



# Demystifying the Town of Truckee Budget Process



# Welcome

**Purpose** Build an understanding of how the Town's budget works

## Objectives

- ☒ Define what a budget is
- ☒ Explain how the Town develops its budget
- ☒ Review major revenues sources and expenditures
- ☒ Explore ways the public can engage





Nicole Casey

Administrative Services Director

# Who am I?



Been with the Town for 12 years



Bachelors in Environmental Studies & Economics  
from University of California, Santa Cruz



Masters of Public Administration from California  
State University, Dominguez Hills



Certified Public Accountant (Inactive)



# What is a Budget

- A legal document approved by the Town Council
- Financial and Operating Plan of the Town
- Estimation of revenues & planned expenses for the next fiscal year

## THE TWO MAIN PARTS OF A BUDGET



REVENUES



EXPENSES



# The 3 Aspects of the Budget



## **Economic Basis**

Allocating resources for the best economical use



## **Political Basis**

Balancing different interests contending over limited resources

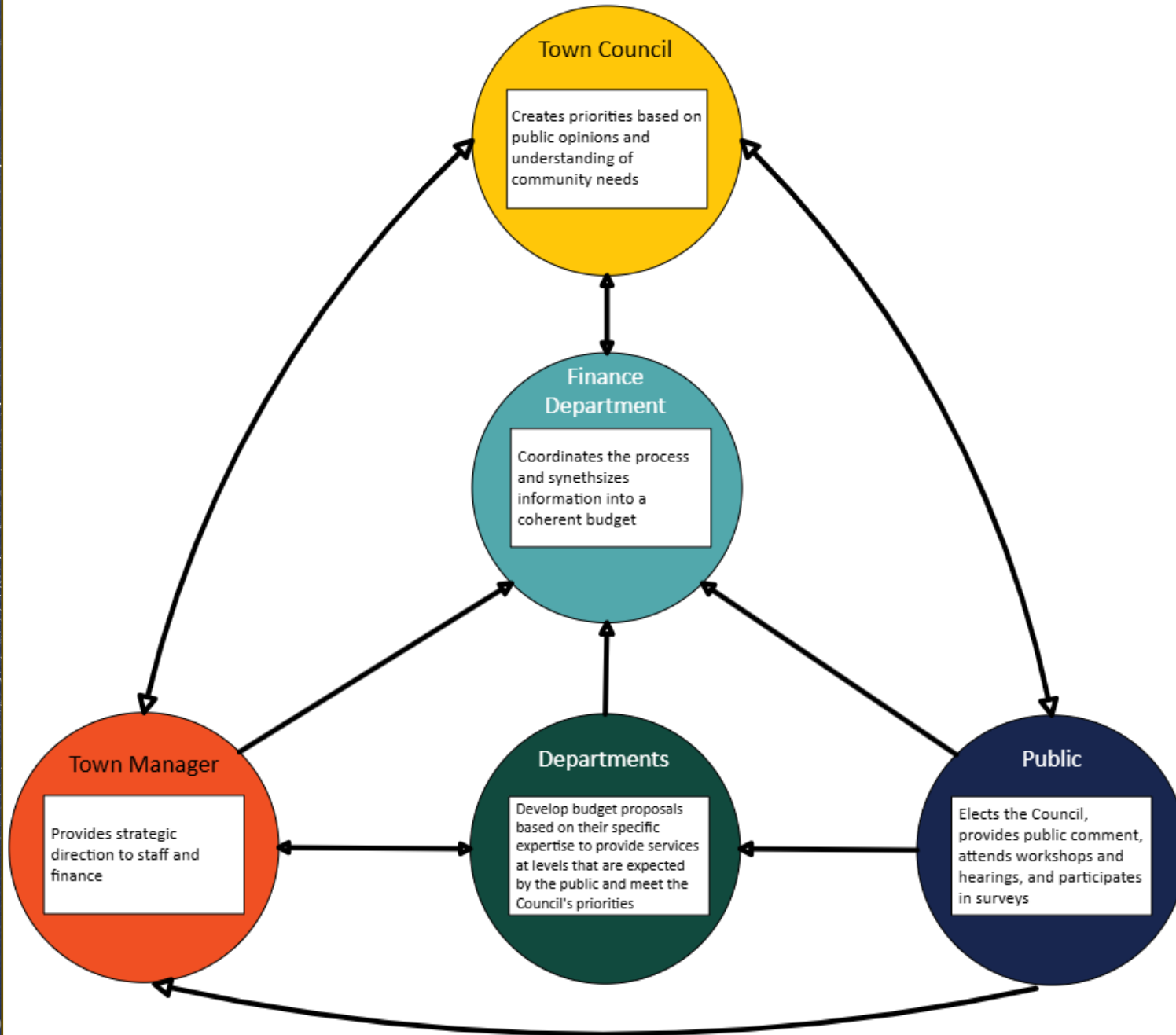


## **Technical Basis**

Forecasting of likely levels of revenues and expenditures



# The Flow of Information





# Budget Timeline



Council Priority  
Setting

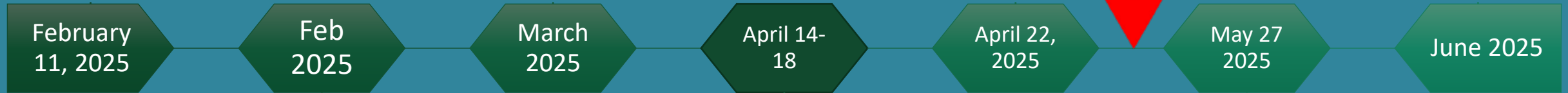


Finance aggregates  
all the numbers

Initial budget review  
with Council – CIPs  
and high-level  
operating



Proposed budget to  
Council for adoption



Town staff develops  
two-year work plan  
based on Council  
Priorities & prepares  
draft operating  
budget

Detailed budget  
review meetings  
with Town Manager

Detail budget  
review w/ Council





# Town Spending Philosophy

Only spend what you need

- Anti-“use it or lose it” mentality plaguing many governmental budgets (only use what we have a business necessity for)
- These unofficial savings become one-time money in the fund balance and used for CIP funding or designations



# Budget Policies

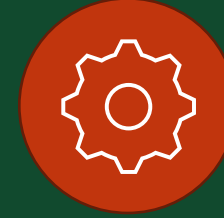
- ✓ The Operating Budget will be prepared to fund current year expenditures with current year revenue
- ✓ Surplus (& savings) balances can be used to increase reserves, fund Capital Improvement Projects, or to stabilize services/fund capital outlay in the near-term
- ✓ Services will be delivered in the most cost-effective manner



# Capital Projects vs Operating



- Long-term investments in infrastructure
  - Multi-year lifespans (e.g. roads, buildings, and trails)
- Studies and Action Plan Creation
  - Ex: User Fee Study, Tahoe Donner Emergency Egress Study, IDEA Action Plan
- Pilot Programs
  - Ex: TART Connect, Lease-to-Locals
- Financed through grants, reserves, or other one-time funding sources



- Ongoing, day-to-day, services of the Town
- Primarily supported by annual revenues (i.e., Property Tax, Sales Tax, & Fees)
- Recurring expenses such as
  - Salaries
  - Utilities
  - Supplies
  - Contract Services
- Operating Capital – Computers, furniture, small items more than \$5K with a lifespan longer than 1 year





Truckee

**FY 24/25 DIGITAL BUDGET  
BOOK OF DATA**[Contents](#)[PDF](#)[Share](#)**1.0 Cover**

## 2.0 Title Page

## &gt; 3.0 Overview

## &gt; 4.0 Summary

## &gt; 5.0 Revenues - All Funds

## &gt; 6.0 General Government Expenditures

## &gt; 7.0 Public Works Expenditures

## &gt; 8.0 Community Development Expenditures

## &gt; 9.0 Public Safety Expenditures

## &gt; 10.0 Public Transit Expenditures

## &gt; 11.0 Keep Truckee Green Expenditures

## &gt; 12.0 Additional Town Programs Expenditures

> 13.0 Redevelopment Successor Agency  
Expenditures> 14.0 Appendices - Notes on Budget  
Preparation

## 15.0 Signed Budget Resolution



POWERED BY



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**Town of Truckee  
2024/25 Annual Operating Budget and  
Five-Year Capital Improvement Project Budget***Photo by Jeremy Jensen*



# Budget Contents

## Overview

- Letter from the Town Manager
- Council Priorities
- Introduction to Truckee

## Summary

- Provides Fund Balances, Revenues, & Expenses by Fund
- Several pages dedicated to the General Fund

## Revenues

- Detail of revenues by Fund

## Expenditures

- Details of operating expenses by division
- Description of division activities
- Divisional goals and objectives

## Capital Improvement Program

- Revenues, expenses, and descriptions for each capital project

## Appendices

- Detailed information about the Town's budget process and policies

High Level  
Aggregated  
Data

Detailed  
Descriptive  
Data



# Goal = Balanced Budget

Uses outweigh Sources =  
PROBLEM

Sources are finite therefore  
WE MUST PRIORITIZE

## Sources

Property tax, Sales  
tax, others

## User Charges

Special Revenues

## Grants

## Uses

Council Priorities

Core Services (PW,  
Building Safety, Public  
Safety, etc.)

