



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: *May 17, 2022*

DATE: Thursday, May 12, 2022

TO: Board of County Commissioners

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THROUGH: Christine Vuletich, Chief Financial Officer
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SUBJECT: Discussion and possible action on the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2023-2027 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2022 as required by NRS 354.5945 [FY 2023 total appropriations of \$159,346,804] which requires all local governments annually to prepare a five-year capital improvement plan to be submitted to the State Department of Taxation and County Debt Management Commission by August 1st of each year. The CIP is a five-year plan for the County's capital improvements for park facilities, including trails, open space, and regional parks; libraries; roads under purview of the County; purchase of light and heavy fleet equipment; utilities infrastructure; capital outlay for major equipment; and County buildings and other facilities. The CIP is limited to capital projects with an estimated cost of \$100,000 or more for assets that have a lifespan of more than one year, as part of the reporting requirements of the State and under Board of County Commissioner (BCC) policies. (All Commission Districts).

SUMMARY

The purpose of this item is to consider approval of the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2023-2027. The CIP is a five-year plan for the County's capital improvements for park facilities, including trails, open space, and regional parks; libraries; roads under purview of the County; purchase of light and heavy fleet equipment; utilities infrastructure; capital outlay for major equipment; and County buildings and other facilities. The CIP is limited to capital projects with an estimated cost of \$100,000 or more for assets that have a lifespan of more than one year, as part of the reporting requirements of the State and under Board of County Commissioner (BCC) policies.

AGENDA ITEM # _____

Washoe County Strategic Objective supported by this item: Fiscal Sustainability

PREVIOUS ACTION

May 17, 2022 – The BCC adopted the Final budget for Fiscal Year 2023 that included the capital funds. The BCC also approved a one-time unbudgeted General Fund transfer of [\$34,346,774] to the Capital Improvement Fund to support capital infrastructure needs and a one-time transfer of [\$550,000] to the Roads Fund to support large equipment purchases in FY 2022.

April 19, 2022 – The BCC received and confirmed the County Manager’s recommendations for the Fiscal Year 2023 budget and directed the County Manager to return to the Board of County Commission with a Tentative and Final Budget incorporating the approved County Manager’s recommendations with direction to incorporate any necessary changes related to AB424 staffing for the District Attorney’s Office, for adoption at a public hearing scheduled for May 17, 2022.

On April 12, 2022, the Board heard an overview of the financial outlook for Washoe County. The overview included a review of the General Fund’s financial results for Fiscal Year 2021, a Year-to-Date FY 2022 Budget review, and financial outlook for Fiscal Year 2023, which identified the need to prioritize funding needs and requests.

On January 26, 2022, the Board of County Commissioners held a Strategic Planning Workshop and provided direction on its strategic goals to staff.

BACKGROUND

NRS 354.5945 requires all local governments to annually prepare a five-year capital improvement plan, which must be submitted to the State Department of Taxation and County Debt Management Commission by August 1st of each year.

The County’s capital planning process begins with departments submitting proposed capital projects. Project submittals were categorized under three project types: Core/Critical Projects, Benefits to Community/Staff, and Quality of Life. This was done to ensure that the CIP Committee considered projects in each category and that each type had a share of available funding. All submissions were evaluated by the CIP Committee, comprised of the two Assistant County Managers, Chief Financial Officer, Chief Information Officer, Comptroller, and Budget Manager. Each project received a score in each of the following criteria:

- Assessment of Need
- BCC Strategic Planning Goals
- Project Life Cycle
- Implications of Project Deferral
- Fiscal Impact
- Economic Impact
- Environmental Impact

For FY23, the Committee met with each department that submitted a request, and each CIP Committee members’ scores of project submittals were then averaged. For projects relying on funding from the General Fund, a scoring cutoff was determined based on the

level of General Fund support to the CIP. This fiscal year the level of General Fund support available to the CIP was \$7.0 million plus additional one-time transfers as follows:

- FY 2022 one-time General Fund transfer in the amount of \$34,346,774 to the Capital Improvements Fund
- FY 2022 one-time General Fund transfer in the amount of \$550,000 to the Roads Fund
- FY 2023 on-time General Fund Transfer in the amount of \$37,996,175 to the Capital Improvements Fund

The entire 5-year plan includes over \$365 million in capital expenditures. The first year of the plan that is incorporated into the Fiscal Year 2023 Budget, totals \$159,346,804.

