



# WASHOE COUNTY

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CM/ACM\_\_\_\_\_

Budget\_\_\_\_\_

DA N/A

Comptroller N/A

HR N/A

Other N/A

## STAFF REPORT

BOARD MEETING DATE: April 28, 2015

**DATE:** April 20, 2015

**TO:** Board of County Commissioners

**FROM:** Al Rogers, Management Services Director, Manager's Office  
(775) 328-3606, [ARogers@washoecounty.us](mailto:ARogers@washoecounty.us)

**THROUGH:** John Slaughter, Washoe County Manager  
(775)328-2060, [jslaughter@washoecounty.us](mailto:jslaughter@washoecounty.us)

**SUBJECT:** Status report and possible direction to staff on the County Manager's recommended Capital Improvements Plan for Fiscal Years 2016-2020 and possible approval of change in current Board policy relating to Stabilization Funding.

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### SUMMARY

The purpose of this item is to provide a status report an possible direction to staff on the Manager's recommended Capital Improvements Plan for Fiscal Years 2016-20 and possible approval of change in current Board of County Commission policy relating to Stabilization Funding; and, direct the County Manager to return to the Board of County Commission with a Tentative and Final Budget incorporating the approved County Manager's Capital Improvements Plan for Fiscal Years 2016-2020 recommendations for adoption at the public hearing scheduled for May 18, 2015.

Washoe County Strategic Objective supported by this item: Sustainability of our financial, social and natural resources

### PREVIOUS ACTION

May 10, 2011: Approved a fund balance policy that set a minimum fund balance in the General Fund for the purpose of stabilization at 1.5%.

June 26, 2012: Approved an amendment to the fund balance policy that set a minimum fund balance in the General Fund for the purpose of stabilization at 1.5% of expenditures and other uses excluding material one-time expenditure items.

May 19, 2014: Approved the Washoe County Fiscal Budget for 2014-2015.

## **BACKGROUND**

Due to limited resources, the current proposed projects have a very high priority, or in the case of Parks Capital Fund projects, are projects that have special funding sources like grants or dedicated funding from local or state voter-approved initiatives. Over the next five years, the CIP plan totals just over \$183.9 million with the primary sources of funding coming from dedicated sources such as residential/parks construction tax, grants, voter initiatives, and debt financing. For FY 15/16, capital plan funding totals \$48.4 million. The Capital Improvement Plan detail for which approval is being sought is included as Attachment A to this staff report. One of the six (6) FY16 Goals indentified by the Board at the retreat is "enhance community safety through investing in critical infrastructure for current and future needs. Ongoing capital investment is extremely important for any government, and postponing the upkeep of infrastructure can have a compounding effect on expenditures in future years. As the economy recovers, funding for County's investment in capital assets and infrastructure will continue to be a priority.

### **Stabilization Fund Policy**

NRS 354.6115 authorizes local governments to establish a fund to stabilize their operations and mitigate the effects of natural disasters. The statutory restrictions for such a fund are limited to two types of situations: (1) "if the total actual revenue of the local government falls short of the total anticipated revenue in the general fund for the fiscal year in which the local government uses the money" and (2) to pay expenses "to mitigate the effects of a natural disaster" that is formally declared by the governing body of the local government. There is no minimum amount set in law for a local government's stabilization account and indeed, it is not mandatory to maintain such an account. The law does set a maximum of 10% of General Fund expenditures.

From FY 2004/05 through FY 10/11, the total balance of the Stabilization Fund ranged from \$2.25 million to \$3.25 million. However, due to the tight restrictions set in law, there was only one instance where the County accessed the fund, in FY 07/08 as a result of a revenue shortfall. The County could not use the balance in the Stabilization Fund, for example, to cover any of the Incline Village property tax settlement because of the legal restrictions on the fund nor could it use the balance to cover legal costs for example on a major jury trial in the county. During times of natural disasters, historically the County has used existing unappropriated General Fund balances and/or FEMA funds to cover its expenses.

For these reasons, the Office of the County Manager/Budget Office is proposing to amend the current Board policy for stabilization to set a minimum reserve for the purpose of stabilization at \$3,000,000, rather than on a percentage basis. Staff believes this is a reasonable amount to cover unanticipated staff costs involved in responding to natural disasters or emergencies.

