Carson City
Request for Board Action

Date Submitted: 05/27/14 **Agenda Date Requested:** 06/05/14
Time Requested: 20 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Discussion and possible direction to staff regarding the Audit Findings Response Tracking Report. (Nick Providenti)

Staff Summary: Moss Adams and City staff have combined to establish an Internal Audit Findings Response Tracking Report. City Staff and representatives from Moss Adams will be providing an updated report to the Board. Included for discussion is a Public Works provided Fleet Study Implementation Plan that staff is recommending the board approve for inclusion in the Tracking Report. Moss Adams will also provide a Fraud Waste and Abuse Program hotline update.

Type of Action Requested: (check one)
(____) Resolution (____) Ordinance
(XXX) Formal Action/Motion (____) Other (Specify)

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

Recommended Board Action: I move to accept the Public Works Fleet Study Implementation Plan for inclusion in the Internal Audit Findings Response Tracking Report.

Any other motions on the Audit Findings Response Tracking Report will depend on the discussion.

Explanation of Recommended Board Action: See Staff Summary.

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

Fiscal Impact: n/a

Explanation of Impact: n/a

Funding Source: n/a

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

Supporting Material: Internal Audit Findings Response Tracking Report, Carson City Public Works Fleet Study Implementation Plan, Fraud, Waste and Abuse Program Investigation Report #2014-01.

Prepared By: Nick Providenti

Reviewed By: ______________________ Date: 5/27/14
(Department Head)

: Marlena A Wines Date: 5/27/14
(City Manager)

: ______________________ Date: 5/27/14
(District Attorney)

: ______________________ Date: 5/27/14
(Finance Director)

Board Action Taken:

Motion: ______________________ 1) ______________ Aye/Nay

2) ______________

(Vote Recorded By)

Fraud, Waste and Abuse Program
Investigation Report #2014-01 for

Carson City, Nevada

March 27, 2014

MOSS-ADAMS LLP

FRAUD, WASTE AND ABUSE INVESTIGATION REPORT NO. 2014-01

Carson City Audit Committee

A complaint was received on the Carson City Fraud, Waste and Abuse hotline on January 24, 2014.

Moss Adams conducted an investigation during the period of February and March 2014. We obtained relevant supporting documentation and made inquiries of knowledgeable individuals. In addition, we obtained information from the District Attorney's office.

Based on the evidence obtained, there is no evidence of criminal or civil wrongdoing.

Since the City has already addressed the issue through policy and process changes, we have no additional recommendations.

This report is intended solely for the information and use of the Carson City Audit Committee and Board of Supervisors, and it is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams LLP
Portland, Oregon
March 27, 2014

Carson City - Audit Findings Tracking Summary Report

Report Name	Report Submittal	BOS Approval	Plan to Implement	Reporting Entity	Report Findings	Response Findings	Completed Findings	Costs to Implement	Potential Savings	Actual Savings
Risk Assessment	4/25/2012	5/17/2012		City Auditor	n/a				$0	
Community Facility Cost Recovery Study Eagle Valley Golf Course	10/3/2012	1/17/2013		City Auditor	10		4		$50,000	
Public Defender Cost and Utilization Study	11/28/2012	1/17/2013		City Auditor	4				$95,000	
Community Facility Cost Recovery Study	11/28/2012	1/17/2013		City Auditor	15		1		$30,000	
Fleet Management Efficiency Study	6/22/2013	7/18/2013		City Auditor	24		4		$174,000	
Fleet Utilization Study	1/30/2014	4/3/2014		City Auditor	12				$92,000	
Fraud, Waste, and Abuse Program Definition	4/22/2014			City Auditor	n/a				$0	
Performance Framework	4/22/2014			City Auditor	n/a				$0	
Total					65		9		$441,000	

Legend:

- Report Submittal = date report presented to BOS
- BOS Approval = date report adopted by BOS
- Plan to Implement = date implementation plan presented by management to BOS
- Reporting Entity = organization that prepared the report
- Report Findings = number of findings in the report
- Response Findings = number of findings management plans to respond to implementation plan
- Completed Findings = number of findings completed by management
- Costs to Implement = any costs incurred by the City to complete findings
- Potential Savings = minimum potential savings identified in the report
- Actual Savings = actual savings achieved by the City by completing the findings