Ongoing Commitments  
(e.g., Debt Service)

Infrastructure  
Maintenance

Find the Balance



# Operating Funds

## General Fund

Main Operating Fund

Funded by Property Tax,  
Sales Tax, TOT, etc.

Includes expense for  
Manager, Admin Svcs, CDD,  
Roads & Snow, Engineering,  
Facilities, Police, & more

## Enterprise Funds

The Town has FOUR

Funded by User Charges  
sufficient to cover  
expenses

Building, Parking, Solid  
Waste and Transit

## Special Revenue Funds

Ex: Measure V, Measure  
R/U, Traffic Impact Fees,  
Community Facilities  
District

Funded from dedicated  
sources such as sales tax or  
parcel charges

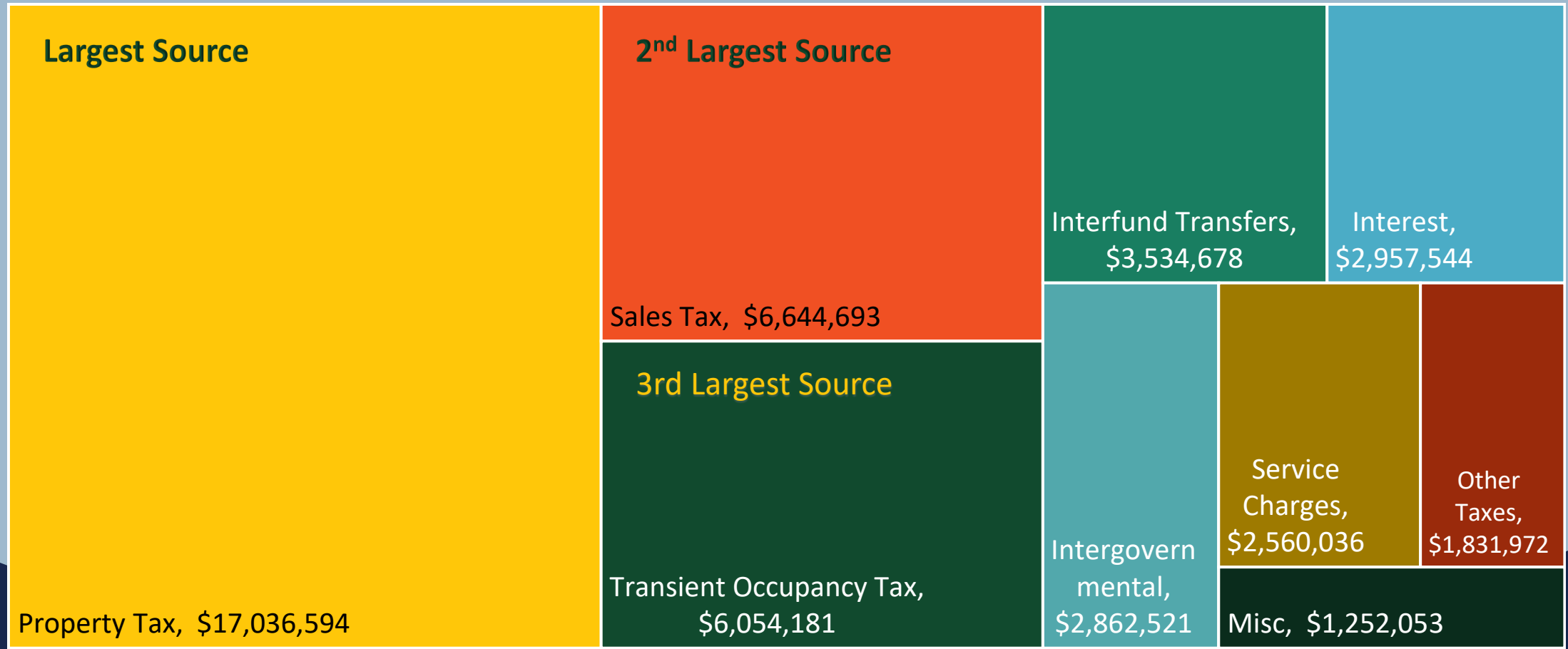
Used for capital project  
expense or to reimburse  
agreed-upon operations (Ex:  
Measure R reimburses Trails)



# REVENUE



# General Fund Revenues – FY23/24





# Property Tax



\$600,000

X 1%

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\$6,000/yr

Annual maximum  
increase:

2%

(based on CPI)

FY25/26 CPI:

2.514%

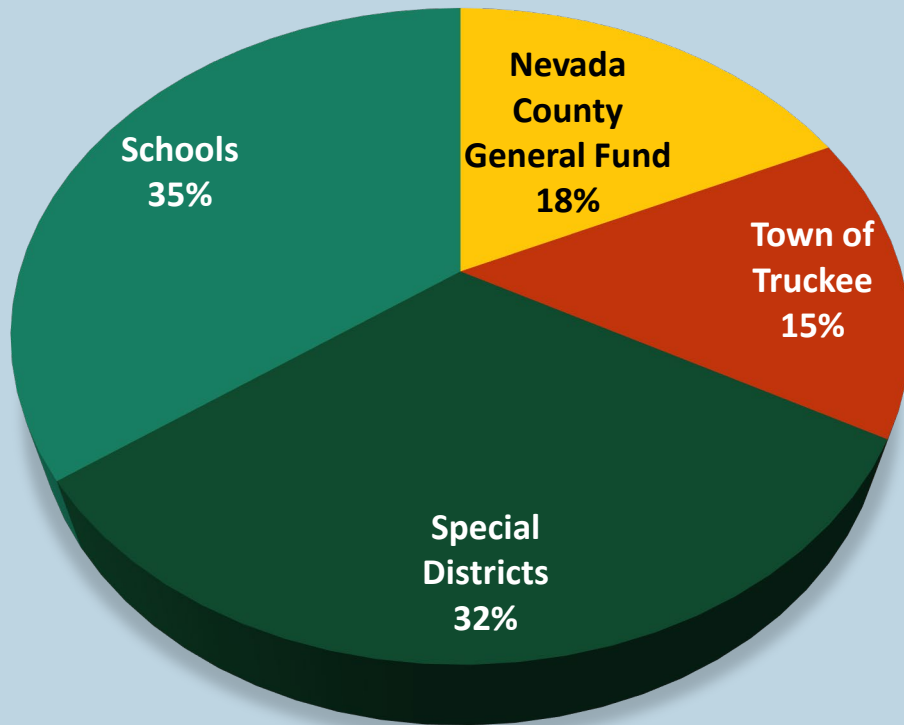
~18 Months

Time it takes for a home sale  
to hit Town's property tax  
base





# Property Tax – Overlapping Allocation



General Fund Property Tax  
from  
**\$30 million**  
development

Total Property Tax  
\$30 million  
X 1% assessed value  

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\$300,000

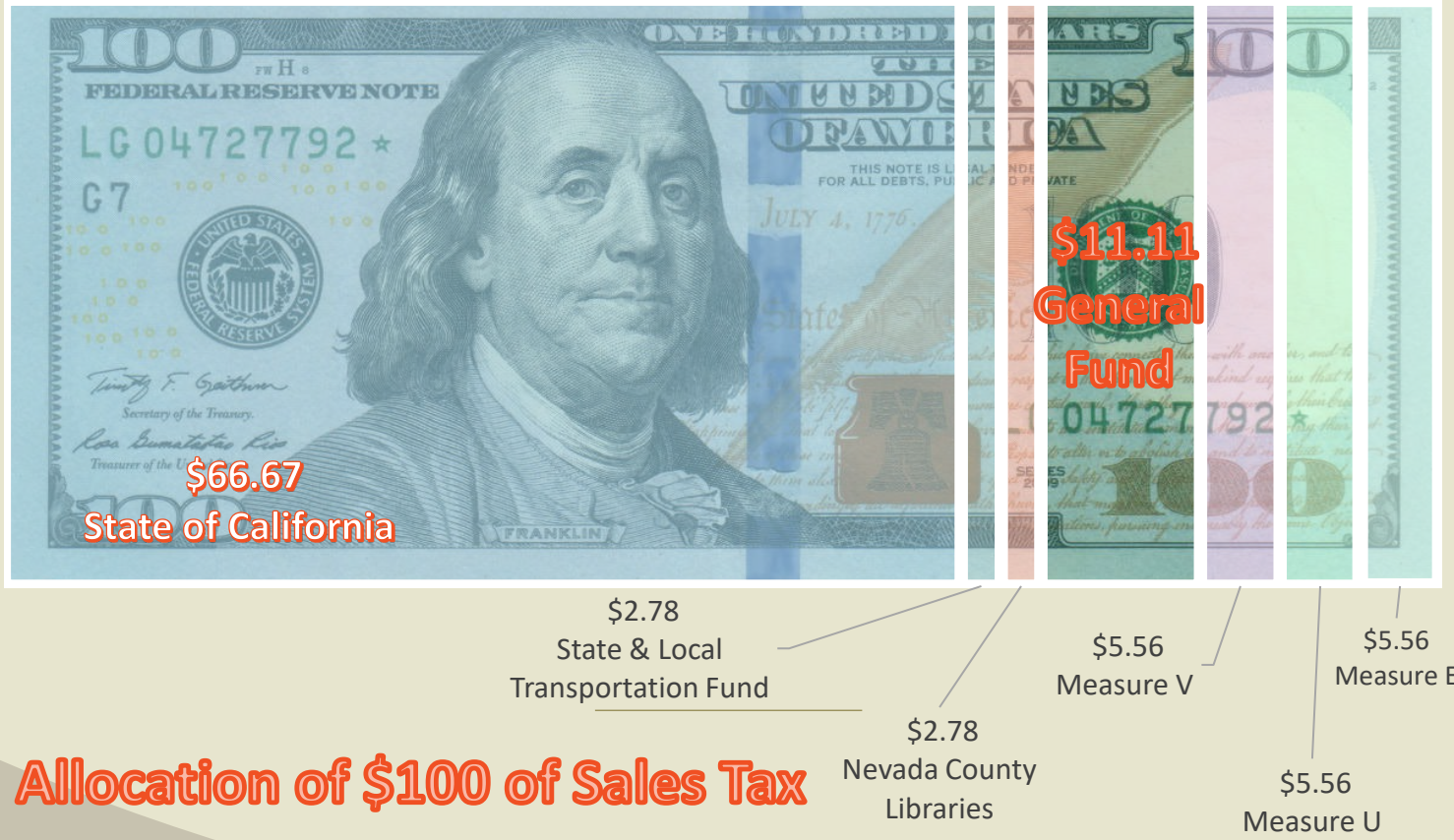
Total General Fund Allocation  
\$300,000  
X 15%  

