



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

BOARD MEETING DATE: May 21, 2024

**DATE:** Thursday, May 16, 2024

**TO:** Board of County Commissioners

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**THROUGH:** Abbe Yacoben, 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 2025-2029 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2024 as required by NRS 354.5945 [FY 2025 total appropriations of \$235,090,538] 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 life-span 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).

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### SUMMARY

The purpose of this item is to consider approval of the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2025-2029. 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 life-span 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**

On May 21, 2024 – The BCC adopted the Final budget for Fiscal Year 2025 that included the capital funds.

On April 16, 2024 – The BCC received and acknowledged the County Manager’s recommendations for the Fiscal Year 2025 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, for adoption at a public hearing scheduled for May 21, 2024.

On October 24, 2023, the Board of County Commissioners held a Strategic Planning Workshop and provided direction on its strategic goals to staff. The Board met to revisit its Strategic Plan and discussed seniors, mental health, and infrastructure to set budgetary priorities to ensure high-priority projects rise to the top of the items funded in the upcoming budget cycle.

**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 1<sup>st</sup> of each year.

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

- Assessment of Need
- BCC Strategic Planning Goals
- Project Life Cycle
- Implications of Project Deferral
- Fiscal Impact<sup>4</sup>
- Economic Impact
- Environmental Impact

For FY 2025, departmental CIP requests were not submitted. The decision was made for a variety of reasons, including the large volume of current projects, projects with expiring funding and various funding streams, ongoing future of the workplace planning, etc. However, CIP projects are being funded in FY 25, whether new or continuing from prior years.

For FY 2025, project scores were averaged and 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. To continue to improve and maintain existing County facilities and capital assets, the intent is to increase the level of General Fund support each year by \$1 million starting in FY 2025 to \$12 million.

The entire 5-year plan includes over \$422 million in capital expenditures. The first year of the plan that is incorporated into the Fiscal Year 2025 Budget, totals \$235,090,538.

<b>CAPITAL IMPROVEMENT PLAN SUMMARY</b>	<b>Year 1 FY 2025</b>
<b>Fund</b>	
Capital Improvement Fund	
Capital Outlay	126,057,726
Services and Supplies/Other	4,122,852
Parks Capital Fund	
Capital Outlay	7,285,763
Services and Supplies/Other	1,848,333
Capital Facilities Tax Fund	-
Other Funds	8,208,175
Utilities Fund	82,088,000
Equipment Services Fund	5,479,690
<b>Capital Projects Included in CIP</b>	<b>\$ 235,090,538</b>

*\*Note: The capital expenditures above do not include Capital Facilities Tax Fund appropriations of \$13,234,373. Total capital fund appropriations for FY 2025 are \$248,324,911.*

The County Manager's recommended capital projects for Fiscal Year 2025 includes:

<b>Recommended New Projects FY 2025</b>	<b>Estimated Cost</b>
911 Parr Parking Lot Rehabilitation Phase II	12,000,000
Juvenile Services Case Mngmnt System (Other Funding Source)	1,200,000
CIP Grant Match	3,000,000
West Hills Rehabilitation (Other Funding Source)*	13,500,000
9th Street Data Center Upgrade	464,200
<b>Recommended New Projects</b>	<b>30,164,200</b>
<i>*Note - West Hills Rehabilitation total budget is \$14 million; FY 2024 is expected to have \$500,000 in expenditures</i>	
<b>Other Projects and Expenditures</b>	<b>Estimated Cost</b>
Existing Projects Carry-Over	97,424,706
Undesignated Budget	2,333,600
Salaries and Wages; Benefits; Other	258,072
<b>Subtotal Other</b>	<b>100,016,378</b>
<b>Total Capital Improvements Fund</b>	<b>130,180,578</b>