Carson City
Fleet Utilization Study

Item No.	BOS Acceptance /Approval	BOS Direction to Implement	Finding No.	Finding	Recommendation	Dept.	Owner	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Status Comments
1			1	Many vehicle and equipment descriptions were found to be mislabeled.	Align the City's fleet classification and description labeling system with industry best practice.	Fleet	Fleet Manager							
2			2	The City does not comprehensively track and use utilization data.	Update the utilization analysis in six months after initial recommendations have been implemented to reestablish a baseline and every two years thereafter.	Fleet	Fleet Manager							
3			3	The City does not comprehensively use breakeven analysis or mileage reimbursement analysis to determine the most economical mode of transportation.	Update guidelines and policies that support the most cost-effective means of transportation, and periodically update the cost analyses.	Fleet	Fleet Manager							
4			4	The City has doe not comprehensively use utilization data to management its fleet size.	Reduce and reassign the fleet based on results of the utilization analysis.	Fleet	Fleet Manager				y			
5			5	Carson City operates a small, centralized motor pool consisting of one sedan located in the parking garage at City Hall.	Expand the central motor pool at City Hall, utilizing existing City vehicles and/or rental cars to provide access to vehicles that may be needed due to the surplusing of underutilized vehicles.	Fleet	Fleet Manager							
6			6	The City does not charge a fee for the use of vehicle pool units.	Calculate rental rates to recover ownership and operational costs of all pool units.	Fleet	Fleet Manager							
7			7	City employees are not aware of all transportation options and which option is the most economical in each situation.	Train employees on guidelines and policies covering when to use a City vehicle, mileage reimbursement, or a rental vehicle.	Fleet	Fleet Manager							
8			8	The City does not leverage the State s rental car contracts.	Utilize the State of Nevada's rental car contract for rental vehicles to supplement the City pool when units are out of service due to extensive repair work or for peak needs.	Fleet	Fleet Manager							

Carson City
Fleet Utilization Study

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9			9	Fleet Services owns two vehicles that it loans to Fleet customers who have their city vehicles in for maintenance and repair work.	Expand the shop loaner pool	Fleet	Fleet Manager							
10			10	Carson City does not operate a heavy equipment pool.	Establish a new heavy equipment pool, supplemented with rentals, to provide access to equipment that may be needed due to the surplusing of underutilized equipment, and require all requests for heavy equipment rentals to be processed and approved through a single City source.	Fleet	Fleet Manager							
11			11	The City has not established rental rates for heavy equipment.	Develop rental rates to recoup all ownership and operational costs of each unit in the heavy equipment pool.	Fleet	Fleet Manager							
12			12	Carson City's vehicle use policy does not provide specific criteria by which to justify a City vehicle to be taken home.	Revise the current vehicle take-home policy to add specific criteria relating to take-home and standby vehicle assignments. Review all vehicle take-home and current standby authorizations, and justify approvals based on the new vehicle take-home policy.	Fleet	Fleet Manager							

Carson City
Fleet Efficiency Study

Item No.	BOS Acceptance /Approval	BOS Direction to Implement	Finding No.	Finding	Recommendation	Dept.	Owner	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Status Comments
1	7/18/2013	Yes, specify direction	III.A.1	The Fleet Services facility could be organized more efficiently.	Redesign the main shop to support better workflow, provide supervision, and restrict customer access to work areas.	Fleet	Fleet Manager	Fleet Services is currently in the design process for a small fleet building expansion and minor remodel of the existing facility, these changes will facilitate this recommendation.						
2	7/18/2013	Yes, specify direction	III.B.2	Fleet Services' preventive maintenance program is underdeveloped.	Schedule the preventive maintenance workload for the entire year.	Fleet	Fleet Manager	The current software does not allow for this function. Fleet Services is are evaluating new software programs and plan to proceed with the purchase of a new fleet software program that will provide us the ability to perform long range scheduling of preventive maintenance.						
3	7/18/2013	Yes, specify direction	III.B.3	The preventive maintenance checklists used by Fleet Services are too general.	Redesign preventive maintenance checklists to reflect appropriate (manufacturer) inspections that are applicable to various classes of vehicles and equipment, as well as a progressive inspection process.	Fleet	Fleet Manager	The new software program referenced above will have predesigned check lists that can also be customized to reflect any special requirements for the vehicle from the equipment manufacture.						
4	7/18/2013	Yes, specify direction	III.B.4	Most scheduled service intervals are too frequent.	Base service intervals according to vehicle manufacturer recommendations.	Fleet	Fleet Manager	Recommendation has been adopted. A new software program will also help improve the ability to track this information more efficiently in the future.			Y			
5	7/18/2013	Yes, specify direction	III.B.5	The current service request form is inadequate.	Develop a dedicated service request form that states time reported, estimated time to repair, and actual completed time.	Fleet	Fleet Manager	Functionality will be added with new software purchase. The new software has a service request form and the ability to provide estimated time to repair and also report on the actual time it took to complete the repair. Additionally, you can e-mail that estimate and the final report to the customer to improve reporting.						
6	7/18/2013	Yes, specify direction	III.B.6	Fleet Services does not have a parts person to support the needs of mechanics.	Hire a full-time Storekeeper to perform all parts-related duties.	Fleet	Fleet Manager	This position would be difficult to fund and in reality due to the small size of our shop and the streamlining of our parts operation via the remodel the mechanics will spend far less time retrieving parts than they have in the past. We feel efficiencies will certainly be gained through the remodel and expansion and the use of the new software. We suggest holding off for a year or more to determine if this is feasible or necessary.						