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**\$45,000**



# Sales Tax



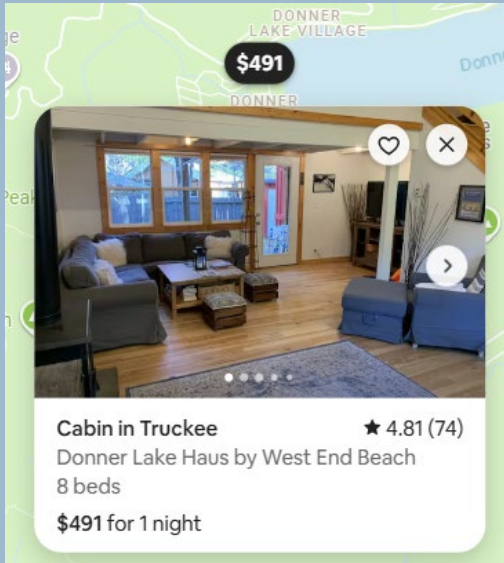
For the General Fund to get  
**\$6.6 million**  
of sales tax

**\$59.8 million**  
of sales tax would need to be  
collected

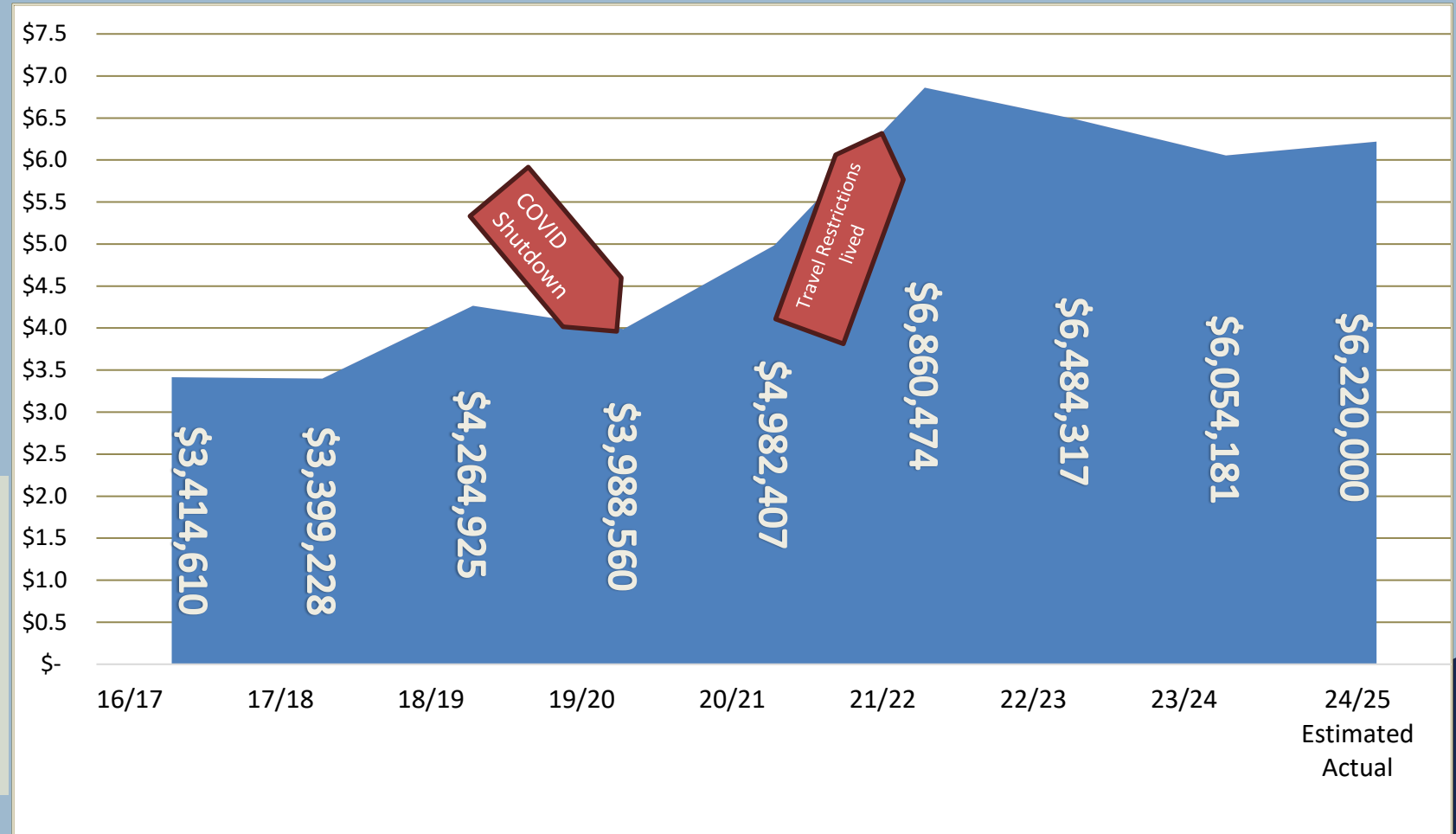
meaning  
**\$725 million**  
of taxable goods must be sold



# Transient Occupancy Tax



**\$491/night**  
**X10%**  
**=\$49.10 of GF TOT**





# Special Revenue Funds



## Measure E

- 0.5% Sales & Use Tax - General
- Designated by Council for Transit & Wildfire Prevention



## Measure R/U

- 0.5% Sales & Use Tax - Specific
- Restricted by Vote for use on Trails Maint & Construction



## Measure V

- 0.5% Sales & Use Tax - General
- Restricted by Vote for use on Road Maint & Construction



