



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.gov

STAFF REPORT

BOARD MEETING DATE: May 16, 2023

DATE: Thursday, May 11, 2023

TO: Board of County Commissioners

FROM: Kari Estrada, Senior Fiscal Analyst, Manager's Office
(775) 328-2073, kestrada@washoecounty.gov

Lori Cooke, Budget Manager, Manager's Office
(775) 328-2072, lcooke@washoecounty.gov

THROUGH: Abbe Yacoben, Chief Financial Officer
(775) 325-8243, ayacoben@washoecounty.gov

SUBJECT: Discussion and possible action to approve, with or without changes, the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2024-2028 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2023 as required by NRS 354.5945 [FY 2024 total appropriations of \$185,195,029] 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).

SUMMARY

The purpose of this item is to consider approval of the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2024-2028. 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

May 16, 2023 – The BCC adopted the Final budget for Fiscal Year 2024 that included the capital funds. This includes a one-time General Fund transfer of [\$16,500,000] to the Capital Improvement Fund to support capital needs and a one-time transfer of [\$1,235,000] to the Roads Fund to support large equipment purchases.

April 18, 2023 – The BCC received and confirmed the County Manager's recommendations for the Fiscal Year 2024 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, including staffing for the Alternate Public Defender and/or Public Defender, for adoption at a public hearing scheduled for May 16, 2023.

On January 25, 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 set budgetary priorities to ensure high-priority community 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 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 FY 2024 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. This fiscal year the level of General Fund support available to the CIP was \$11.0 million plus an additional one-time transfer as follows:

- FY 2024 a one-time General Fund transfer in the amount of \$16,500,000 to the Capital Improvements Fund will support the following projects:
 - In Building BDA – Additional Funding for existing project

- Nevada Shared Radio System P25 – Additional Funding for existing project
- Voter's New Software/Server/Ballot Extraction Machines
- SJDC Case Management System
- Budgeting Software

The entire 5-year plan includes over \$350 million in capital expenditures. The first year of the plan that is incorporated into the Fiscal Year 2024 Budget, totals \$185,195,029.

CAPITAL IMPROVEMENT PLAN SUMMARY	Year 1 FY 2024
Fund	
Capital Improvement Fund	
Capital Outlay	91,146,635
Services and Supplies/Other	3,459,610
Parks Capital Fund	
Capital Outlay	5,619,227
Services and Supplies/Other	1,663,952
Capital Facilities Tax Fund	-
Other Funds	8,347,818
Utilities Fund	66,004,300
Equipment Services Fund	8,953,486
Capital Projects Included in CIP	\$185,195,029

**Note: The capital expenditures above do not include Capital Facilities Tax Fund appropriations of \$9,426,038. Total capital appropriations for FY 2024 are \$194,621,067.*

The County Manager's recommended capital projects for Fiscal Year 2024 includes:

Public Safety Communication Projects	Estimated Cost
In Building BDA (current project) Additional Funding	460,000
Nevada Shared Radio System P25 (current project) Additional Funding	750,000
Subtotal Public Safety Communications	1,210,000
Voter's Projects	Estimated Cost
Voter's New Software/Server/Ballot Extraction Machines	12,612,000
Subtotal Voters	12,612,000
Facilities-Building Projects	Estimated Cost
911 Parr Wastewater Lift Station Grinder "Muffin Monster"	137,500
350 S. Center LED Retrofit	880,000
75 Court St. Historic Elevator Upgrade	935,000
911 Parr AC4 and Roof Replacement	2,310,000
EOC Chiller Replacement	660,000
KKI Window Replacement	275,000
Replace Handling and Air Volume Controllers (1. So. Sierra North Tower; Law Library; J	825,000
Downtown Library Fire Alarm Monitoring System Upgrades	577,500
9 St. Building A, B, C & D Window Replacement	2,750,000
1 So. Sierra - Mills Lane Chiller Replacement	715,000
Davis Creek Park Campground - Water System Renovation Design Only	165,000
NW Library HVAC Replacement	1,870,000
Washoe Golf Course HVAC Replacement	605,000
WC Flooring Replacement (Various Facilities)	550,000
Subtotal Facilities-Building	13,255,000