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7	7/18/2013	Yes, specify direction	III.B.7	Parts are procured through ongoing purchase orders with several local vendors, and expenditures are expected to exceed budget by 22% this year.	Issue a request for proposals and award contracts with vendors to provide fleet parts with set prices and delivery criteria.	Fleet	Fleet Manager	Through the use of the new software we will produce an accurate parts inventory and this coupled with a year of parts use data should allow us to bid these parts with a high degree of accuracy.						
8	7/18/2013	Yes, specify direction	III.B.8	Parts tracking and inventory are manual processes.	Include parts tracking and inventory in the requirements for the planned enhanced fleet management system.	Fleet	Fleet Manager	This recommendation will be easily accommodated with the use of the new software.						
9	7/18/2013	Yes, specify direction	III.B.9	Repair services are procured on a case-by-case basis with local vendors, and expenditures are expected to exceed the budget by 66% this year.	Issue an RFP and award a contract to provide fleet repair services with local vendors with set prices, delivery criteria, and warranties.	Fleet	Fleet Manager	Fleet services is currently researching information in order to facilitate this recommendation. Several of the specific repair types could be contracted under this concept however other unique repairs will still require fleet to obtain repair quotes and go with the best price such as body damage repairs.						
10	7/18/2013	Yes, specify direction	III.B.10	Not all fuel data is being captured.	Integrate fuel data from CFN reports into the planned enhanced fleet management system in order to compute average fuel consumption (mpg) by vehicle and by class, fuel cost per mile, and average total fuel cost by class.	Fleet	Fleet Manager	The new software will allow the integration of the fuel data report directly into the program and will track average fuel consumption by vehicle and by class; fuel cost and will allow reporting of the data in several different formats.						
11	7/18/2013	Yes, specify direction	III.C.11	Mechanic staffing levels are not sufficient to support the number and type of vehicles that Fleet Services maintains.	Hire three additional mechanics, track and monitor non-wrenching hours, and establish a 70% performance productivity goal for mechanics.	Fleet	Fleet Manager	Unfortunately at this time we are unable to fund 3 additional staff, however we recognize the need for additional mechanics and we are working toward possibly adding 1 additional mechanic for bus repair. This position would be funded through the transit fund and will only be possible after the fleet expansion as we currently have no room for another mechanic within current facilities. To add more mechanics would require adding even more service bays to the facility which is not possible under current funding.						
12	7/18/2013	Yes, specify direction	III.C.12	Fleet Services operates only one shift per day.	Add a swing shift or overlapping shift to better accommodate the schedules of fleet customers.	Fleet	Fleet Manager	The current fleet facility will not accommodate the additional mechanics we would need to run an overlapping shift and changing to a swing shift for just a mechanic or two would not be efficient.						

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13	7/18/2013	Yes, specify direction	III.C.13	The fleet management function is currently performed on a part-time basis.	Create a full-time Fleet Manager position.	Fleet	Fleet Manager	We have adjusted the responsibilities of our current fleet manager who has many years of supervisory and managerial experience in the city. He is currently enrolled in the Rocky Mountain Fleet Managers associations "Fleet Manager" certification program and we are confident that with his skills and experience and the introduction of new software we will achieve improved efficiencies in managing our fleet.			Y			
14	7/18/2013	Yes, specify direction	III.D.14	The Fleet CIP may understate the need for vehicle replacement.	Incorporate more realistic replacement intervals, as well as salvage values, auction fees, and make-ready costs, into the City's long-range replacement plan.	Fleet, Finance	Fleet Manager, Finance Director	We fully support the idea of realistic replacement intervals. We will work with finance to attempt to find funding to accommodate this recommendation.						
15	7/18/2013	Yes, specify direction	III.D.15	Vehicle replacement intervals are not optimized.	Adopt a methodology to support the replacement of vehicles and equipment based on the "optimum economic life point" of a unit.	Fleet, Finance	Fleet Manager, Finance Director	We fully support the idea of realistic replacement intervals. We will work with finance to attempt to find funding to accommodate this recommendation.						
16	7/18/2013	Yes, specify direction	III.D.16	The decision to retain a fleet unit beyond its optimal replacement point has historically been a City department decision, not the decision of Fleet Services.	Establish a vehicle/equipment replacement fund to which customers contribute to the replacement cost of their units over time.	Fleet, Finance	Fleet Manager, Finance Director	We will explore this idea and evaluate all the mechanisms of funding available to the departments. And again, we will work with finance to attempt to find funding to accommodate this recommendation.						
17	7/18/2013	Yes, specify direction	III.D.17	The City's fleet may be too large and underutilized.	Conduct a basic utilization review of the entire fleet, requiring departments to justify the need for each assignment, whether it be individually assigned or assigned as a sub-pool vehicle to the department.	Fleet	Fleet Manager	Moss Adams recently completed a utilization study that accomplished this recommendation. We will continue to evaluate utilization of each unit into the future.			Y			
18	7/18/2013	Yes, specify direction	III.E.18	The City uses two separate accounts to budget for fleet maintenance and repair and does not use a chargeback system.	Develop a comprehensive and accountable chargeback system that incorporates fleet replacement, overhead, and all operational costs.	Fleet, Finance	Fleet Manager, Finance Director	We will explore this idea and work with finance in order to account for these costs in the most efficient manner.						

