

**Carson City  
Agenda Report**

**Date Submitted:** 6/12/12

**Agenda Date Requested:** 6/21/12

**Time Requested:** 30 Minutes

**To:** Mayor and Supervisors

**From:** Nick Providenti, Finance Director  
Larry Werner, City Manager

**Subject Title:** For Possible Action: Discussion and possible action to direct Moss Adams to perform a performance audit at Eagle Valley Golf Course based on the scope of work presented and agreed to by the Board of Supervisors. (Nick Providenti and Larry Werner)

**Staff Summary:** Based on the presentation by the Carson City Municipal Golf Corporation (CCMGC) to the Board of Supervisors at their meeting on June 7, 2012, and their inability to make payments per the lease dated May 2, 2002, the Board has directed staff to work with the City's Internal Auditor, Moss Adams, to bring back a scope of work and start the process of performing a performance audit at Eagle Valley Golf Course. Moss Adams will be seeking direction on the scope of work and the objectives required by the Board of Supervisors in conducting their performance audit.

**Type of Action Requested:** (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

**Does this action require a Business Impact Statement:** ( ) Yes (X) No

**Recommended Board Action:** I move to direct Moss Adams to perform a performance audit at Eagle Valley Golf Course based on the scope of work presented and agreed to by the Board of Supervisors.

**Explanation for Recommended Board Action:** See Staff Summary.

**Applicable Statute, Code, Policy, Rule or Regulation:** N/A

**Fiscal Impact:** To be determined.

**Explanation of Impact:** will reduce the general fund budget by the agreed upon dollar amount of the task to be performed by Moss Adams.

**Funding Source:** General Fund Internal Audit Budget

**Alternatives:** Do not accept the recommendations and/or make different recommendations

**Supporting Material:** Scope of work will be provided by Moss Adams

Prepared by: Nick Providenti

Reviewed by: Nancy Paulson  
(Department Head)

Date: 6/12/12

: [Signature]  
(City Manager)

Date: 6/12/12

: [Signature]  
(District Attorney)

Date: 6/12/12

: Nancy Paulson  
(Finance Director)

Date: 6/12/12

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_ Aye/Nay  
2) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

## Carson City Golf Course Cost Recovery Study Draft Work Plan

### I. Purpose

- Conduct an assessment of the Carson City Golf Course (Eagle Valley) to identify opportunities for improving cost recovery by Carson City.

### II. Areas of Focus

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Competitive Landscape</li> <li>• Fee Structure</li> <li>• Facility Utilization</li> <li>• Contract with City</li> </ul> | <ul style="list-style-type: none"> <li>• Revenues and Expenditures</li> <li>• City/CCMGC roles and responsibilities</li> <li>• Subsidy Level</li> <li>• Wastewater Requirements</li> </ul> |
|--|--|

### III. Work Plan

<b>Phase 1 – Project Initiation and Ongoing Management</b>	
1.1	Conduct kickoff meeting.
1.2	Confirm scope and objectives.
1.3	Submit document request list.
1.4	Schedule interviews.
1.5	Provide ongoing progress reporting and Audit Committee briefings.
<b>Phase 2 – Fact Finding</b>	
2.1	Conduct interviews with appropriate City and CCMGC personnel.
2.2	Obtain and review relevant City and CCGMC documents.
2.3	Obtain and review course fees for Eagle Valley and other local golf courses.
2.4	Gather and review subsidy level data for other municipal courses.
2.5	Document wastewater requirements for Eagle Valley and other courses within the City limits.
2.6	Document findings.
<b>Phase 3 – Analysis</b>	
3.1	Conduct high level assessment of Eagle Valley revenues and expenditures for efficiency and effectiveness improvement opportunities.
3.2	Evaluate the Eagle Valley fee structure relative to the competitive landscape and facility utilization.
3.3	Review CCMGC/City contract and subsidy level.
3.4	Evaluate golf course cost recovery alternatives, considering wastewater effluent requirements.
3.5	Prepare recommendations.
<b>Phase 4 – Reporting</b>	
4.1	Develop draft report.
4.2	Discuss with Audit Committee and City Management.
4.3	Finalize report and present City Council.

#### **IV. Methodology**

This review will be conducted under standards and guidelines of the Institute of Internal Auditors.

#### **V. Staffing**

- Tom Krippaehne, Project Partner
- Mark Steranka, Project Manager
- Colleen Rozillis, Lead Consultant

#### **VI. Timeline**

- Initiate procedures upon approval or work plan.
- Project duration to be completed within two months.

#### **VII. Costs**

- Professional fees between \$20,000, plus actual out-of-pocket expense.