Software Projects	Estimated Cost
SJDC Case Management System	1,300,000
Budgeting Software	650,000
Subtotal Software Projects	1,950,000
Technology Infrastructure Projects	Estimated Cost
Disaster Infrastructure Growth (Net Motion; Duo and F5; Cascade)	315,000
ITMS (Requests/Project Tracking; Asset Management)	262,500
Subtotal Technology Infrastructure	577,500
Other Projects	Estimated Cost
Undesignated Budget	2,082,375
Existing Projects Carry-Over	62,919,371
Subtotal Other	65,001,746
Total FY24 Capital Improvements Fund	94,606,246

FY 2024 Recommended Projects - Parks Capital Fund	Estimated Cost
Galena Schoolhouse-Interior Renovations (carry-over)	454,063
Ellen's Park Playground Renovation (carry-over)	498,334
Galena School House Reno CCCHP (carry-over)	310,050
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)	289,657
Carcione-Canepa Master Plan Implementation (carry-over)	283,924
WC-1 Lake Tahoe Bike Phase 4 (carry-over)	285,000
Rancho Playground Improvements (carry-over)	467,700
Bowers Mansion Seismic Retrofit Ph III (carry-over)	432,800
WC-1 Riverbend Trails Phase 2 (carry-over)	101,464
Truckee Riverbend Trail LWCF (carry-over)	187,223
Rancho San Rafael Playground LWCF (carry-over)	445,250
Ballardini Water Rights WC-1 (carry-over)	58,742
Bowers Pool Replaster (carry-over)	17,387
Rancho Wetlands/UNR (carry-over)	287,887
NDF Parks & Open Space Weed Management (carry-over)	55,611
Sierra Front Trail Planning (carry-over)	57,875
NDOW Regional Archer Facility (carry-over)	361,192
Undesignated Budget	2,189,021
Total FY 24 Parks Capital Fund	7,283,179

FY 2024 Recommended Projects - Utilities Fund	Estimated Cost
Steamboat Lift Station Replacement and 2nd Force Main	3,820,000
Cold Springs WRF Projects	288,800
LVWRF-RSWRF Upgrade, Lift Station, Effluent Pipeline, Decommissioning	40,000
LVWRF-RSWRF Upgrade, Lift Station, Effluent Pipeline, Decommissioning	960,000
Pleasant Valley Interceptor - Reach 3 Conveyance Project	5,000,000
Steamboat Lift Station Replacement and 2nd Force Main	15,280,000
STMWRF 2020 Expansion	37,960,300
NSSFDF - Security Fencing Project	1,200,000
Cold Springs WRF Projects	1,455,200
Total FY 24 Utilities Fund	66,004,300

FY 2024 Recommended Projects - Roads	Estimated Cost
Slurry Seal	3,300,000
Street Sweepers	1,235,000
Undesignated and Street Cut	956,000
Total FY24 Roads Capital	5,491,000
<i>*Slurry Seal for FY24 includes Lemmon Valley, Incline Village, Spanish Springs, Fieldcreek, East Shore Trail, and Gerlach</i>	
FY 2024 Recommended Projects - Equipment Services Fund and Other Fund	Estimated Cost
Equipment Services Capital (Heavy and Light Fleet)	8,953,486
Other Fund Projects	2,856,818

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 2024 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 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.

FY 2024 Capital Facilities Tax	Estimated Cost
Services and Supplies	52,175
Payments to Other Agencies (City of Reno/City of Sparks)	1,172,189
Payments to State Highway Fund	6,251,674
Settlement Payments	-
Transfers to Roads Special Revenue Fund	1,950,000
Total FY24 Capital Facilities Tax	9,426,038

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 \$185,195,029. This includes carry-over funding for projects budgeted in Fiscal Year 2023 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. No ARPA projects are included in this amount.

RECOMMENDATION

It is recommended that the Board adopt, with our without changes, the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2024-2028 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2023 as required by NRS 354.5945 [FY 2024 total appropriations of \$185,195,029] 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, with our without changes, the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2024-2028 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2023 as required by NRS 354.5945 [FY 2024 total appropriations of \$185,195,029] 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."*