The monies resulting from a reduction of the stabilization fund from the current level of \$4.1 million to \$3 million represent one-time monies and accordingly are proposed to be transferred to the Capital Improvement Projects fund, thus increasing the General Fund's contribution to the CIP from \$3 million to \$5 million.

**FISCAL IMPACT**

Fiscal impacts will be included in the final recommended budget based on recommendations made by the Board of County Commissioners and/or the County Manager.

**RECOMMENDATION**

It is recommended that the Board acknowledge the status report and provide possible direction to staff on the County Manager's recommended Capital Improvements Plan for Fiscal Years 2016-2020 and possible approval of change in current Board policy relating to Stabilization Funding.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be, "move to acknowledge the status report and possible direction to staff on the County Manager's recommended Capital Improvements Plan for Fiscal Years 2016-2020 and possible approval of change in current Board policy relating to Stabilization Funding.

**CONSOLIDATED PROJECT LIST**  
**FISCAL YEAR 2016-2020 PROJECT LIST**

<b>FY 2016/2016 - 2019/2020 Project List</b>	<b>Year 1 2015/2016</b>	<b>Year 2 2016/2017</b>	<b>Year 3 2017/2018</b>	<b>Year 4 2018/2019</b>	<b>Year 5 2019/2020</b>	<b>Total 5 Years</b>
<b>Projects</b>						
<b>Capital Improvements Fund Projects</b>						
1 S. Sierra Street - Roof Replacement	580,000	-	-	-	-	580,000
220 S. Center St. - Elevator replacement	-	-	460,000	-	-	460,000
350 Center St. - 2nd floor VAV replacement	-	-	-	224,000	-	224,000
350 Center St. - Window replacement	-	-	-	300,000	-	300,000
75 Court St. - Historic Elevator upgrades	-	-	-	610,000	-	610,000
75 Court St. - Main elevator upgrades	-	-	350,000	-	-	350,000
75 Court St. - Window replacement	-	-	-	-	165,000	165,000
911 Parr Blvd. - Detention Lock Replacements	400,000	300,000	-	-	-	700,000
911 Parr Blvd. - HU-1 and HU-2 HVAC replacement	1,200,000	-	-	-	-	1,200,000
911 Parr Blvd. - HU-6 HVAC replacement	-	620,000	-	-	-	620,000
911 Parr Blvd. - HU-9 HVAC replacement	-	-	620,000	-	-	620,000
911 Parr Blvd. - Motor Pool HVAC renovation	-	-	-	-	550,000	550,000
911 Parr Blvd. - Re-Roof lower detention	-	800,000	-	-	-	800,000
9th Street - Building C roof replacement	-	-	180,000	-	-	180,000
9th Street - Building D HVAC replacement	-	-	-	430,000	-	430,000
9th Street - Building D roof replacement	-	-	-	220,000	-	220,000
9th Street - Parking lots A,B,C replacement	-	-	210,000	-	-	210,000
Admin. Complex - window and exterior joint seal	-	-	200,000	-	-	200,000
Assessor - Tech Conference/Research Rooms	120,000	-	-	-	-	120,000
Bartley Ranch - Parking lot replacement	110,000	-	-	-	-	110,000
Bowers Mansion - Parking lot replacement	-	310,000	-	-	-	310,000
Bowers Pool - Mechanical renovation/upgrade	-	300,000	-	-	-	300,000
District Court - Carpet	-	-	200,000	-	-	200,000
District Court - Employee Restroom	-	-	-	-	102,000	102,000
District Court - Juror Parking Lot	-	-	-	-	250,000	250,000
District Court - Repaint Exterior of 75 Court St.	-	-	-	-	150,000	150,000
Ellens Park - Playground equipment and surface	-	200,000	-	-	-	200,000
Health - Entrance Safety Improvements	-	-	-	-	210,000	210,000
Health - Tuberculosis Program Relocation	-	-	150,000	-	-	150,000
Health - Workstation Retrofits	-	120,000	-	-	-	120,000
Hidden Valley - pave dirt road and parking	-	-	-	100,000	-	100,000
Hidden Valley - Playground re-surface	-	160,000	-	-	-	160,000
Longley Lane - Parking lot replacement	-	-	340,000	-	-	340,000
Longley Lane - Stormwater - Sand dome	500,000	-	-	-	-	500,000