<b>FY 2025 Recommended Projects - Parks Capital Fund</b>	<b>Estimated Cost</b>
Galena Schoolhouse-Interior Renovations (carry-over)	446,563
South Valleys Regional Park Master Plan Implementation	759,500
Galena School House Reno CCCHP (carry-over)	147,086
Lazy 5 Drainage Improvements	150,000
Sun Valley Regional Park - Bike Park (carry-over)	150,000
Ballardini Loop Trails WC-1 (carry-over)	272,468
Carcione-Canepa Master Plan Implementation (carry-over)	252,810
WC-1 Lake Tahoe Bike Phase 4 (carry-over)	285,000
Rancho San Rafael Playground (carry-over)	708,573
Bowers Mansion Seismic Retrofit Ph III (carry-over)	410,727
WC-1 Riverbend Trails Phase 2 (carry-over)	195,967
Truckee Riverbend Trail LWCF (carry-over)	121,745
Rancho San Rafael Playground LWCF (carry-over)	428,183
Ballardini Water Rights WC-1 (carry-over)	58,742
Rancho Wetlands/UNR (carry-over)	287,887
Sierra Front Trail Planning (carry-over)	11,019
Bikeway Crystal Bay Incline TRPA (carry-over)	1,139,932
Undesignated Budget	3,307,895
<b>Total Parks Capital Fund</b>	<b>9,134,095</b>
<b>FY 2025 Recommended Projects - Utilities Fund</b>	<b>Estimated Cost</b>
Steamboat Lift Station Replacement and 2nd Force Main (Rates)	3,800,000
Dump Truck (Rates)	350,000
STMWRF Projects (Rates)	250,000
Cold Springs WRF Projects (Rates)	1,046,400
LWRF-RSWRF Upgrade, Lift Station, Effluent Pipeline, Decommissioning (F	10,000
LWRF-RSWRF Upgrade, Lift Station, Effluent Pipeline, Decommissioning (Connection Fees)	240,000
Pleasant Valley Interceptor - Reach 3 Conveyance Project (Connection Fees)	16,131,000
Steamboat Lift Station Replacement and 2nd Force Main (Connection Fees)	15,200,000
STMWRF 2020 Expansion (Connection Fees)	30,963,000
Effluent Distribution Expansion - Programmatic (Connection Fees)	13,400,000
Cold Springs WRF Projects (Connection Fees)	697,600
<b>Total Utilities Fund</b>	<b>82,088,000</b>
<b>FY 2025 Recommended Projects - Roads</b>	<b>Estimated Cost</b>
Slurry Seal	3,300,000
Undesignated and Street Cut	1,006,000
<b>Total Roads Capital</b>	<b>4,306,000</b>
<i>*Slurry Seal for FY25 includes Lemmon Valley, Crystal Bay, Bartley Ranch, Sun Valley, and Gerlach</i>	
<b>FY 2025 Recommended Projects - Equipment Services Fund and Other Funds</b>	<b>Estimated Cost</b>
Equipment Services Capital (Heavy and Light Fleet)	5,479,690
Other Fund Projects	3,902,175

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 2025 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 2025 includes carry-over of 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 revenue sources for fiscal sustainability.

The Capital Facilities Tax Fund was established to account for the ad valorem tax revenues generated by the five-cent capital facility property tax levy, of which 60% is paid to the State Highway Fund and 11.25% to the City of Reno and City of Sparks. Principal resources are derived from capital facilities property taxes and investment earnings. Proceeds are restricted for the purchase, renovation, and repayment of medium-term financing of capital assets. As previously mentioned, these expenditures are not considered capital, but they are included in total budget appropriations.

<b>FY 2025 Capital Facilities Tax</b>	<b>Estimated Cost</b>
Services and Supplies	52,175
Payments to Other Agencies (City of Reno/City of Sparks)	1,240,552
Payments to State Highway Fund	6,766,646
Transfers to Roads Special Revenue Fund	5,175,000
<b>Total Capital Facilities Tax</b>	<b>13,234,373</b>

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 \$235,090,538. This includes carry-over funding for projects budgeted in Fiscal Year 2024 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. None of the Community Reinvestment and the State and Local Fiscal Recovery Fund (SLFRF) grant awarded to Washoe County pursuant to the American Rescue Plan Act of 2021 (ARPA) projects are included in this amount.

**RECOMMENDATION**

It is recommended that the Board adopt the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2025-2029 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2024 as required by NRS 354.5945 [FY 2025 total appropriations of \$235,090,538] 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 life-span of more than one year, as part of the reporting requirements of the State and under Board of County Commissioner (BCC) policies.

**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 2025-2029 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2024 as required by NRS 354.5945 [FY 2025 total appropriations of \$235,090,538] 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."*