



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.us

STAFF REPORT

BOARD MEETING DATE: October 15, 2019

DATE: Wednesday, October 09, 2019

TO: Board of County Commissioners

FROM: Christine Vuletich, Assistant County Manager Finance/Administration
775-328-2016, cvuletich@washoecounty.us

THROUGH: Dave Solaro, Interim County Manager

SUBJECT: Presentation on Washoe County capital improvement funding and possible direction to staff to continue to explore financing and implementation strategies for future capital improvement needs through the strategic planning and capital improvement budgeting processes. (All Commission Districts)

SUMMARY

The Washoe County Board of County Commissioners (BCC) has recently been presented with master plan updates for the Washoe County's Downtown Facilities, the Washoe County Sheriff's Facilities, and the County's 9th Street Administrative Complex. The BCC has directed staff to work on a capital improvement funding plan for future master plan projects. This is a status report on the capital budgeting process to date.

Washoe County Strategic Objective supported by this item: Stewardship of our Community

PREVIOUS ACTION

On September 24, 2019, staff presented to the BCC an update of the master planning process for the Washoe County Sheriff's Facilities, and for the Washoe County Administrative Complex, and directed staff to explore financing and implementation strategies identified within each Master Plan.

On July 23, 2019 staff presented to the BCC an update of the master planning process for the Washoe County Downtown Facilities, and directed staff to explore financing and implementation strategies for the update's option 4.

BACKGROUND

Washoe County's Capital Improvement Funding Policy, requires that:

"Revenue resources for each proposed capital improvement project shall be identified in the annual operating or the five-year Capital Improvement Program. Alternative financing methods shall be analyzed for capital projects including but not limited to leases, lease purchase, developer build and lease back as well as bank and bond financing, grant funding or joint ventures. Projects

AGENDA ITEM # _____

financed must first meet an initial test of being required to meet the County's goals and priorities." The policy also states that, "The County will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements."

The master planning process, and the associated capital budgeting process are best practices identified by the International City/County Managers Association (ICMA) and the Government Finance Officers Association (GFOA). The benefits of these processes working together are: to provide a framework for identifying capital needs and making capital investment decisions, and to promote long-term planning and financial sustainability utilizing time horizons longer than the annual budget to anticipate future capital needs

A Capital Improvement Budget is a financial plan providing the means to obtain and allocate resources, as well as methods to effectively deliver publicly determined needs for governmental capital assets. Best practices for multi-year capital improvement planning and funding include:

- Needs assessment aligned with strategic plan, master plans, infrastructure improvement, maintenance and replacement of existing assets
- Citizens and other stakeholders involvement in capital planning
- Determination of costs based on full extent of the project, including adjustments for inflation and impact on ongoing operating budgets; and cost-benefit analysis to address value of project benefits over useful life vs. project cost
- Prioritization of capital requests based on policy and risk based methodology

In this item, staff will present information on the capital improvement budgeting process and a high level analysis of existing and possible future revenue resources available to fund the costs of the County's capital improvement needs including the proposed master plan facilities projects.

FISCAL IMPACT

There is no fiscal impact from this action.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of the Capital Improvement Funding presentation and to provide staff direction to continue to explore financing and implementation strategies for future capital improvement needs through the strategic planning and capital improvement budgeting processes.

POSSIBLE MOTION

Should the Board approve, a possible motion would be: "Move to acknowledge receipt of the Capital Improvement Funding presentation and to provide staff direction to continue to explore financing and implementation strategies for future capital improvement needs through the strategic planning and capital improvement budgeting processes."