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19	7/18/2013	Yes, specify direction	III.E.19	Fleet Services' hourly rate is low, and no markups are applied to parts, fuel, or commercial repair work.	Develop shop labor rates and markups/charges by appropriately allocating labor and overhead costs, including the functions of administration/asset management, maintenance/repair, fuel, parts, and commercial repair work.	Fleet	Fleet Manager	The shop labor rate will be adjusted in accordance with the most recent data and the new software will allow a very accurate tracking of all labor and will facilitate the appropriate distribution of cost for all associated functions. This will ensure proper allocation of charges for all work performed.						
20	7/18/2013	Yes, specify direction	III.E.20	Fleet Services performs some non-fleet work for other City departments.	Discontinue the practice of performing non-fleet work for City departments.	Fleet	Fleet Manager	This is a reference to the fabrication work performed by the fleet shop. We have actually changed our practices to a degree and we are contracting with outside vendors for certain fabricating tasks, but fleet still pays for these costs. The ability of the departments to fully absorb this cost is questionable and we will work with finance to determine if costs can be transferred to the department requiring the work.			Y			
21	7/18/2013	Yes, specify direction	III.F.21	Comprehensive fleet management policies are not in place.	Establish a Vehicle and Equipment Committee to develop and oversee implementation of comprehensive administrative policies for vehicles and equipment.	Fleet	Fleet Manager	We will take this recommendation forward to the city manager.						
22	7/18/2013	Yes, specify direction	III.F.22	Regular customer feedback is solicited; however, service level agreements with customers are not in place.	Develop service level agreements between Fleet Services and each of its City department customers.	Fleet	Fleet Manager	We are planning to study the feasibility of providing variable levels of services to our customers and will explore with them their desire to enter in to such an agreement and determine if it is cost effective for the city overall.						
23	7/18/2013	Yes, specify direction	III.F.23	Fleet Services performance metrics are not currently in place.	Establish performance measures and monitor them with the goal of measuring performance against industry and shop standards.	Fleet	Fleet Manager	We support this recommendation and will move forward to begin to establish appropriate performance standards that are industry based.						
24	7/18/2013	Yes, specify direction	III.F.24	Fleet Services does not generate any reports to management or its fleet customers.	Develop monthly management reports for Public Works Department, the City Manager, and all fleet customer departments.	Fleet	Fleet Manager	The new software provides a myriad of reporting and tracking capability that will prove invaluable for providing this information.						

Carson City
Community Facility Cost Recovery Study

Item No.	BOS Acceptance /Approval	BOS Direction to Implement	Finding No.	Finding	Recommendation	Dept.	Owner	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Status Comments
1	1/17/2013	Yes, specify direction	IV.A.1	The Carson City School District is a major user of many community facilities at no cost.	Evaluate the cost-effectiveness of School District and other Joint Use Agreements.	Parks and Recreation, City Manager's Officer	Parks and Recreation Director, City Manager	Staff has evaluated use by both parties and have found that both parties and the public receive significant value to this arrangement. Probably the greatest savings has been in the reduction of the duplication of facilities by both parties. The Joint Use Agreement has eliminated the need for the building of a school district pool, performance theater and meeting room for School Board meetings. This has been a direct savings to our mutual tax payers.			Y			
2	1/17/2013	Yes, specify direction	IV.A.2	School District reservations take precedence over paying customers.	Consider reprioritizing reservations and bookings at the Community Center and Theater to better accommodate paying customers.	Parks and Recreation	Parks and Recreation Director	There are some measures that can be employed to decrease our costs for providing the School District free use of our facilities such as the implementation of a per ticket surcharge or fee per ticket sold for some of the larger School District's productions. This has been implemented on a limited basis with success.						
3	1/17/2013	Yes, specify direction	IV.A.3	Program and facility cost recovery and discounts vary widely between Parks and Recreation activities, largely driven by Board of Supervisors resolutions.	Conduct a cost recovery and activity prioritization process with the input of the Board of Supervisors to develop an updated cost recovery model and mission for the Parks and Recreation Department.	Parks and Recreation	Parks and Recreation Director	Since there has been no direction by the Board regarding this item no action has been taken. The Parks & Recreation Department is still operating under the direction provided by the Board through the acceptance of the Parks & Recreation Master Plan that was adopted by the Board in 2006. This Master Plan identified the definition of cost recovery and approved a mission statement for the Department.						
4	1/17/2013	Yes, specify direction	IV.B.1	Most programs and activities housed at the Community Center achieve 100% or greater cost recovery.	Continue to support programs with the highest amount of cost recovery.	Parks and Recreation	Parks and Recreation Director	The Parks and Recreation Department strives to cover a minimum of 100% cost recovery as defined and stipulated by the Parks & Recreation Master Plan.						
5	1/17/2013	Yes, specify direction	IV.B.2	The Community Center receives a 56% General Fund subsidy.	Pursue opportunities to increase revenues, particularly for the Theater.	Parks and Recreation		The Parks & Recreation Department is constantly looking for ways to increase revenues for the Theater. Our ability to increase revenues is hampered by a very small staffing level that doesn't allow for effective marketing of the facility and by the Board of Supervisor's past action of giving deep discounts to non-profit use of the facility which makes up about 80% of the Theater's use.						