## Measure K

- 2% Transient Occupancy Tax
- Designated by Council for Workforce Housing

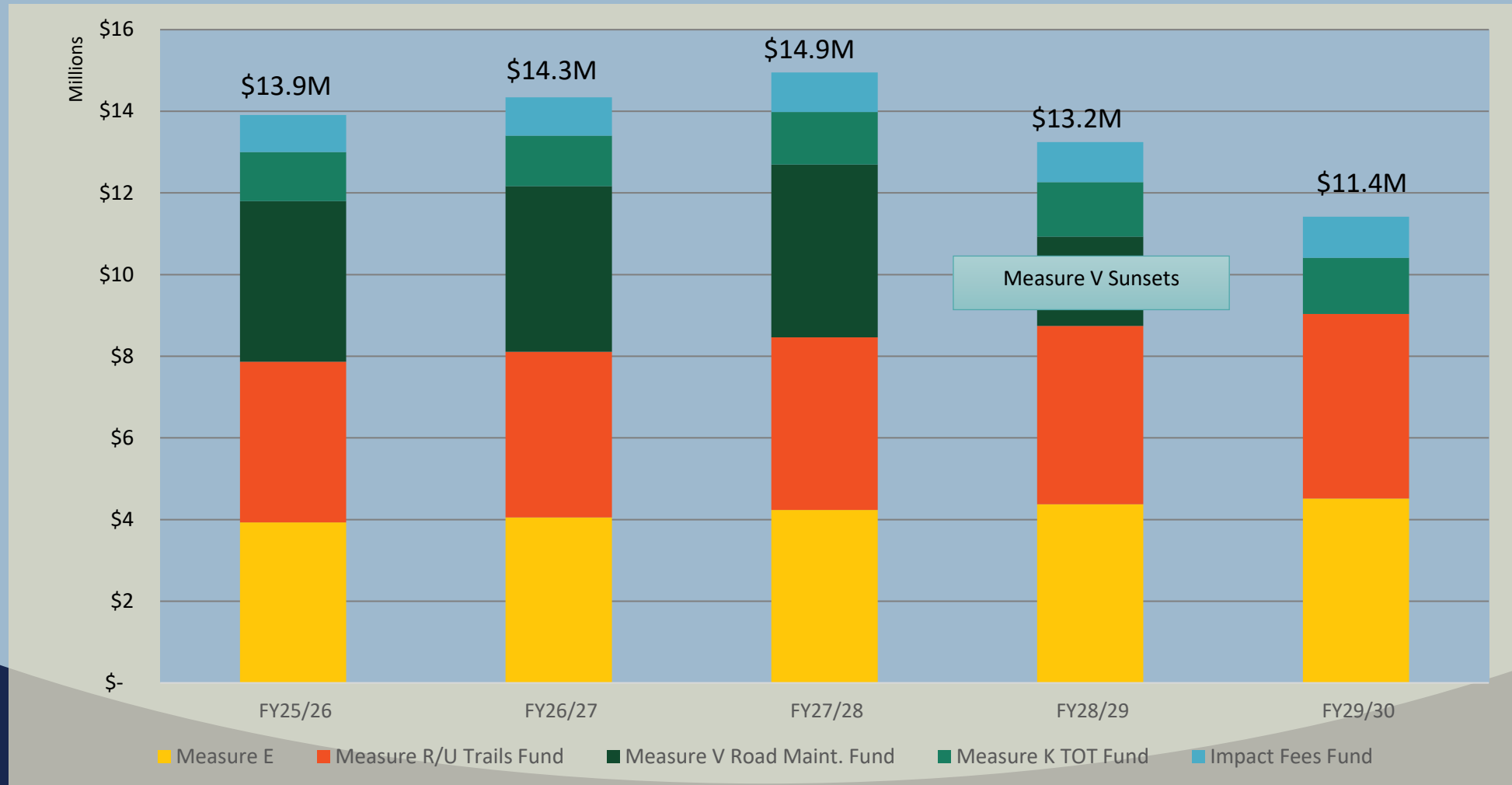


## Impact Fees

- Permits & Licensing Fees on new Developments
- Restricted by law for use on Service Expansion
  - Traffic, Storm Drain, Animal, Law, & Gen Govt



# Special Revenue Funds





# Special Revenue Funds – Enhanced Services



## Glenshire TSSA

- Parcel Charge
- Restricted for use on enhanced road maintenance in Glenshire



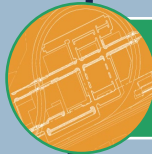
## Tahoe Donner TSSA

- Parcel Charge
- Restricted for TD Projects – Roads, Trails, Snow removal



## Brickelltown CFD

- Parcel Charge
- Restricted for Strtscape Maint & Sidewalk Snow Removal



## Railyard CFD

- Parcel Charge
- Restricted for Strtscape Maint & Sidewalk Snow Removal



## Donner Pass CFD

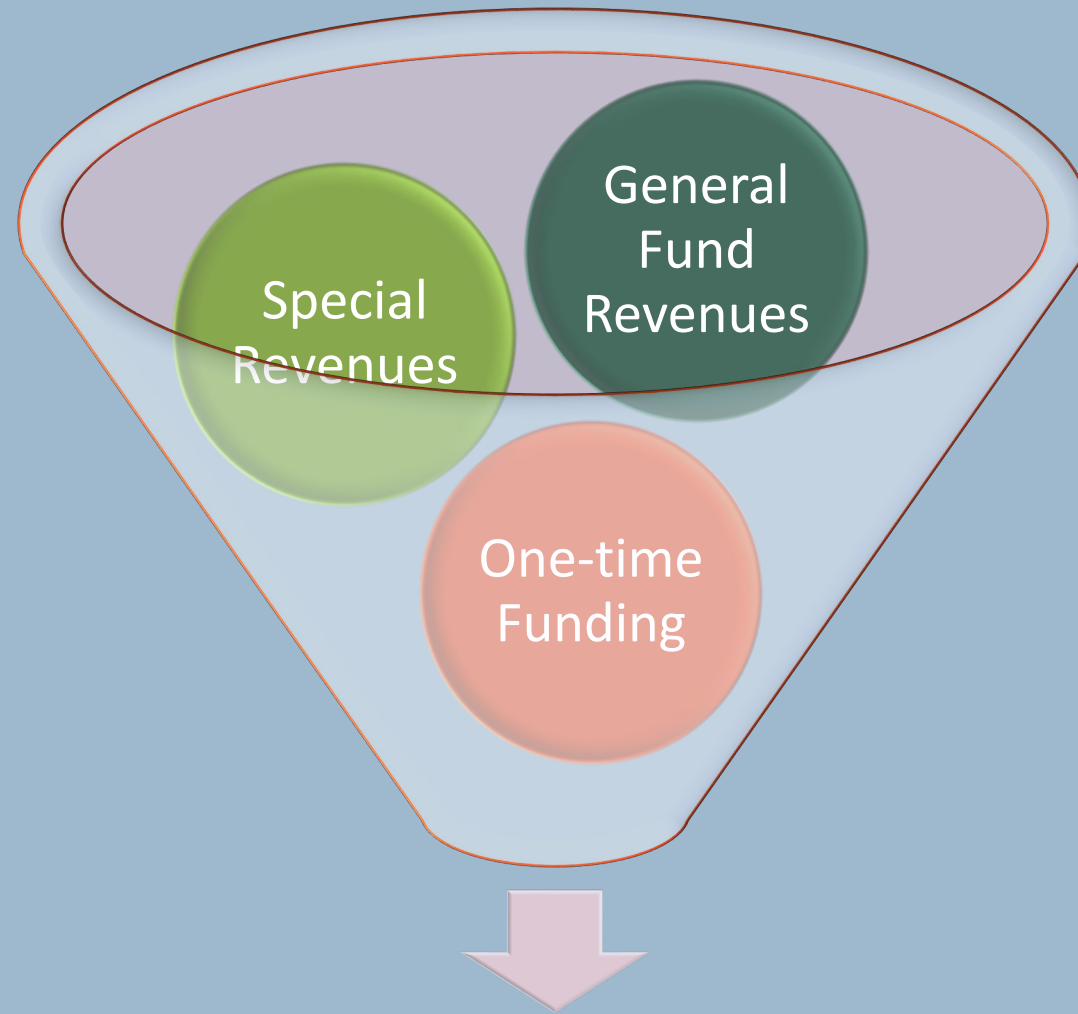
- Parcel Charge
- Restricted for Landscaping, Lighting & Streetscaping



