shuttle Bus #636 / 14-passenger Vans (2)	125,000		125,000			
	3453FF1706	Replace Main Lodge/Snowflake Lodge Dining Furniture and Fixtures	49,000		49,000			
	NEW	Installation RFID - Software and Gantries	410,000		410,000			
		<b>Total</b>	<b>823,000</b>		<b>823,000</b>	<b>585,157</b>		
					-			
Parks	4378LI2104	IVGID Community Dog Park						
	4378LI1604	Pump Track				78,504		
	NEW	Skate Park Enhancement	10,000		10,000			
	4378LE1742	2015 Ball Field Groomer #706				24,000		
	4378LE2220	Toolcat with Bucket and Snowblower	70,000		70,000			
	4378LV1734	2011 Pick-Up with Lift gate #646	44,500		44,500			

**FY2022/23 CAPITAL IMPROVEMENT PROJECT BUDGET (w/ Carry-Forward Estimates)**

Department			New Appropriations	Requested	FY2022/23	(May)	(June 30)	(September)	FY2022/23
Description	Project #	Project Title	FY2022/23	Carry-Forward	Budget	Estimated	Actual	Approved	Amended
						Carry-Forward	Carry-Forward	Carry-Forward	Budget
		Total	124,500		124,500	102,504			
Tennis					-				
		Total	-		-				
Recreation Center	NEW	Recreation Center Expansion Project	25,435,000		25,435,000				
	NEW	Rec Center Exterior Wall Waterproofing & French Drain	100,000		100,000				
	4899FF1202	Rec Center Locker Room Improvements				750,000			
	4884BD1804	Chemtrol System for Recreation Center Pool	22,000		22,000				
	4886LE0001	Fitness Equipment	49,000		49,000				
		Total	25,606,000		25,606,000	750,000			
Community Services Shared					-				
		Total	-		-				
		<b>Total Community Services</b>	<b>28,036,200</b>		<b>28,036,200</b>	<b>2,401,398</b>			
<b>Beaches</b>									
	3972BD1501	Beaches Flatscape and Retaining Wall Enhancement and Replacement	55,000		55,000	110,000			
	3972BD2101	Ski Beach Boat Ramp Improvement Project	100,000		100,000				
	3999BD1708	Ski Beach Bridge Replacement	120,000		120,000				
	NEW	Beach Furnishings	10,000		10,000				
	3972BD2102	Beach Access Improvements	200,000		200,000				
		<b>Total Beaches</b>	<b>485,000</b>		<b>485,000</b>	110,000			
					-				
<b>Grand Total</b>			<b>\$ 44,622,700</b>	<b>\$ 115,000</b>	<b>\$ 44,737,700</b>	<b>\$ 6,141,471</b>			