CAPITAL IMPROVEMENT PLAN SUMMARY	Year 1 FY 2023
Fund	
Capital Improvement Fund	80,313,239
Parks Capital Fund	5,901,072
Capital Facilities Tax Fund	-
Other Funds	8,747,814
Utilities Fund	57,484,000
Equipment Services Fund	6,900,679
Capital Projects Included in CIP	\$159,346,804

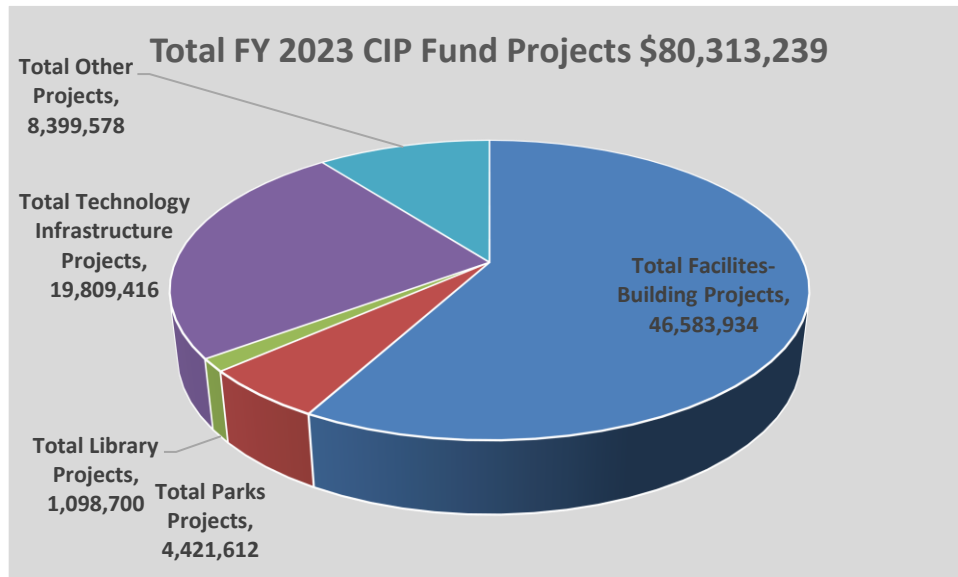
The County Manager’s recommended capital projects for Fiscal Year 2023 include:

FY 2023 ALL PROJECTS - Capital Improvements Fund	ESTIMATED COST
Funded with FY 2022 One-Time Transfer	
Already Approved Multi-Year Projects	
911 Parr Bunk Bed Safety Modifications	3,137,200
Door Access Control System Replacement	483,000
Firewalls	238,492
P25 Radios	3,046,509
Pedestrian Safety Improvements	1,100,000
Security Camera System Replacement	1,138,250
WCSO Records_Detention_CAD System (county funded)	2,100,000
Wi-Fi System Upgrades	251,816
Subtotal Multi-Year	11,495,267

Facilities-Building Projects	
350 S Center 2nd Floor VAV Replacement	247,500
350 S Center Mechanical Room Roof Replacement	121,000
75 Court Street Historic Exterior Renovation	276,100
911 Parr Elevator Controls	968,000
911 Parr HU6 Roof Replacement	367,500
911 Parr HU9 HVAC_Roof Replacement	1,650,000
911 Parr Parking Lot Rehabilitation	715,000
911 Parr Steel Doors HU1, 3 & 6	1,194,600
County Complex Building B Roof Restoration	213,675
Jan Evans Parking Lot Drainage Rehabilitation	286,000
Juvenile Services Door Security Replacement	865,000
Kids Kottage 2 Roof Replacement	359,625
Major Maintenance Replacement	2,000,000
REOC Technology Upgrade	484,694
RPSTC HVAC Replacement	612,150
Senior Center Building Renovations	1,980,000
Senior Center Flooring Replacement	192,500
WCSO Jail Security and Communication System	2,000,000
Subtotal Facilities-Building	14,533,344
Other Projects	
Undesignated Budget	3,375,500
WC Workplace of the Future - Pilot	1,770,000
Subtotal Other	5,145,500
Parks Projects	
Golden Valley Park Playground Replacement	550,000
Lemmon Valley Park Restroom/Ballfield Improvements	715,000
Melio Gaspari Water Park Safety Improvements	495,000
Ranch House Settling Mitigation	144,100
Virginia Foothills Playground Replacement	440,000
Subtotal Parks	2,344,100
Technology Infrastructure Projects	
In-Building P25 BDA Upgrade	892,500
Subtotal Technology Infrastructure	892,500
TOTAL Projects Funded with FY22 One-Time Transfer	
	34,410,711