Carson City
Community Facility Cost Recovery Study

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6	1/17/2013	Yes, specify direction	IV.B.3	Theater operations, budgeting, and planning are integrated with the Community Center.	Itemize Community Center revenues and expenditures to determine the sources and uses of funds and enable more precise budgeting.	Parks and Recreation, Finance	Parks and Recreation Director, Recreation Operations Manager, Finance Director	The Parks & Recreation Department would have to work with the Finance Department to achieve this and it may be problematic since the same staff operates the Theater, Community Center and gym.						
7	1/17/2013	Yes, specify direction	IV.B.4	Question 18 funds would be available to support Theater operations if planned capital improvements were made.	Determine how to leverage Question 18 funds to make capital improvements and unlock operations funding.	Parks and Recreation, Finance	Parks and Recreation Director, Finance Director	Revenues through the ¼ cent sales tax is still down compared to revenues of previous years going back to 2008 and before. Staff uses Q18 funds for grant matches whenever possible for leverage. Q18 funds have been used as leverage and matches for capital improvement projects at the JohnD Winters Centennial Park, the Fairgrounds, the Community Center and in other park projects.						
8	1/17/2013	Yes, specify direction	IV.B.5	The Theater does not have dedicated marketing or booking support	Investigate the feasibility of employing a dedicated marketing and booking staff member to manage and promote Theater reservations.	Parks and Recreation	Parks and Recreation Director, Recreation Operations Manager	The Board of Supervisors would have to approve and fund a dedicated marketing and booking staff. The Theater has been operating with reduced staff that are an outcome of budget reduction methods employed since 2007						
9	1/17/2013	Yes, specify direction	IV.B.6	There are currently no fundraising, sponsorship, or advertising initiatives for the Theater.	Explore opportunities for sponsorships, fundraising, and advertising for the Theater.	Parks and Recreation	Parks and Recreation Director, Recreation Operations Manager	As stated in Item 10, the lack of staff has made it difficult to explore opportunities for the above. The small staffing level has resulted in the Theater being passively promoted. The advent of the digital reader board will provide some assistance in this area.						
10	1/17/2013	Yes, specify direction	IV.B.7	Marketing, coordination, fundraising, maintenance, and management of the Theater are limited by City budget constraints.	Evaluate the opportunity for outsourcing management and operations of the Theater to a non-profit.	Parks and Recreation	Parks and Recreation Director, Recreation Operations Manager	No action has been taken in this area. There may be an opportunity to outsource the operations. A non-profit may be somewhat more immune to political influences in the operations of the facility especially in the setting of fees. However, the City would give up some control into the operations. A non-profit would still need to make money. The ability of another entity of being profitable would be compromised if the City insisted that the deep discounts afforded to use by non-profit organizations continue.						

Carson City
Community Facility Cost Recovery Study

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11	1/17/2013	Yes, specify direction	IV.C.1	The Aquatic Facility receives a 50% General Fund subsidy.	Consider raising admissions fees.	Parks and Recreation	Parks and Recreation Director, Pool Manager	The City has reduced hours and services at the Aquatics Facility making it difficult to rationalize increasing fees. The existing fees are in line with other area aquatics facilities. Staff has felt that are fees are somewhat inelastic since they are in line with other facilities such as the Douglas County Aquatics Facility in Minden which is a newer and more attractive facility.						
12	1/17/2013	Yes, specify direction	IV.C.2	Recreational leisure use of the Aquatic Facility is limited.	Market the outdoor pool for recreational use during the summer.	Parks and Recreation	Parks and Recreation Director, Pool Manager	Staff strives to strike a balance in the use of the pool by lap swimmers, recreational users and competitive swim clubs. Most of the use of the outdoor pool during the summer is recreational use. Additional marketing would require an increase in the budget for this purpose.						
13	1/17/2013	Yes, specify direction	IV.C.3	The Aquatic Facility is not promoted on the Convention and Visitors Bureau website.	Collaborate with the Convention and Visitors Bureau to market the Aquatic Facility to residents and visitors.	Parks and Recreation, CVB	Parks and Recreation Director, CVB Director	The Aquatics Facility doesn't have many of the modern attractions that many newer leisure pools have such as lazy rivers, large slides, fountains, sprays and wave devices. The strongest attraction is the 50 meter pool that can host large competitive events.						
14	1/17/2013	Yes, specify direction	IV.D.1	Ice Rink advertising revenues fell 47 6% from FY 10-11 to FY 11-12.	Continue to pursue advertising and sponsorship opportunities.	Parks and Recreation	Parks and Recreation Director, Recreation Manager	Ice Rink advertising revenues did increase during the 2011-12 skating season. Staff is hoping to improve this season. Sponsorship opportunities with entities such as the Downtown Business Association and the Chamber of Commerce have been ongoing.						
15	1/17/2013	Yes, specify direction	IV.D.2	The Ice Rink is not available to rent for private events.	Explore revenue generating opportunities for renting the Ice Rink for events	Parks and Recreation	Parks and Recreation Director, Recreation Manager	The Ice Rink is rented for special events. The Downtown Business Association and the Chamber as well as some private entities have rented the Rink for events. In addition, private and public entities are allowed to rent the warming tent for events. This has been very popular for events such as birthday parties.						