## West River CFD

- Parcel Charge
- Restricted for Landscaping, Lighting, and Streetscaping



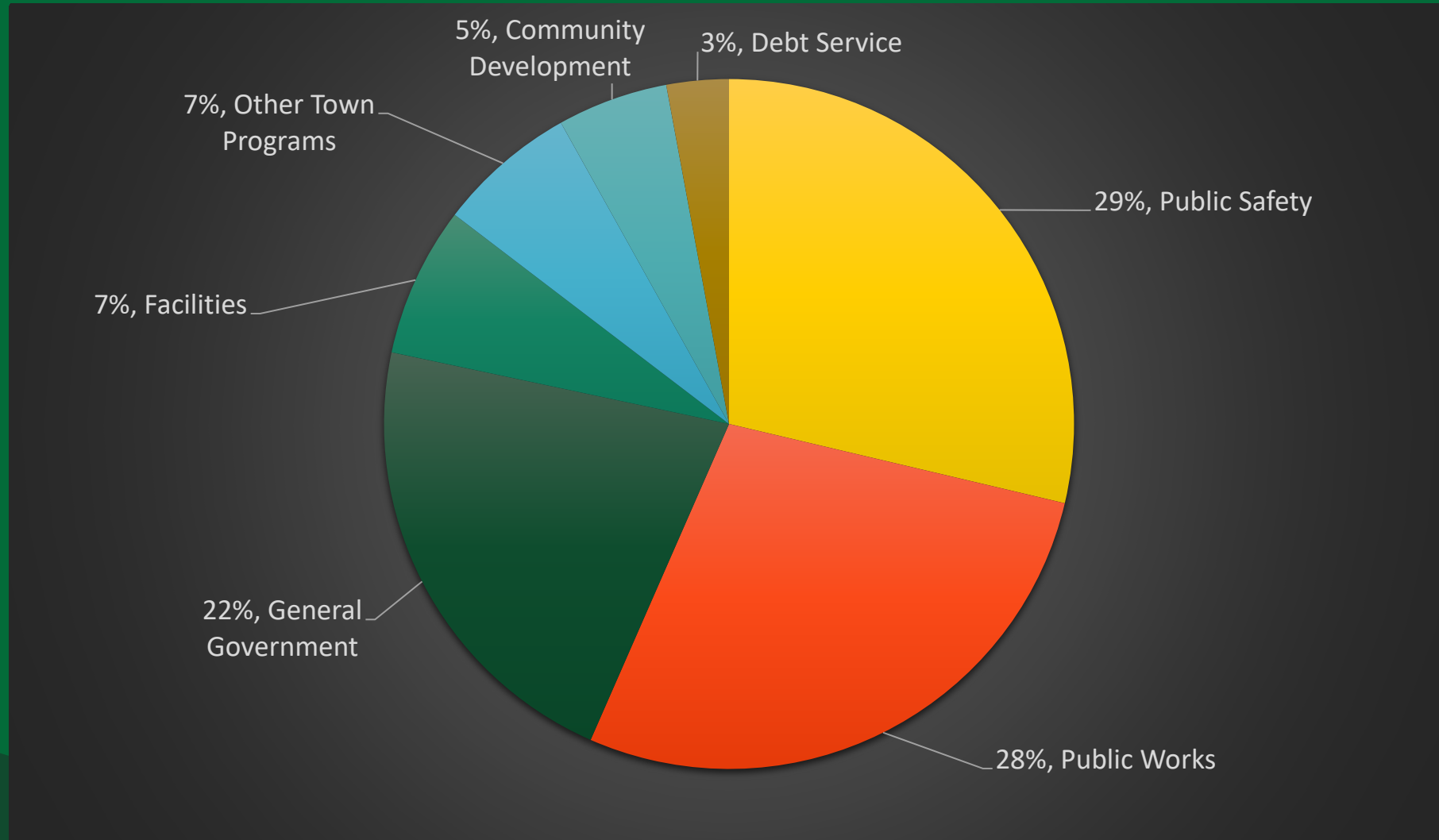


Total Amount Available

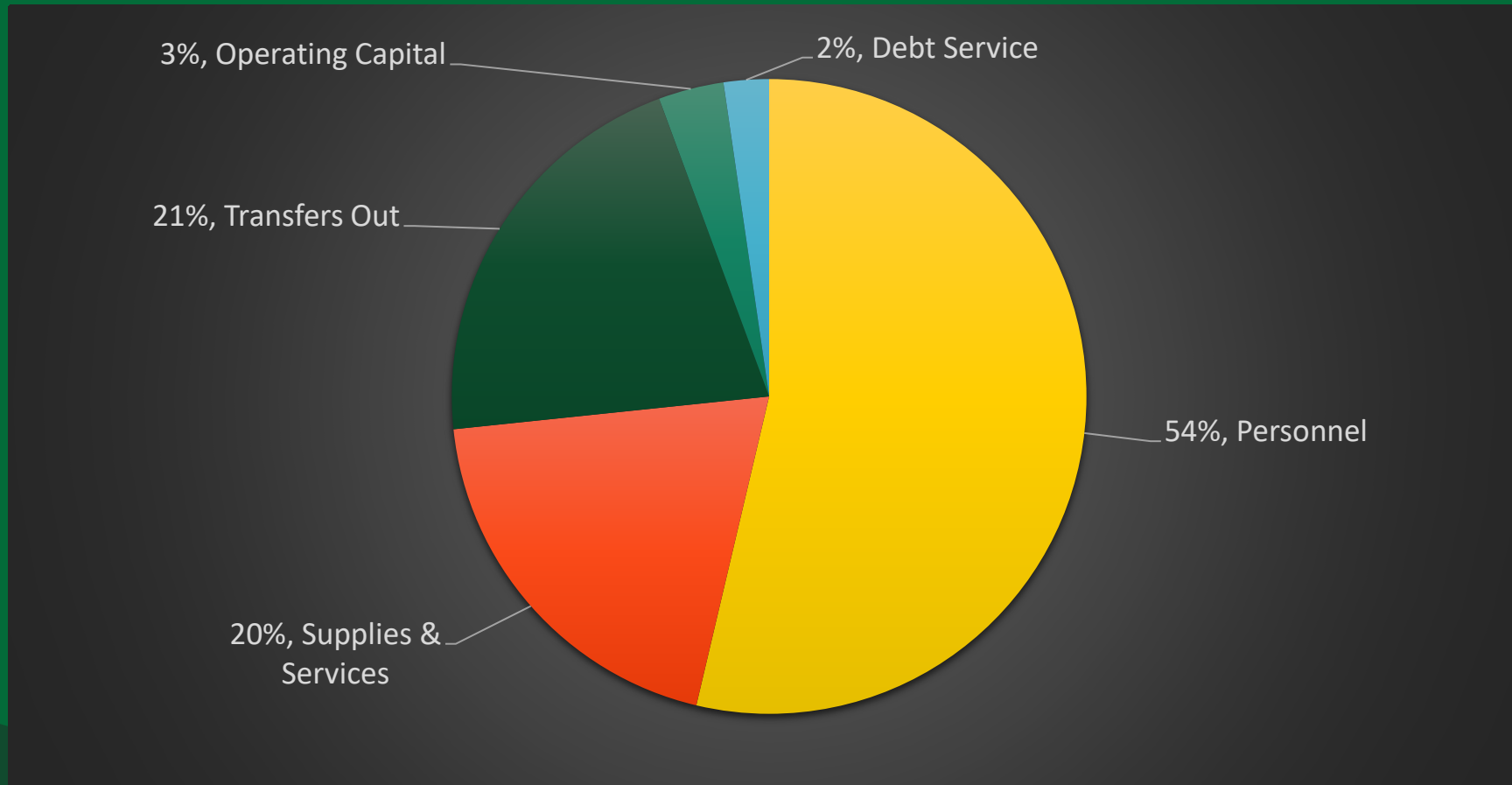
# EXPENSES



# General Fund Operating Expenses – FY23/24



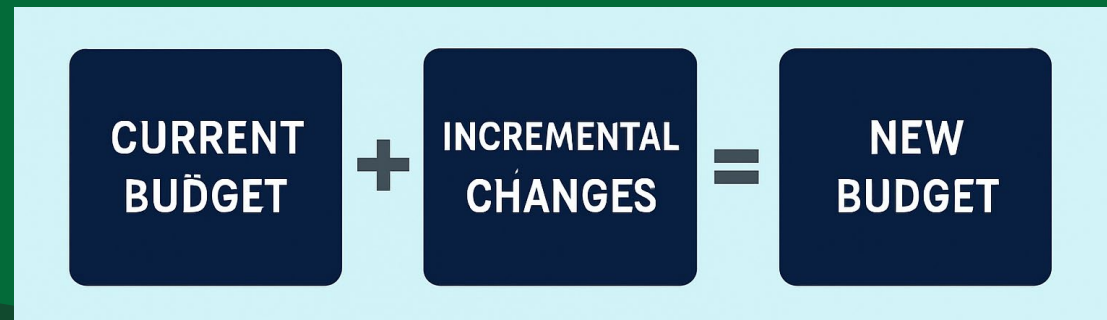
# General Fund Operating Expense – Spending Categories – FY23/24



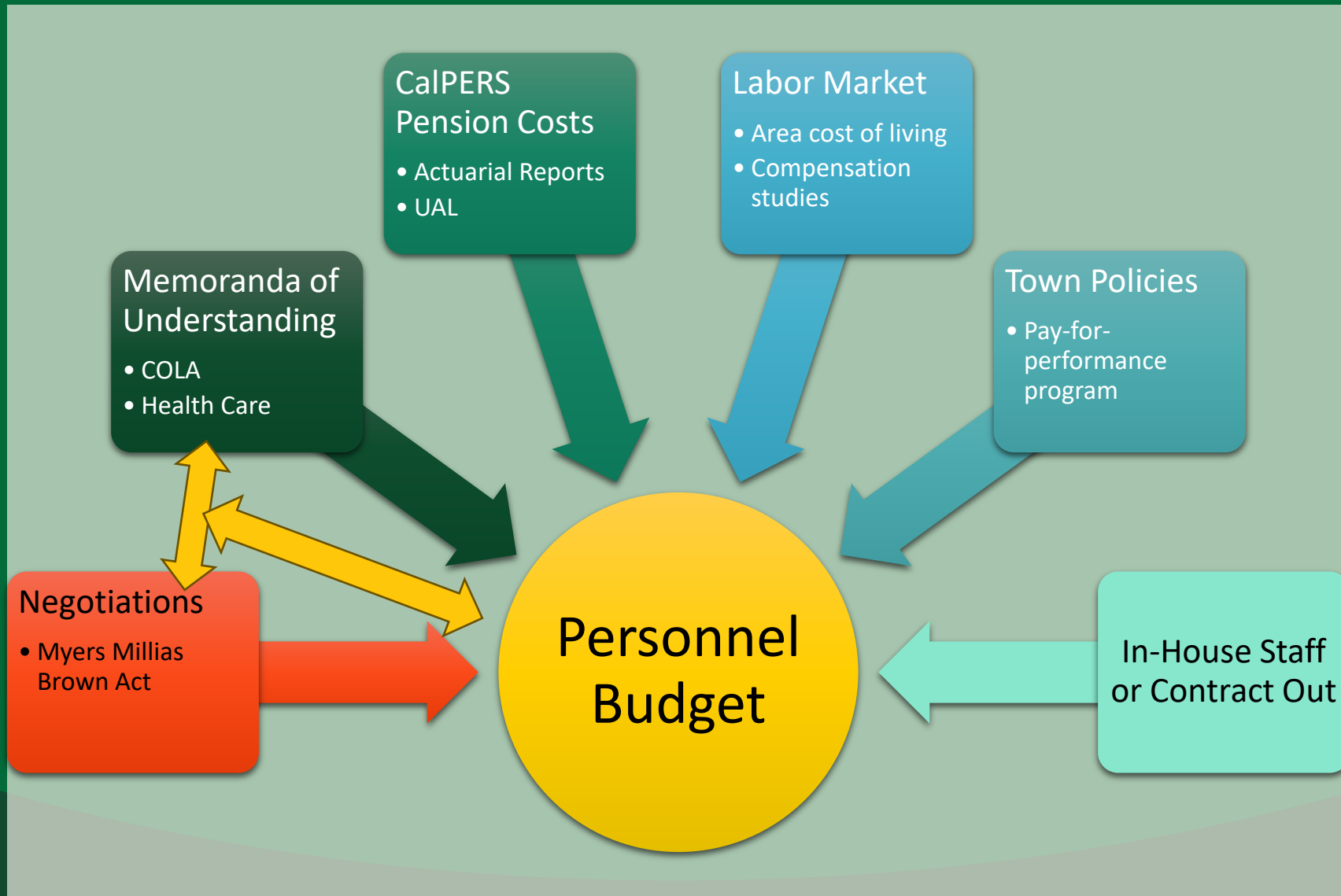


# What is Incremental Budgeting

- Traditional Approach where previous year's budget is used as baseline
- Adjustments are made incrementally with each new budget cycle, usually based on:
  - Inflation or cost-of-living increases
  - New Programs or policy changes
  - One-time expenditures removed or added