**FY2022/23 CAPITAL PLAN EXPENSE ITEMS BUDGET (w/ Carry-Forward Estimates)**

Department Description	Project #	Project Title	New Appropriations FY2022/23	Requested Carry-Forward	FY2022/23 Final Budget	(May) Estimated Carry-Forward	(June 30) Actual Carry-Forward	(September) Approved Carry-Forward	FY2022/23 Amended Budget
<b>General Fund</b>									
	1212OE1701	Accounting Printer Replacement	8,400		8,400				
	1213CO1703	District Wide PC, Laptops, Peripheral Equipment and	75,000		75,000				
		Total	83,400	-	83,400				
	499OE1399	Web Site Redesign and Upgrade	10,000		10,000				
	1099LI1705	Pavement Maintenance - Administration Building	5,000	9,300	14,300				
		Total	15,000	9,300	24,300				
		<b>Total General Fund</b>	<b>98,400</b>	<b>9,300</b>	<b>107,700</b>				
<b>Utilities</b>									
Shared	2097DI1401	Adjust Utility Facilities in NDOT/Washoe County Right	60,000		60,000	183,000			
	2097LI1401	Pavement Maintenance, Utility Facilities	180,000		180,000	139,886			
	499OE1399	Web Site Redesign and Upgrade	10,000		10,000				
	NEW	Rain Gutters, Garage Door Openers, Drainage, Heat	100,000		100,000				
	NEW	Utility Infrastructure Masterplan	500,000		500,000				
		Total	850,000	-	850,000	322,886			
Water	2299DI1103	Replace Commercial Water Meters, Vaults and Lids	40,000		40,000				
	2299DI1204	Water Reservoir Coatings and Site Improvements	60,000		60,000				
		Total	100,000	-	100,000	-			
Sewer	2599BD1105X	Building Upgrades Water Resource Recovery Facility	30,000		30,000				
	2599SS1203X	Replace & Reline Sewer Mains, Manholes and	55,000		55,000	32,730			
	NEW	Effluent Pipeline Repairs	100,000		100,000				
		Total	185,000	-	185,000	32,730			
		<b>Total Utilities</b>	<b>1,135,000</b>	<b>-</b>	<b>1,135,000</b>	<b>355,616</b>			
<b>Internal Service</b>									
		<b>Total Internal Service</b>	-						
<b>Community Services</b>									
Championship	3141GC1103	Irrigation Improvements	15,000		15,000				
	3141LI1201	Pavement Maintenance of Parking Lots - Champ	25,000		25,000	14,000			
		Total	40,000	-	40,000	14,000			
Mountaing	3241GC1101	Mountain Course Greens, Tees and Bunkers	8,000		8,000				
	3242LI1204	Pavement Maintenance of Parking Lot - Mountain Golf	12,500		12,500	15,900			
		Total	20,500	-	20,500	15,900			
Facilities	3350BD1103	Chateau - Replace Carpet	49,500		49,500				
	3350BD1505	Paint Interior of Chateau	40,500						
		Total	90,000	-	49,500				
Ski	3469LI1105	Pavement Maintenance, Diamond Peak and Ski Way	75,000		75,000	25,000			
	3499BD1710	Diamond Peak Facilities Flooring Material	20,000						

**FY2022/23 CAPITAL PLAN EXPENSE ITEMS BUDGET (w/ Carry-Forward Estimates)**

Department			New		FY2022/23	(May)		(September)	FY2022/23
Description	Project #	Project Title	Appropriations	Requested	Final	Estimated	(June 30) Actual	Approved	Amended
			FY2022/23	Carry-Forward	Budget	Carry-Forward	Carry-Forward	Carry-Forward	Budget
	Total		95,000	-	75,000	25,000			
Parks	4378LI1303	Pavement Maintenance, Village Green Parking	5,000		5,000				
	4378LI1403	Pavement Maintenance, Preston Field	5,000		5,000	7,500			
	4378LI1602	Pavement Maintenance, Overflow Parking Lot	5,000		5,000	5,000			
	4378LI1802	Pavement Maintenance - Incline Park	6,000		6,000	7,500			
	4378RS1601X	Playground Repairs - Preston	7,500		7,500				
	Total		28,500	-	28,500	20,000			
Tennis	4588LI1201	Pavement Maintenance, Tennis Facility	5,000		5,000	5,000			
	Total		5,000	-	5,000	5,000			
Rec Center	4884LI1102x	Pavement Maintenance, Recreation Center Area	7,500		7,500	7,500			
	Total		7,500	-	7,500	7,500			
CS Admin	499OE1399	Web Site Redesign and Upgrade	20,000		20,000				
	Total		20,000	-	20,000				
		<b>Total Community Services</b>	<b>306,500</b>	<b>-</b>	<b>246,000</b>	<b>87,400</b>			
<b>Beaches</b>	3972BD1301X	Pavement Maintenance, Ski Beach	15,000		15,000	8,500			
	3972BD1707	Burnt Cedar Dumpster enclosure				27,922			
	3972BD2102	Beach Access Improvement Project				45,000			
	3972LI1201	Pavement Maintenance, Incline Beach	6,500		6,500	6,500			
	<del>3972LI1202X</del>	<del>Pavement Maintenance, Burnt Cedar Beach</del>			-				
	3972RS1701X	Playground Repairs - Beaches	7,500		7,500				
	3973LI1302	Incline Beach Facility Replacement			-	100,000			
	3999DI1706	Burnt Cedar Beach Backflow Device Replacement	55,000		55,000				
	Total		<b>84,000</b>	<b>-</b>	<b>84,000</b>	<b>187,922</b>			
<b>Grand Total</b>			<b>\$ 1,623,900</b>	<b>\$ 9,300</b>	<b>\$ 1,572,700</b>	<b>\$ 630,938</b>			