**CONSOLIDATED PROJECT LIST**  
**FISCAL YEAR 2016-2020 PROJECT LIST**

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Northwest Library - HVAC replacement	-	-	-	225,000	-	225,000
Rancho - Irrigation System Phase II	-	600,000	600,000	-	-	1,200,000
Rancho - Playground equipment and surface	-	250,000	-	-	-	250,000
Regional Shooting - Pave dirt road and parking	-	-	100,000	-	-	100,000
RPSTC - Roof re-seal	-	-	-	-	150,000	150,000
Security related building modifications	350,000	-	-	-	-	350,000
South Valley - Playground re-surface	-	160,000	-	-	-	160,000
Sparks Library - roof replacement	-	-	-	-	340,000	340,000
Whites Creek - Playground equipment and surface	-	200,000	-	-	-	200,000
Centralized Storage Systems Refresh	-	-	-	335,000	450,000	785,000
CSD - Asset Management Software	200,000	-	-	-	-	200,000
Medical Examiner - LODOX Digital Radiography	-	424,000	-	-	-	424,000
Microsoft Licensing	-	263,000	120,000	-	-	383,000
Network Core Campus Router Upgrades	190,000	-	185,000	185,000	225,000	785,000
Permanent Archival Film to Digital Project	192,000	-	-	-	-	192,000
Physical Security Replace Lenel Video System	-	877,300	-	-	-	877,300
VOIP - Infrastructure - Downtown Court Complex	839,000	-	-	-	-	839,000
VOIP - Infrastructure - Edison Way	-	103,000	-	-	-	103,000
VOIP - Infrastructure - Jan Evans	-	126,000	-	-	-	126,000
VOIP - Infrastructure - Longley Lane	-	126,000	-	-	-	126,000
VOIP - Infrastructure - Sparks Justice Court	-	126,000	-	-	-	126,000
VOIP- Infrastructure - Spectrum Campus	-	339,000	-	-	-	339,000
VRS Base Station hardware and software upgrade	-	-	136,000	-	-	136,000
<b>Capital Improvements Fund Total</b>	<b>4,681,000</b>	<b>6,404,300</b>	<b>3,851,000</b>	<b>2,629,000</b>	<b>2,592,000</b>	<b>20,157,300</b>
<b>Parks Capital Projects</b>						
Crystal Peak Park One-Way Exit	110,200	-	-	-	-	110,200
Galena School House Improvements	90,000	-	-	-	-	90,000
Galena Terrace Park Development	234,000	-	-	-	-	234,000
North Valley Playground	120,100	-	-	-	-	120,100
Gator Swamp Playground	400,000	-	-	-	-	400,000
Eagle Canyon Park Restroom	500,000	-	-	-	-	500,000
Sun Valley GID	128,328	-	-	-	-	128,328
New Washoe City Playground Rehab	108,343	-	-	-	-	108,343
Arboretum Green House	100,000	-	-	-	-	100,000
Ballardini Ranch Trails	250,000	-	-	-	-	250,000
Bowers Mansion Parking Lot	250,000	-	-	-	-	250,000