# Personnel Budgets

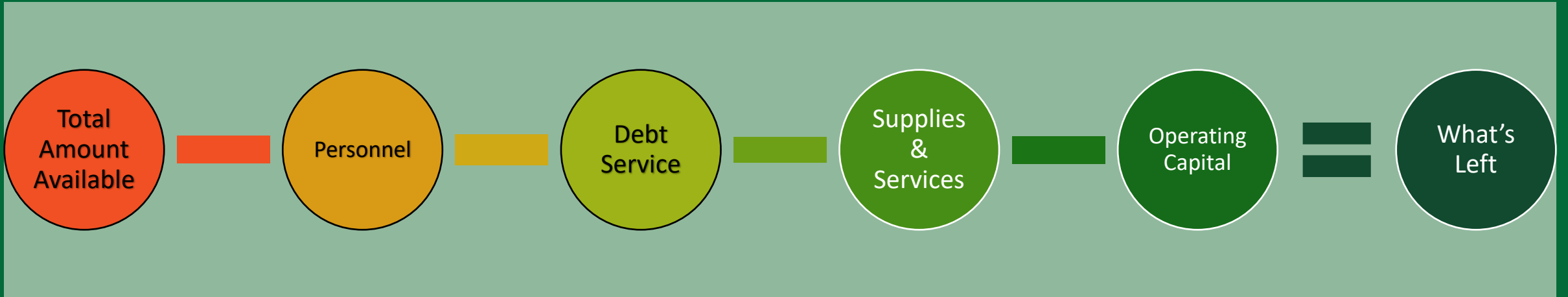




GENERAL FUND REVENUE						
2023/24 REVENUE BUDGET						
101.000.00	General Fund	MOU REVENUE CHANGE CALCULATION				
ACCOUNT		2022/23 AMENDED BUDGET	2022/23 ESTIMATED ACTUALS	2023/24 PROPOSED BUDGET	% CHG BUD TO BUD	Include in MOU Rev. Calc?
40.11	Property Tax - Secured Current Yr	13,712,214	14,301,865	14,587,902	6.4%	X
40.20	Property Tax - Unsecured Current Yr	208,250	227,636	232,188	11.5%	X
40.25	Property Tax - Unsecured Prior Yrs	-	3,230	-		X
40.30	Supplemental Secured Current Yr	200,000	431,754	200,000		X
40.40	Supplemental Unsecured Current Yr	-	11,883	-		X
40.50	Supplemental Prior Years	-	913	-		X
40.61	RPTTF - RSA Residual	175,000	280,000	280,000	60.0%	X
40.70	Real Property Transfer Tax	400,000	420,435	400,000		X
41.10	Sales & Use Tax	6,383,089	6,737,929	6,696,071	4.9%	X
41.30	Transient Occupancy Tax	5,000,000	6,000,000	5,250,000	5.0%	X
41.50	Franchise Tax	1,250,000	1,440,000	1,350,000	8.0%	X
40.80	Homeowner's Property Tax Relief	95,000	89,080	90,000	-5.3%	X
45.11	Property Tax - In-Lieu MVL Fee	2,000,000	2,254,081	2,050,000	2.5%	X
45.12	Motor Vehicle License Fees	13,000	18,730	13,000		X
45.40	NVC Pass Through Payment	87,550	85,000	87,550		X
45.90	TTUSD - SRO Reimbursement	75,233	102,045	100,805	34.0%	X
42.10	Animal Licenses	25,000	24,000	25,000		X
44.10	Interest Income - County	18,000	18,000	18,360	2.0%	X
44.30	Interest Income - Investments	180,024	877,509	875,697	386.4%	X
47.50	Town Facility Tenant Leases	317,287	272,142	287,168	-9.5%	X
47.51	Depot Tenant Leases	31,433	30,000	30,000	-4.6%	X
43.05	Court Fines	75,000	62,000	65,000	-13.3%	X
45.76	POST Reimbursement	10,000	25,000	10,000		X
46.40	Special Police Dept Services	40,000	17,500	30,000	-25.0%	X
46.41	Police Special Event Reimbursement	50,000	37,000	45,000	-10.0%	X
42.28	Plan Check & Inspection Fees	105,000	230,000	130,000	23.8%	X
47.04	Channel 6 Subscriber Contributions	50,000	50,000	50,000		X
TOTAL GENERAL FUND REVENUE		30,501,080	34,047,732	32,903,741	7.9%	
% Increase Calculations for MOU Revenue				% Chg Bud to Bud		
Property Tax (4011, 4020, 4030, 4040)		14,120,464	14,973,138	15,020,091	6.4%	
Sales tax		6,383,089	6,737,929	6,696,071	4.9%	
MOU General Fund Revenue Increase (specified Accounts)		30,501,080	34,047,732	32,903,741	7.9%	

# Pay-for-Performance Program

Town's Year-on-Year Budgeted Revenue Increase	PFP Pool	Range of Increases Available in Pool
Less than 1% increase:	None (no PFP raises)	None
1% - 1.99% increase:	1% Pool	0% - 2%
2% - 2.99% increase:	2% Pool	0% - 2.75%
3% - 4.99% increase:	3% Pool	0% - 4%
5% or greater increase:	5% Pool	0% - 6%

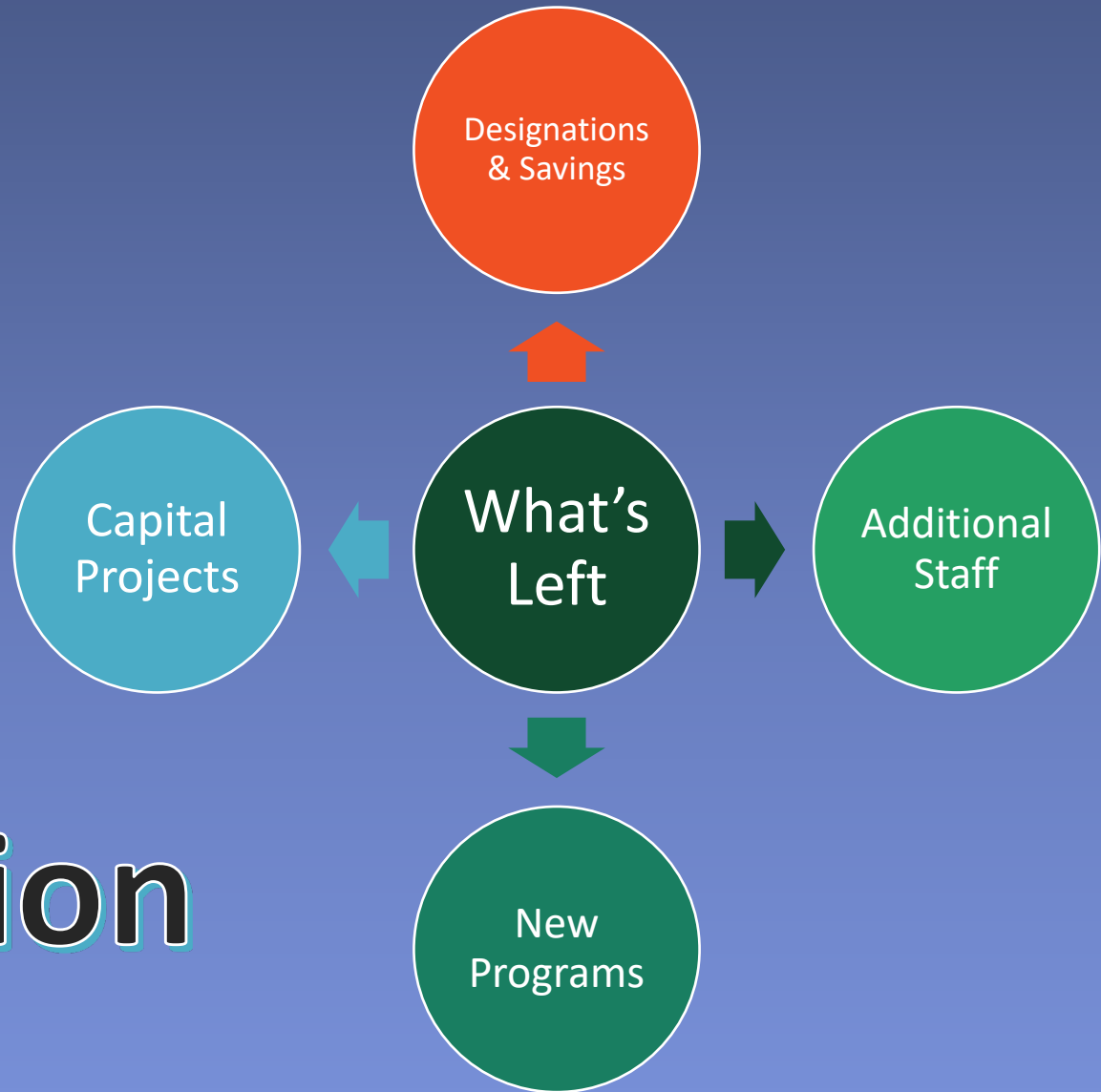




# What's Left

Where the fun is had!