Carson City
Public Defender Cost and Utilization Study

Item No.	BOS Acceptance /Approval	BOS Direction to Implement	Finding No.	Finding	Recommendation	Dept.	Owner	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Status Comments
1	1/17/2013*	No		4 findings provided in the report.	4 recs provided in the report.	City Manager's office	City Manager	Even though the BOS did not provide direction to City staff, the City Manager intends to meet with the Nevada State Public Defender (NSPD) to review costs to Carson City for services provided by NSPD.						

* Board of Supervisors accepted the report, but it did approve or provide management implementation direction.

Carson City
Community Facility Cost Recovery Study Eagle Valley Golf Course

Item No.	BOS Acceptance /Approval	BOS Direction to Implement	Finding No.	Finding	Recommendation	Dept.	Owner	Remediation Plan (Course of Action & Expected Benefits)	Est. Cost	Est. Savings	Finding corrected? (Y, N, Partial)	Expected Compl. Date	Actual Compl. Date	Status Comments
1	1/17/2013*	No		10 findings provided in the report.	10 recs provided in the report, some for CCMGC action and some for City action.	City Manager's office	City Manager	Even though the BOS did not provide direction to City staff, the City Manager and the Director of Finance negotiated a new lease agreement with CCMGC. The new agreement provides for payment to the City based on a percentage of CCMGC revenue for as long as CCMGC is operating the golf courses.						

* Board of Supervisors accepted the report, but it did approve or provide management implementation direction.

Carson City

Fleet Study Implementation Plan

GENERAL IMPLEMENTATION

Carson City Fleet Services is improving its practices and policies relating to the City's fleet of vehicles and equipment in order to realize costs savings and greater efficiency overall. Data and information provided by the Moss Adams Fleet Study and the Utilization Study have provided staff with good information and recommendations that has revealed several target areas for Fleet Services to consider.

The two fleet studies have a common thread which is to attain more efficiency; there needs to be better management, which requires better data. The acquisition of a fleet software system for management of the fleet is underway and will require implementing the software over the next fiscal year. Therefore, the plan for implementation begins with this element.

The other major recommendation is that the fleet needs to be replaced in a more realistic timeframe. As funding becomes available in the future, this can be accomplished and will lend itself to accomplishing the majority of the additional recommendations.

Following are the recommendations from the two fleet studies and the implementation tasks for each recommendation.

Fleet Utilization Study Implementation

Recommendation 1. Align the City's fleet classification and description labeling system with industry best practice.

- Fleet Services currently uses the American Public Works Association Equipment Code system. The modular ten-digit alphanumeric system allows you to identify particular characteristics of vehicles and will accommodate future vehicles and equipment, and improve data handling and analysis capabilities. The code facilitates interagency comparisons of data and provides the primary means of identifying similar pieces of equipment, as well as facilitating efficient collection, processing, and analysis of data concerning those units. With the addition of the new fleet management software system, the City's fleet classification and description labeling system will be integrated into the software system to ensure industry best practices are followed.

Recommendation 2. Update the utilization analysis in six months after initial recommendations have been implemented to reestablish a baseline and every two years thereafter.

- This will be completed after implementation of the fleet management software.

Recommendation 3. Update guidelines and policies that support the most cost-effective means of transportation, and periodically update the cost analyses.

- The City's travel policy will be updated to include the most cost-effective means of transportation and with the new fleet management software the cost analysis will be able to be completed on a periodic basis.

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Recommendation 4. Reduce the fleet based on results of the utilization analysis.

- All the fleet reductions that were recommended were in Parks. One of the problems with the recommendation is the fact that the Parks fleet age is quite old and the study anticipates replacement of fleet vehicles in a manner which is currently unaffordable. Therefore, retention of the vehicles needs to be maintained until the ability for replacement is attained to allow for the reduction in useable units. Additionally the fleet manager will perform a more in depth review of this department's vehicles and equipment utilization.

Recommendation 5. Expand the central motor pool at City Hall by utilizing existing City vehicles and/or rental cars to provide access to vehicles that may be needed due to the surplusing of underutilized vehicles.

- This has been accomplished.

Recommendation 6. Calculate rental rates to recover all ownership and operational costs of all motor pool units.