Funded from Prior Years (carry-over) or Other Sources	
Facilities-Building Projects	
220 S Center Str Parking Security Enhancements (carry-over)	433,643
Jan Evans Fire System (carry-over)	250,103
Major Maintenance Replacement (carry-over)	652,500
Nevada Cares Campus (non-County; Cities of Reno and Sparks Contributions)	12,092,544
Our Place - 2A Renovations	500,000
Our Place - Riverhouse	2,500,000
Red Rock Facilities Fire Ops (carry-over)	100,000
Voters 9th St Office Remodel (carry-over)	236,000
WCSO Front Lobby Remodel (carry-over)	257,524
WCSO Isolation Rooms (carry-over)	370,568
WCSO Records_Detention_CAD System (carry-over)	1,360,000
WCSO Records_Detention_CAD System (carry-over-non-County portion)	4,000,000
Subtotal Facilities-Building	22,752,881
Library Projects	
Reno Downtown Library Elevator Replacement (carry-over)	838,700
Senior Center Library Renovations (non-County funds)	100,000
Sierra View Library Renovations (non-County funds)	160,000
Subtotal Library	1,098,700
Parks Projects	
Lower Wood Creek Ph II WQIP (carry-over)	1,721,257
Parks Public Water System - Ops Plan Improvements (carry-over)	356,255
Subtotal Parks Projects	2,077,512
Technology Infrastructure Projects	
Application Infrastructure (carry-over)	51,308
Marble Bluff Infrastructure Upgrades (carry-over)	415,000
NSRS Debt 2020 (carry-over)	7,463,042
Tax Collection System (carry-over)	276,008
Subtotal Technology Infrastructure Projects	8,205,358
Other Projects	
Lemmon Valley Home Acquisition Phase 1 (carry-over)	34,981
North Valley's Mitigation Strategy (carry-over)	1,119,096
Subtotal Other Projects	1,154,078
TOTAL Prior Year (carry-over) or Other Sources	35,288,528

Funded With FY 2023 One-Time Transfer	
Facilities-Building Projects	
DA Office Expansion - Mills B. Lane	1,114,000
Major Maintenance Replacement	2,000,000
Subtotal Facilities-Building	3,114,000
Technology Infrastructure Projects	
Broadband - Gerlach Fiber	2,500,000
Major Technology Replacement	5,000,000
Subtotal Technology Infrastructure	7,500,000
TOTAL Projects Funded with FY23 One-Time Transfer	10,614,000
**Potential remaining from \$37,996,175 FY23 one-time Transfer = <u>\$27,382,175</u> ; source for future unfunded and/or unknown projects; cost escalations; other contingency; etc.	
Total FY23 Capital Improvements Fund	80,313,239



	ESTIMATED COST
FY 2023 PROJECTS - Equipment Services	
Heavy Equipment Replacement	4,070,085
Light Equipment Replacement	2,830,594
Total FY23 Equipment Services Capital	6,900,679

	ESTIMATED COST
FY 2023 PROJECTS - Roads	
Slurry Seal	3,100,000
Snowplow/Loader/Blower	550,000
Undesignated and Street Cut	1,806,000
Total FY23 Roads Capital	5,456,000

**Slurry Seal for FY23 includes Cold Springs, Verdi, Incline Village, Ventana, Hidden Valley, Spanish Springs, East Shore, CR447*