## Prioritization



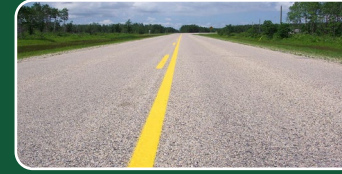
## General Fund Contingency

- \$16.7 million
- Target = 40% of General Fund Revenues



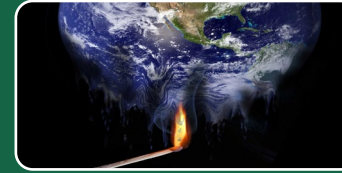
## Road Maintenance Reserve

- \$4.4 million
- \$1.25 million per year



## Sustainability Designation

- \$369,697
- 5% of annual operating surplus



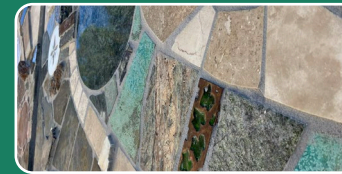
## General Fund Housing Design

- \$273,775



## Art Designation

- \$100k/year up to \$500K



# General Fund - Designations & Savings



# Council Priorities

## TOWN OF TRUCKEE 2025-27 COUNCIL PRIORITIES

INVEST IN **KEY INFRASTRUCTURE,  
COMMUNITY CONNECTIVITY,  
& ECONOMIC VITALITY**

ACTIVELY SUPPORT  
THE DEVELOPMENT OF  
**WORKFORCE HOUSING**

ENHANCE  
**COMMUNICATION  
& PUBLIC  
OUTREACH**

ENHANCE  
PARTNERSHIPS  
& INVESTMENT  
FOR **EMERGENCY  
PREPAREDNESS**  
INCLUDING  
WILDFIRE  
READINESS,  
MITIGATION  
& RECOVERY

REDUCE GREENHOUSE  
GAS EMISSIONS &  
BECOME A LEADER IN  
**ENVIRONMENTAL SUSTAINABILITY**

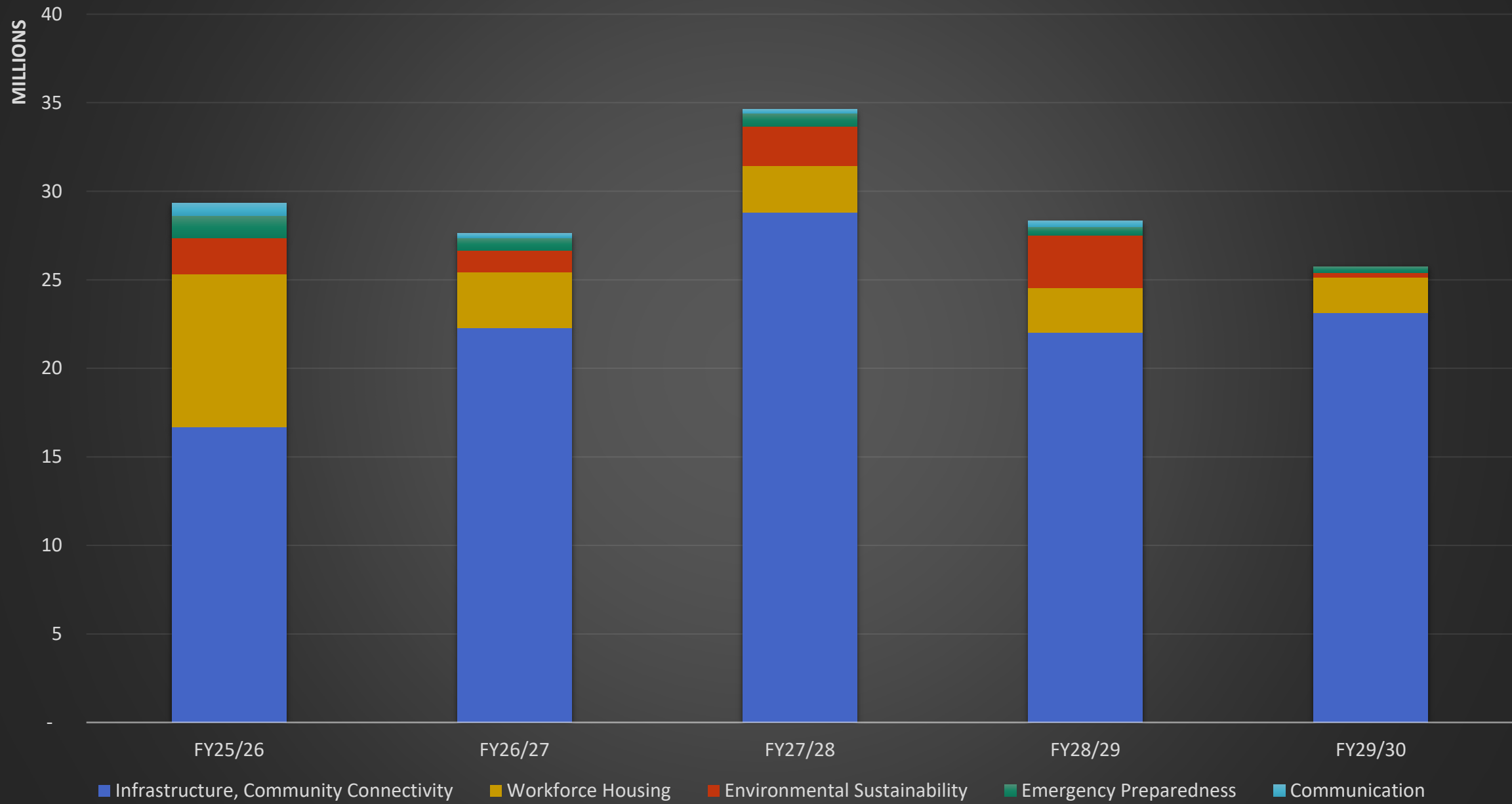


# Two Year Work Plan

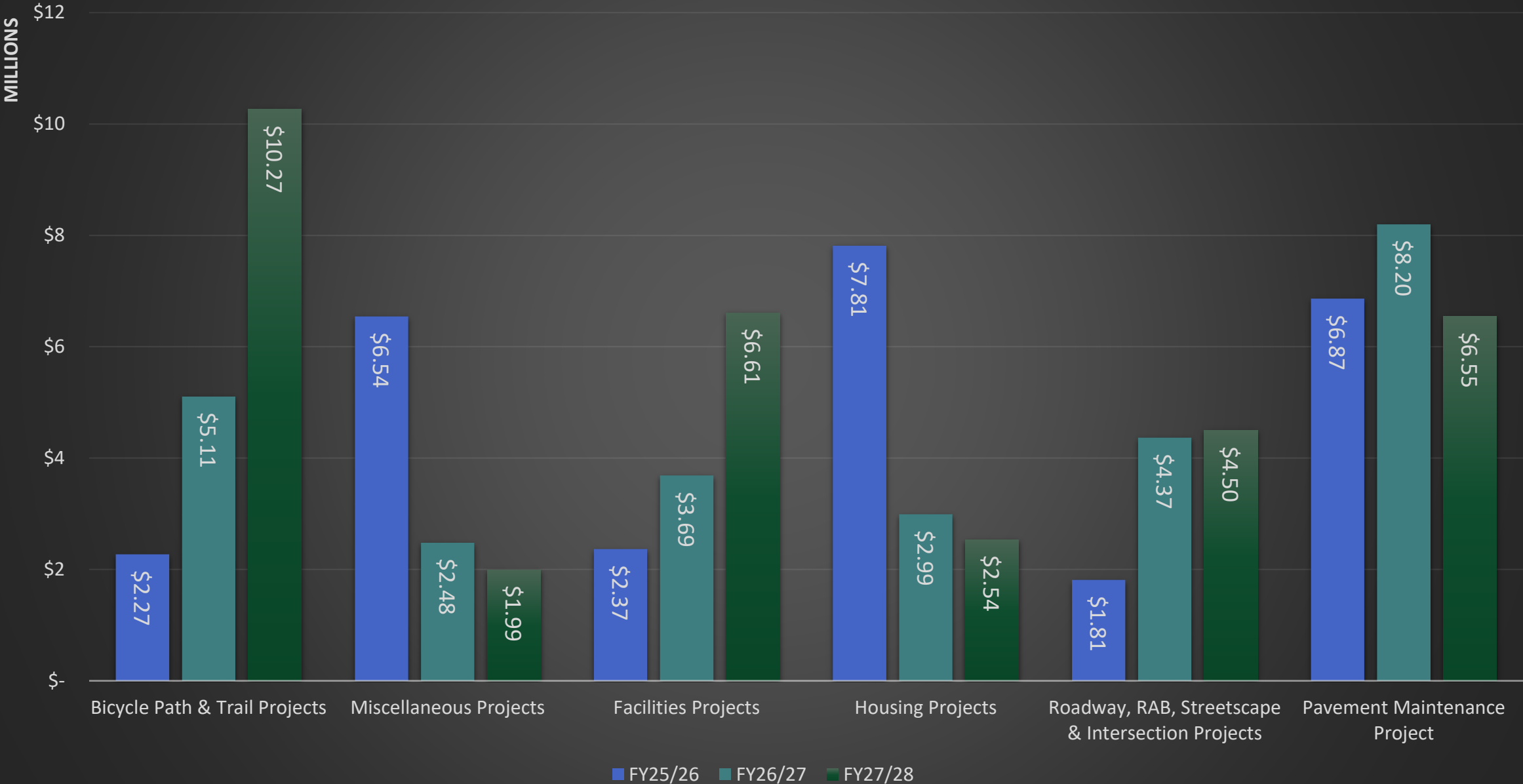
- First developed for FY2021/22 budget period under guidance of Management Partners
- Includes series of goals and corresponding action items aimed at helping to bring Council priorities to reality
- FY25/26 – FY26/27 Workplan Discussion on May 27, 2025
  - Quarterly updates to Council