- The Fleet Division is funded through a charge to all departments based on a vehicle equivalent unit (VEU) methodology. For instance a sedan is one (1) equivalent unit and a fire truck is six (6) equivalent units. This system was set up to cover the costs of the Fleet Division as a whole based on the distribution/allocation of VEU's without all departments being required to track all costs administratively. In fact the Auditor recognized this approach by stating the following within the report: "A number of recommendations focus on more accurate tracking and distribution of fleet costs supported by the establishment of rental rates. We recognize that Carson City may choose to continue to utilize its current vehicle equivalent unit (VEU) methodology instead of instituting the additional administrative rigor required to achieve more accurate cost allocation. Staff will continue to evaluate conversion to the system recommended after the implementation of the fleet management system. "

Recommendation 7. Train employees on the guidelines and policies regarding when to use a City vehicle, mileage reimbursement, or a rental vehicle.

- The travel policy update addresses this issue and the Fleet Manager will develop a web training unit for all employees. Additional web training will be pursued with the new fleet manager.

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Recommendation 8. Utilize the State of Nevada's rental car contract for rental vehicles to supplement the City pool when units are out of service due to extensive repair work or periods of peak demand.

- The updated travel policy requires use of the State of Nevada's rental car contract for rental vehicles. The City has historically utilized the State contract for all rentals and will continue to do so.

Recommendation 9. Expand the shop loaner pool.

- This has been accomplished. Fleet Services reviewed all assigned vehicles within the City and has been able to expand the loaner pool by two vehicles; we will continue to evaluate the fleet and attempt to expand the pool as necessary into the future.

Recommendation 10. Establish a new heavy equipment pool, supplemented with rentals, to provide access to equipment that may be needed due to the surplusing of underutilized equipment, and require all requests for heavy equipment rentals to be processed and approved through a single City source.

- The recommendation to establish a new heavy equipment pool with only five (5) vehicles and then for departments to rent the equipment is impractical given the limited number of units and skilled operators. Departments currently share equipment and the cost of renting from the motor pool is not necessary with the VEU system currently utilized and would be another administrative cost.

Recommendation 11. Develop rental rates to recoup all ownership and operational costs of each unit in the heavy equipment pool.

- See 10 above.

Recommendation 12. Revise the current vehicle take-home policy to add specific criteria relating to take-home and stand-by vehicle assignments. Review all vehicle take-home and current stand-by authorizations and justify approvals based on the new vehicle take-home policy.

- The updated vehicle policy addresses this issue and all departments will be asked to review current authorizations.

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FLEET EFFICIENCY STUDY IMPLEMENTATION

Recommendation 1. Redesign the main shop to support better workflow and provide supervision oversight. Include means to prevent customer access to areas where repair work is being done.

- A small fleet building expansion and minor remodel of the existing facility is underway and these changes will help facilitate this recommendation. This expansion will not be large enough to accomplish everything, but is the first step in this direction.

Recommendation 2. Schedule the preventive maintenance workload for the entire year.

- The fleet management software program allows for this function and will provide Fleet Services the ability to perform long-range scheduling of preventive maintenance.

Recommendation 3. Redesign PM checklists to reflect appropriate (manufacturer) inspections that are applicable to various classes of vehicles and equipment.

- The fleet management software program will have predesigned check lists that can also be customized to reflect any special requirements for the vehicle from the equipment manufacture.

Recommendation 4. Base service intervals according to vehicle manufacturer recommendations.

- This is currently being done and the fleet management software program will also help improve the ability to track this information more efficiently in the future. Fleet technology is changing rapidly and the fleet division must keep up to maintain efficiency in this area.

Recommendation 5. Develop a dedicated service request form. Incorporate time reported, estimated time to repair and actual completed time.

- The fleet management software has a service request form and the ability to provide estimated time to repair and also report on the actual time it took to complete the repair. Additionally the form can be e-mailed to improve reporting to the customer.

Recommendation 6. Hire a full time storekeeper to perform all parts-related duties. A dedicated storekeeper will free up mechanics to focus on their highest and best use, which is performing maintenance and repair duties.

- This position would be difficult to fund and in reality due to the small size of the shop and the streamlining of the parts operation via the remodel, the mechanics will spend far less time retrieving parts than in the past. Efficiencies will certainly be gained through the remodel and expansion and the use of the fleet management software. The majority of parts can be delivered by the parts supplier at no cost to the city.

Recommendation 7. Issue a request for proposals and award contract for vendors to provide fleet parts with set prices and delivery criteria. The contract should be for one year with two-year extensions if the supplier satisfactorily meets all conditions.

- Through the use of the fleet management software, an accurate parts inventory will be produced and this coupled with a year of parts use data should allow bidding these parts with a high degree of accuracy.

Recommendation 8. Include parts tracking and inventory in the requirements for the planned enhanced fleet management system.

- This recommendation will be easily accommodated with the use of the fleet management software.

Recommendation 9. Issue an RFP and award a contract to provide fleet repair services with local vendors with set prices, delivery criteria and warranties. The contract should be for one year with two-year extensions if the supplier satisfactorily meets all conditions.

- Fleet Services is currently researching information in order to facilitate this recommendation. Several of the specific repair types could be contracted under this concept; however other unique repairs will still require fleet to obtain repair quotes and go with the best price such as body damage repairs.

