

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Indra Winqest  
District General Manager

**FROM:** Paul Navazio  
Director of Finance

**SUBJECT:** Review, discuss and possibly adopt Resolution No. 1883 amending the District's 2020/2021 budget to reflect adjustments to Capital Project carry-forward amounts included in the approved budget adopted on May 27, 2020.

### **STRATEGIC**

**PLAN REFERENCE(S):** Long Range Principal #2 – Finance

**DATE:** February 17, 2021

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### **I. RECOMMENDATION**

That the Board of Trustees makes a motion to adopt Resolution No. 1883 authorizing the District General Manager and Director of Finance to amend the adopted Fiscal Year (FY) 2020/2021 budget to reflect adjustments to the carry-forward estimates for selected capital project budgets.

### **II. BACKGROUND**

The District's FY2020/2021 budget was approved on May 27, 2020, and included appropriations totaling \$14,377,677 supporting the FY2020/2021 Capital Improvement Program Budget. These appropriations included \$5,354,487 in net carry-over appropriations from the prior fiscal year supporting ongoing capital projects. The level of carry-over funding included in the approved budget was based on estimates of appropriations expected to be available for carry-over at fiscal year-end (June 30, 2020) for capital projects that were in progress and expected to be completed in the 2020/2021 fiscal year, as well as projects that were deferred to 2020/2021. The appropriations estimated to be available at year-end to support capital project expenditures to be incurred in FY2020/2021 are required to be included in the approved budget and are reported as such in

the budget form(s) required to be filed with the State of Nevada Department of Taxation (Form 4404 LGF).

Upon conclusion of the past fiscal year and final audited financial results for FY2019/2020, actual amounts available for carry-over as of June 30, 2020 may differ from the estimates included in the adopted capital budget. In addition, several projects were assumed to have been completed in the prior fiscal year, however project delivery and/or payments may not have been completed until after the close of the FY2019/2020 fiscal year.

This agenda item requests Board approval to amend the FY2020/2021 budget to adjust the carry-over amounts included in support of selected capital improvement projects in order to address variances between estimated and actual carry-over amounts impacting selected FY2020/2021 CIP project budgets. If approved, the budget amendments would become effective upon filing of the resolution with the State of Nevada Department of Taxation (per NRS 354.598005). These budget adjustments will be reflected in future Popular CIP Status reports, pending formal action by the Board of Trustees.

### III. FINANCIAL IMPACT AND BUDGET

The proposed amendment to the FY2020/2021 approved budget would result in a net increase in authorized appropriations totaling \$ 55,388, as follows:

Utilities	\$	2,553,786	\$	2,543,717	\$	(10,069)
Community Services		497,864		567,578		65,457
	\$	3,051,650	\$	3,111,294	\$	55,388

The attachment to this Board memo provides detailed revenue and expenditure budget amendments for each specific fund. The net reduction in Utility Fund carry-over appropriations results from excess carry-overs of \$164,832, (including \$161,783 for the WRRF Aeration System Improvements Project – CIP# 2599SS1707), offset by shortage of carry-overs (totaling \$154,763) for several vehicle purchases and paving projects charged in the current fiscal year.

### IV. ALTERNATIVES

The Board of Trustees has the option of not authorizing this budget amendment. However, doing so will result in selected capital projects having incorrect budget allocations as well as selected projects reflecting expenditures in the current year without supporting budget appropriations.

## **V. STRATEGIC PLAN REFERENCE(S)**

Long Range Principal #2 – Finance: The District will ensure fiscal responsibility and sustainability of service capacity through maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

## **VI. BUSINESS IMPACT**

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

### Attachments:

- 1) Resolution No. 1883 Augmenting the District's FY2020/21 Capital Improvement Program Budget
- 2) Budget Augmentation Detail Adjusting Carry-over Appropriations for Selected Capital Projects



**RESOLUTION NO. 1883**

**A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/2021 BUDGET TO APPROPRIATE \$55,388 IN NET AVAILABLE RESOURCES FROM THE UTILITY FUND AND COMMUNITY SERVICES FUND(S) TO REFLECT ADJUSTMENTS TO CARRY-FORWARD AMOUNTS INCLUDED IN THE APPROVED FY2020/2021 BUDGET FOR SELECTED CAPITAL PROJECTS**

**RESOLVED**, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

**WHEREAS**, the Board of Trustees approved the District's FY2020/2021 budget on May 27, 2020 which includes \$14,377,677 of appropriations in support of the Capital Improvement Program budget; and

**WHEREAS**, of the \$14,377,677 in appropriations supporting the the FY2020/21 Capital Improvement Program budget, \$5,354,487 represent re-appropriation of funds approved in the FY2019/2020 budget estimated to be available for carry-forward into FY2020/2021 for specific capital projects; and