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Lake Tahoe Bike Path P4	75,000	-	-	-	-	75,000
Hunter Creek Trailhead	30,000	-	-	-	-	30,000
Crystal Peak Park Road	55,992	-	-	-	-	55,992
Golden Eagle Trailhead	243,857	-	-	-	-	243,857
Rancho San Rafael Wetland Mitigation	90,000	-	-	-	-	90,000
North Valley Recreation Improvements	1,244,938	-	-	-	-	1,244,938
Arboretum Greenhouse	185,000	-	-	-	-	185,000
<b>Parks Capital Total</b>	<b>4,215,758</b>	-	-	-	-	<b>4,215,758</b>
<b>Capital Facilities Tax Fund Projects</b>						
Medical Examiner Building	9,789,682	-	-	-	-	9,789,682
911 Parr Blvd. - Infirmary Expansion	-	-	1,300,000	14,500,000	-	15,800,000
North Valley Library - New building	-	1,200,000	13,500,000	-	-	14,700,000
<b>Capital Facilities Tax Fund Projects Total</b>	<b>9,789,682</b>	<b>1,200,000</b>	<b>14,800,000</b>	<b>14,500,000</b>	-	<b>40,289,682</b>
<b>Other Funds Projects</b>						
General Fund Projects	435,500	-	-	-	-	435,500
Health Fund	80,880	-	-	-	-	80,880
Animal Services Fund Projects	150,000	-	-	-	-	150,000
Enhanced 911 Fund Revenue	350,000	-	-	-	-	350,000
Regional Public Safety Training Center	145,000	-	-	-	-	145,000
Regional Communications System Projects	457,000	-	-	-	-	457,000
Roads Fund Projects	3,745,000	3,600,000	3,600,000	3,600,000	3,600,000	18,145,000
Other Restricted Special Revenue Fund Projects	4,390,000	-	-	-	-	4,390,000
<b>Other Funds Total</b>	<b>9,753,380</b>	<b>3,600,000</b>	<b>3,600,000</b>	<b>3,600,000</b>	<b>3,600,000</b>	<b>24,153,380</b>
<b>Utilities Fund Projects</b>						
Golden Valley Water Rights Purchase	75,000	75,000	75,000	75,000	75,000	375,000
Huffaker Hills Reservoir Lining Improv - P2	2,200,000	-	-	-	-	2,200,000
Field Creek Pump Replacement	75,000	75,000	75,000	-	-	225,000
Huffaker Reservoir Water Quality Management	100,000	500,000	-	-	-	600,000
Reclaim Truck Fills	-	100,000	-	-	-	100,000
Field Creek Reservoir Water Quality Management	-	500,000	-	-	-	500,000
Dorothy Towne (Zircon) Lift Station Improv	700,000	-	-	-	-	700,000
STMWRF Solids Management Facility	6,670,000	-	-	-	-	6,670,000
STMWRF Utility Operations Building	187,500	-	-	-	-	187,500
STMWRF Enhancement Projects	1,075,000	950,000	-	-	750,000	2,775,000
Cold Springs WRF Enhancement Projects	100,000	-	-	-	-	100,000
SW Vista Lift Station Sewer Main Extension	200,000	-	-	-	-	200,000

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Horizon Hills Sewer System Improvements	-	-	-	225,000	225,000	450,000
Reclaimed Water Transmission Main Extensions	200,000	200,000	200,000	200,000	200,000	1,000,000
STMWRF Solids Management Facility	3,330,000	-	-	-	-	3,330,000
Pleasant Valley Interceptor Reach 4	150,000	-	-	-	-	150,000
STMWRF New Capacity to 6 MGD	-	-	-	-	35,000,000	35,000,000
Pleasant Valley Interceptor Reach 3A	-	-	-	-	3,000,000	3,000,000
Pleasant Valley Interceptor Reach 3B	-	-	-	-	4,000,000	4,000,000
Pleasant Valley Interceptor Reach 3C	-	6,000,000	-	-	-	6,000,000
Pleasant Valley Interceptor Reach 4	-	8,000,000	-	-	-	8,000,000
Phased Sewering Project Phase 1B - Grant	2,526,024	-	-	-	-	2,526,024
<b>Utilities Fund Projects Total</b>	<b>17,588,524</b>	<b>16,400,000</b>	<b>350,000</b>	<b>500,000</b>	<b>43,250,000</b>	<b>78,088,524</b>
<b>Equipment Services Fund Projects</b>						
Heavy Equipment Lease/Purchase	-	-	1,416,000	2,035,000	-	3,451,000
Heavy Equipment Replacement	800,000	700,000	800,000	900,000	1,000,000	4,200,000
Light Equipment Replacement	1,600,000	1,800,000	1,900,000	2,000,000	2,000,000	9,300,000
<b>Equipment Services Fund Projects Total</b>	<b>2,400,000</b>	<b>2,500,000</b>	<b>4,116,000</b>	<b>4,935,000</b>	<b>3,000,000</b>	<b>16,951,000</b>
<b>Total All Projects</b>	<b>\$ 48,428,344</b>	<b>\$ 30,104,300</b>	<b>\$ 26,717,000</b>	<b>\$ 26,164,000</b>	<b>\$ 52,442,000</b>	<b>\$183,855,644</b>