# Capital Project Spending by Council Priority

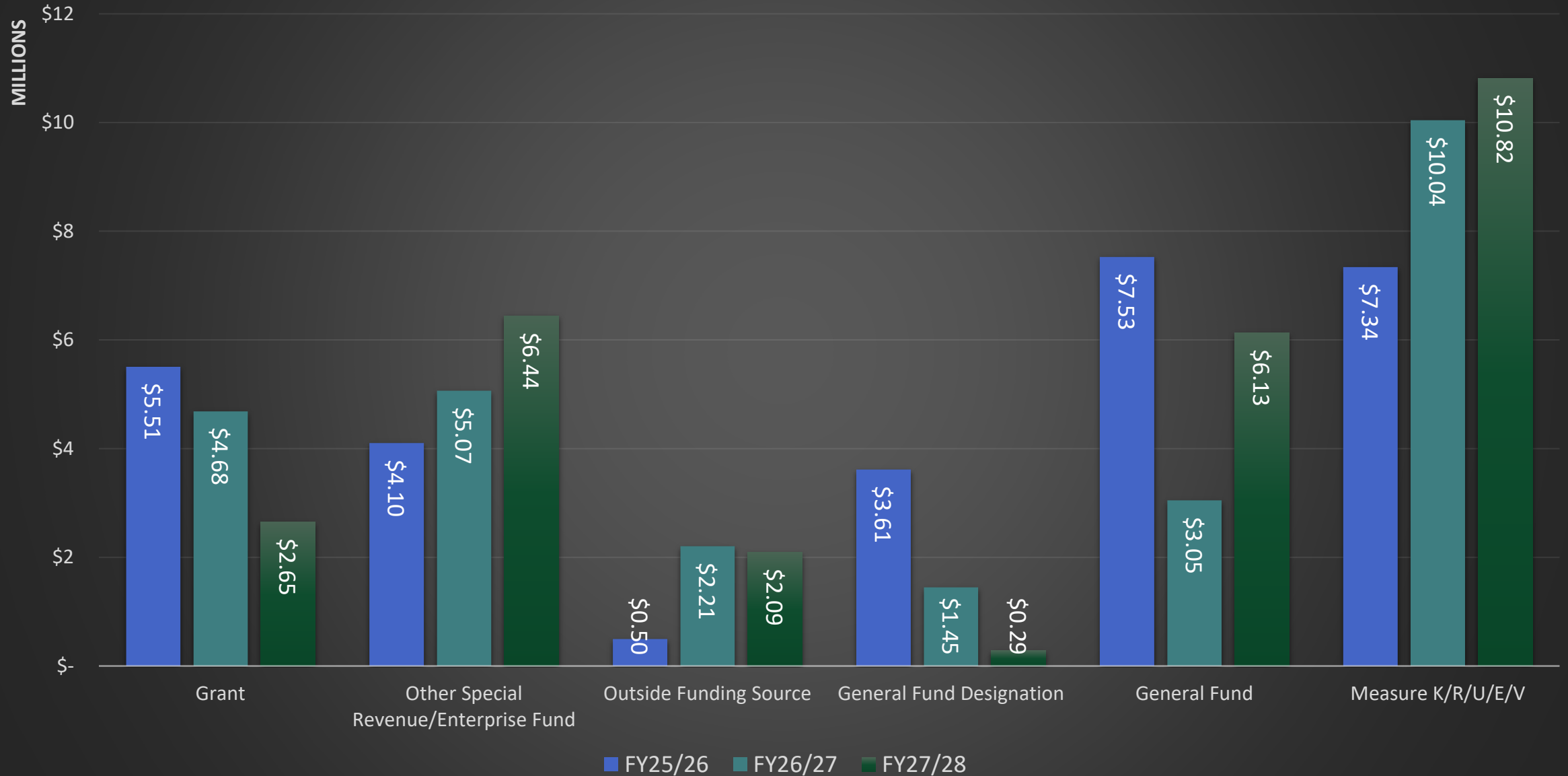


# Capital Spending by Category





# Capital Projects – Funding Sources







GENERAL FUND	PROPOSED BUDGET 2025/26	PROJECTED 2026/27	PROJECTED 2027/28	PROJECTED 2028/29	PROJECTED 2029/30
Beginning Total Fund Balance	57,197,295	49,721,948	47,365,262	42,600,796	36,687,863
Revenues	45,485,873	46,381,122	47,894,517	49,314,342	50,769,917
Less: Operating Expenditures	(41,055,119)	(43,297,821)	(45,304,274)	(47,162,345)	(49,209,684)
<b>Net Operating Revenue/(Expense)</b>	<b>4,430,754</b>	<b>3,083,301</b>	<b>2,590,243</b>	<b>2,151,997</b>	<b>1,560,233</b>
Less: Debt Service	(951,344)	(945,390)	(943,601)	(936,864)	(937,748)
<b>Net Operating Surplus/(Deficit) with Debt Service</b>	<b>3,479,410</b>	<b>2,137,911</b>	<b>1,646,641</b>	<b>1,215,133</b>	<b>622,486</b>
Capital Transfers	(7,528,187)	(3,048,107)	(6,125,107)	(6,842,066)	(5,435,000)
Expenditures from Road Maintenance Reserve	(1,250,000)	(625,000)	-	-	(625,000)
Expenditures from Economic Development Design	(50,000)	-	-	-	-
Expenditures from Sustainability Designation	(920,600)	(706,200)	(236,000)	(236,000)	(236,000)
Expenditures from Streetscape Designation	(500,000)	-	-	-	-
Expenditures from Railyard Commitments Design.	(250,000)	(50,000)	(50,000)	(50,000)	(50,000)
Expenditures from General Fund Housing Design.	(455,970)	(65,290)	-	-	-
Expenditures from Misc Designations	-	-	-	-	-
<b>Net Change</b>	<b>(7,475,347)</b>	<b>(2,356,686)</b>	<b>(4,764,466)</b>	<b>(5,912,933)</b>	<b>(5,723,514)</b>
<b>Total Ending Fund Balance</b>	<b>49,721,948</b>	<b>47,365,262</b>	<b>42,600,796</b>	<b>36,687,863</b>	<b>30,964,349</b>

GENERAL FUND	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
	BUDGET 2025/26	2026/27	2027/28	2028/29	2029/30
Total Ending Fund Balance	49,721,948	47,365,262	42,600,796	36,687,863	30,964,349
Less: <u>Nonspendable Fund Balances</u>	433,906	433,906	433,906	433,906	433,906
Less: <u>Assigned Fund Balances</u>					
General Fund Contingency Designation (40%)	18,194,349	18,552,449	19,157,807	19,725,737	20,307,967
Budget Stabilization Designation	-	-	-	-	-
Road Maintenance Reserve	2,402,816	1,777,816	3,277,816	4,777,816	5,652,816
Economic Development/Infrastructure Designation	166,691	166,691	166,691	166,691	166,691
Streetscape Designation	43,182	43,182	43,182	43,182	43,182
General Fund Housing Designation	65,290	(0)	-	-	-
Railyard Commitments Design.	250,000	200,000	150,000	100,000	50,000
Capital Improvements Designation	-	-	-	-	-
Wildfire Deductible Designation	-	-	-	-	-
Sustainability Designation	236,613	-	-	-	-
Miscellaneous Designations	67,281	67,281	67,281	67,281	67,281
Total Nonspendable and Designations	21,860,128	21,241,325	23,296,683	25,314,613	26,721,843
Total Undesignated Fund Balance	27,861,820	26,123,937	19,304,113	11,373,250	4,242,506
Less: <u>Restricted Fund Balances</u>	231,390	231,390	231,390	231,390	231,390
Cash Available	27,630,430	25,892,547	19,072,723	11,141,860	4,011,116



# Measuring Budget Performance

- Accounting system validates spending against budget, authorization required to exceed
- Quarterly Financial Status Updates to Council with Budget Performance
  - Monitoring provides early warning of potential problems
  - Especially important on Revenue side
- Reported in Financial Statements
- Annual reporting to Tax Measure Oversight Committee



# The Future of the Budget

- Moving to a biannual budget for FY27/28 – FY28/29
- Increase in goals, accomplishments, and performance metrics
- Continue to increase useability & information presentation



# Get Involved

- Attend Council meetings and/or Provide public comment (May 27<sup>th</sup> & June meeting)
- Follow the budget calendar
- Participate in surveys and forums
- Stay informed through newsletters/social media
- Participate on commissions and committees







# Questions or Comments