	ESTIMATED COST
FY 2023 PROJECTS - Parks Capital Fund	
Galena Schoolhouse-Interior Renovations (carry-over)	405,000
Ellen's Park Playground Renovation (carry-over)	154,125
Whites Creek Playground Improvements (carry-over)	49,063
North Valleys Regional Dog Park (carry-over)	300,000
Regional Archer Facility NEPA (carry-over)	100,000
Sun Valley Regional Park - Bike Park (carry-over)	100,000
Ballardini Loop Trails WC-1 (carry-over)	320,532
Carcione-Canepa Master Plan Implementation (carry-over)	271,560
WC-1 Lake Tahoe Bike Phase 4 (carry-over)	285,000
Rancho Playground Improvements (carry-over)	477,700
Bowers Mansion Seismic Retrofit Ph III (carry-over)	387,800
WC-1 Riverbend Trails Phase 2 (carry-over)	129,590
Ballardini Water Rights WC-1 (carry-over)	58,742
Rancho Wetlands/UNR (carry-over)	287,887
Thomas Creek to Ballardini Connector Trail (carry-over)	40,000
NDF Parks & Open Space Weed Management (carry-over)	55,611
Sierra Front Trail Planning (carry-over)	74,300
Undesignated Budget	2,404,162
Total FY23 Parks Capital Fund	5,901,072

FY 2023 PROJECTS - Utilities Fund	ESTIMATED COST
Reclaimed Water System Maintenance Projects	160,000
Stormwater Sedimentation Basin Project	50,000
Stormy Canon Channel Clearing and Restoration	100,000
Steamboat Lift Station Replacement and 2nd Force Main	14,150,000
Cold Springs WRF Projects	866,400
Spanish Springs Collection System Rehabilitation (H2S Damage)	500,000
Effluent Water Projects - Existing Water Resource Management	1,200,000
Pleasant Valley Interceptor - Reach 3 Conveyance Project	12,041,000
STMWRF 2020 Expansion	20,589,000
Effluent Distribution Expansion - Programmatic	5,600,000
NSS Flood Detention Facility Fencing/Security Improvement	1,300,000
Cold Springs WRF Projects	927,600
Total FY23 Utilities Fund	57,484,000

Projects in years 2-5 of the CIP are presented in this document as part of the long-range capital planning process to monitor and plan for future capital needs of the County. This document is a planning tool and is also needed to meet the requirements of the State as part of Washoe County's Fiscal Year 2023 budget submittal, as outlined in the Nevada Revised Statute 354.5945.

A master plan for the Sheriff's facility was completed in Fiscal Year 2018, which will provide direction on future improvements to the facility including possible construction of a new infirmary and a new crime lab. Fiscal Year 2024 includes the program design for the new infirmary. Other significant projects either in the pre-planning phase and/or included in years 2-5 of the CIP are the District Court building, North Valleys Library, and Enterprise Resource Planning (ERP) Replacement. For these projects/facilities, the cost is indicated as "To be Determined", as conceptual plans have not been finalized. Ultimately, if the County wishes to fund these projects, the BCC will need to consider the issuance of long-term debt along with identifying debt repayment revenue sources for fiscal sustainability.

The summary of the CIP and Consolidated Project List is attached as Attachment "A".

FISCAL IMPACT

Total funding of the first year of the CIP is \$159,346,804. This includes carry-over funding for projects budgeted in Fiscal Year 2022 but not yet completed as well as new projects funded from transfers from the General Fund, other special revenue funds, park bond funds, fuel taxes (for roads), ad valorem property taxes, sewer bonds for Utilities, and bonds for the Nevada Shared Radio System.

RECOMMENDATION

It is recommended that the Board adopt the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2023-2027 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2022 as required by NRS 354.5945 [FY 2023 total appropriations of \$159,346,804] which requires all local

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POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be, *“move to adopt the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2023-2027 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2022 as required by NRS 354.5945 [FY 2023 total appropriations of \$159,346,804] which requires all local governments annually to prepare a five-year capital improvement plan to be submitted to the State Department of Taxation and County Debt Management Commission by August 1st of each year.”*