## WASHOE COUNTY CAPITAL IMPROVEMENTS PROGRAM FISCAL YEAR 2016-2020

## FUND SUMMARY

CAPITAL FUNDS SUMMARY	Year 1 2015/2016	Year 2 2016/2017	Year 3 2017/2018	Year 4 2018/2019	Year 5 2019/2020	Total 5 Years
<b>Fund</b>						
Capital Improvement Fund	4,681,000	6,404,300	3,851,000	2,629,000	2,592,000	20,157,300
Parks Capital Fund	4,215,758	-	-	-	-	4,215,758
Capital Facilities Tax Fund	9,789,682	1,200,000	14,800,000	14,500,000	-	40,289,682
Other Funds	9,753,380	3,600,000	3,600,000	3,600,000	3,600,000	24,153,380
Utilities Fund	17,588,524	16,400,000	350,000	500,000	43,250,000	78,088,524
Equipment Services Fund	2,400,000	2,500,000	4,116,000	4,935,000	3,000,000	16,951,000
<b>Total Funding Sources and Uses</b>	<b>\$ 48,428,344</b>	<b>\$ 30,104,300</b>	<b>\$ 26,717,000</b>	<b>\$ 26,164,000</b>	<b>\$ 52,442,000</b>	<b>\$183,855,644</b>

## FUNCTIONAL SUMMARY

Functional Summary	Year 1 2015/2016	Year 2 2016/2017	Year 3 2017/2018	Year 4 2018/2019	Year 5 2019/2020	Total 5 Years
<b>Function</b>						
Culture and Recreation	4,325,758	3,380,000	14,200,000	325,000	340,000	22,570,758
General Government	4,241,000	4,460,300	5,487,000	6,105,000	3,675,000	23,968,300
Health	80,880	120,000	150,000	-	210,000	560,880
Judicial	4,970,000	-	1,010,000	1,134,000	667,000	7,781,000
Public Safety	12,491,682	2,144,000	1,920,000	14,500,000	700,000	31,755,682
Public Works	3,945,000	3,600,000	3,600,000	3,600,000	3,600,000	18,345,000
Utilities	17,588,524	16,400,000	350,000	500,000	43,250,000	78,088,524
Welfare	785,500	-	-	-	-	785,500
<b>Total</b>	<b>\$ 48,428,344</b>	<b>\$ 30,104,300</b>	<b>\$ 26,717,000</b>	<b>\$ 26,164,000</b>	<b>\$ 52,442,000</b>	<b>\$183,855,644</b>

## REVENUE SOURCES SUMMARY

Revenue Summary	Year 1 2015/2016	Year 2 2016/2017	Year 3 2017/2018	Year 4 2018/2019	Year 5 2019/2020	Total 5 Years
<b>Revenue Source</b>						
Ad Valorem	4,765,219	6,200,000	3,800,000	3,500,000	4,000,000	22,265,219
Grants	2,526,024	-	-	-	-	2,526,024
Fees and Charges	21,962,100	19,909,022	3,677,037	3,448,593	44,511,311	93,508,063
Interest Earnings	604,280	395,278	639,963	615,407	330,689	2,585,617
Fuel Taxes	3,745,000	3,600,000	3,600,000	3,600,000	3,600,000	18,145,000
Parks Bonds, Grants, and Taxes	4,215,758	-	-	-	-	4,215,758
Debt Financing	10,609,963	-	15,000,000	15,000,000	-	40,609,963
<b>Total</b>	<b>\$ 48,428,344</b>	<b>\$ 30,104,300</b>	<b>\$ 26,717,000</b>	<b>\$ 26,164,000</b>	<b>\$ 52,442,000</b>	<b>\$183,855,644</b>