**WHEREAS**, the carry-forward appropriations thus include in the approved FY2020/2021 Capital Improvement Program budget were based on point-in-time estimates of funding expected to be available for carry-over at fiscal year-end (June 30, 2020) for capital projects that were in progress and expected to be completed in the 2020/2021 fiscal year, as well as projects that were deferred to 2020/2021; and

**WHEREAS**, upon conclusion of the past fiscal year and final audited financial results for FY2019/2020, actual amounts available for carry-over as of June 30, 2020 may differ from the estimates included in the adopted capital budget; and

**WHEREAS**, Nevada Revised Statutes (NRS) 354.598005 provides procedures and requirements for augmentation of local agency budgets, including the requirement that budget augmentations within Special Revenue funds require the governing body to adopt a formal resolution authorizing the budget augmentation from available resources, as defined; and

**WHEREAS**, the Nevada Administrative Code 354.410 provides for definition of "available resources" for budget augmentation to include an unappropriated ending balance of a fund for capital projects"; and



**RESOLUTION NO. 1883**

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**WHEREAS**, the District’s Community Services Fund(s) an unappropriated fund balance, as reported to the Department of Taxation on Form 4404LGF, which constitutes available resources to support this budget augmentation; and

**WHEREAS**, an additional appropriations of \$55,388 are required in order adjust estimated carry-over amounts to reflect actual carry-over amounts available to support selected capital projects included in the FY2020/2021 budget;

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. Incline Village General Improvement District Board of Trustees authorizes a net budget reduction of \$10,069 within the Utility Fund, and a budget augmentation from available resources, as defined, within the Community Services Fund(s) of \$65,457 to adjust capital project budgets supported by prior year carry-over appropriations. .

\* \* \* \* \*

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 24th day of February, 2021, by the following vote:

AYES, and in favor thereof,  
NOES,  
ABSENT,

\_\_\_\_\_  
Sara Schmitz  
Secretary, IVGID Board of Trustees

**Adjustments to Carry-Over Appropriations for FY2020/21 Capital Improvement Program Budget**

	Carry-Over Per Adopted Budget (for Selected Projects)	Actual Available Carryover @ 6/30/2020 (for Selected Projects)	Difference
<b>Utility Fund - Fund 200</b>			
2097DI1701 Water Reservoir Safety and Security Improvements	389,396	385,891	(3,505)
2299DI1707 Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	175,000	176,072	1,072
2599DI1703 Sewer Pump Station #1 Improvements	390,866	390,250	(616)
2599SS1707 WRRF Aeration System Improvements	1,598,524	1,436,741	(161,783)
2097LE1723 2004 9' Western Snow Plow #542A	-	9,000	9,000
2097LV1746 2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	-	48,000	48,000
2097HV1754 1996 Peterbilt Dump Truck #299	-	75,000	75,000
2097LI1401 Pavement Maintenance, Utility Facilities	-	22,763	22,763 *
	<u>2,553,786.00</u>	<u>2,543,716.78</u>	<u>(10,069)</u>
<b>Community Services</b>			
<b>Golf - Fund 520</b>			
3141GC1103 Irrigation Improvements	5,000	5,943	943
3241GC1101 Mountain Course Greens, Tees and Bunkers	15,000	13,564	(1,436)
3241GC1404 Irrigation Improvements	18,000	18,047	47
	<u>38,000</u>	<u>37,553</u>	<u>(447)</u>
<b>Ski - Fund 540</b>			
3462HE1702 Lakeview Ski Lift Maintenance and Improvements	239,864	230,184	(9,680)
3469LI1805 Ski Way and Diamond Peak Parking Lot Reconstruction	220,000	228,320	8,320
	<u>459,864</u>	<u>458,504</u>	<u>(1,360)</u>
<b>Recreation Center - Fund 550</b>			
4884FF1502 Repair Deck Stairs and Powder Coat All Patio Deck Railings	-	28,520	24,200 *
<b>Parks - Fund 570</b>			
4378LV1736 2003 1-Ton Service Truck #520	-	43,000	43,063
	<u>-</u>	<u>43,000</u>	<u>43,063</u>
	<u>Utilities \$ 2,553,786</u>	<u>\$ 2,543,717</u>	<u>\$ (10,069)</u>
	<u>Community Services 497,864</u>	<u>567,578</u>	<u>65,457</u>
	<u>\$ 3,051,650</u>	<u>\$ 3,111,294</u>	<u>\$ 55,388</u>

Note: \* Projects included in Approved Capital Improvement Projects Budget; however projects are candidates for expensing vs. capitalizing under capitalization policy.