Recommendation 10. Integrate fuel data from CFN (fuel system) reports in the requirements for the planned enhanced fleet management system in order to compute average fuel consumption (mpg) by vehicle and by class, fuel cost per mile and average total fuel cost by class.

- The fleet management software will allow the integration of the fuel data report directly into the program and will track average fuel consumption by vehicle and by class, fuel cost, and will allow reporting of the data in several different formats. The key to gaining efficiency is to frequently monitor and assess this information.

Recommendation 11. Hire three additional mechanics, track and monitor non-wrenching hours, and establish a 70% performance goal for mechanics.

- Unfortunately at this time funding does not allow for three additional staff. There is a possibility of adding one additional mechanic for bus repair. This position would be funded through the Transit Fund and will only be possible after the fleet expansion is completed as there currently is no room for another mechanic within the existing facilities. To add more mechanics would require adding even more service bays to the facility which is not possible under current funding.

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Recommendation 12. Add a swing shift or overlapping shift to better accommodate the schedules of fleet customers.

- The current or new expanded fleet facility will not accommodate the additional mechanics needed to run an overlapping shift and changing to a swing shift for just a mechanic or two would not be efficient. Also, our local parts suppliers operating hours will not support after hours and would require the fleet facility to carry a large parts inventory thus increasing overhead costs. We will continue to review this option should the need arise and space becomes available.

Recommendation 13. Create a Fleet Manager classification. Fill the position with a full-time person with the qualifications and experience to manage the fleet operation.

- The responsibilities of the Fleet Manager position have been adjusted to full time. The position has recently been vacated and a new Fleet Manager will be hired with the requisite qualifications and experience.

Recommendation 14. Incorporate more realistic replacement intervals, as well as salvage values, auction fees, and make-ready costs in the City's long-range replacement plan.

- This recommendation is certainly supported but remains difficult with current general fund budget restrictions.

Recommendation 15. Adopt a methodology to support the replacement of vehicles and equipment based on the "optimum economic life point" of a unit.

- This recommendation is certainly supported but remains difficult with current general fund budget restrictions. An option which will also be incorporated is to review costs for re-build of equipment to extend the life cycle when possible. This is particularly true of heavy equipment.

Recommendation 16. Establish a vehicle/equipment replacement fund to which customers contribute to the replacement cost of their units over time.

- This recommendation is certainly supported but remains difficult with current general fund budget restrictions.

Recommendation 17. Conduct a basic utilization review of the entire fleet, requiring departments to justify the need for each assignment, whether it be individually assigned or assigned as a sub-pool vehicle to the department.

- Moss Adams recently completed a utilization study that accomplished this recommendation. The fleet manager will continue to review utilization of vehicles and will recommend changes to maintain efficiency.

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Recommendation 18. Develop a comprehensive and accountable chargeback system that incorporates fleet replacement, overhead and all operational costs.

- The Fleet Division is funded through a charge to all departments based on a vehicle equivalent unit (VEU) methodology. For instance a sedan is one (1) equivalent unit and a fire truck is six (6) equivalent units. This system was set up to cover the costs of the Fleet Division as a whole based on the distribution/allocation of VEU's without all departments being required to track all costs administratively. In fact the Auditor recognized this approach by stating the following within the report: "A number of recommendations focus on more accurate tracking and distribution of fleet costs supported by the establishment of rental rates. We recognize that Carson City may choose to continue to utilize its current vehicle equivalent unit (VEU) methodology instead of instituting the additional administrative rigor required to achieve more accurate cost allocation."

Recommendation 19. Develop shop labor rates and markups/charges by appropriately allocating labor and overhead costs, including the functions of administration/asset management, maintenance/repair, fuel, parts and commercial repair work.

- The shop labor rate will be adjusted in accordance with the most recent data and the fleet management software will allow a very accurate tracking of all labor and will facilitate the appropriate distribution of cost for all associated functions. This will ensure proper allocation of charges for all work performed.

Recommendation 20. Discontinue practice of performing non-fleet work for city departments.

- This is a reference to the fabrication work performed by the fleet shop. Contracting with outside vendors for certain fabricating tasks is done on some items, but Fleet still pays for these costs. The ability of the departments to fully absorb this cost is questionable and as part of a future budget, Fleet will work with Finance to determine if costs can be transferred to the department requiring the work.

Recommendation 21. Establish a Vehicle and Equipment Committee whose main task is to develop comprehensive administrative policies for vehicles and equipment.

- A draft committee plan will be developed and will be forwarded to the City Manager for consideration.

Recommendation 22. Develop service level agreements between the Fleet Services and each of its customers.

- The Fleet Manager will be tasked to study the feasibility of providing variable levels of services to customers and will explore with them their desire to enter into such an agreement and determine if it is cost effective for the city overall.

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Recommendation 23. Establish performance measures and monitor them with the goal of measuring performance against industry and shop standards.

- The Fleet Manager will move forward to begin to establish appropriate performance standards that are industry based.

Recommendation 24. Develop monthly management reports for the Public Works Department, the City Manager and all Fleet customer departments.

- The fleet management software provides a myriad of reporting and tracking capability that will prove invaluable for providing this information.