



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** June 20, 2019

Staff Contact: Pamala Ganger, Deputy Chief Financial Officer (pganger@carson.org)

Agenda Title: PUBLIC HEARING: For Possible Action: Discussion and possible action regarding a proposed resolution for temporary interfund loans, for a period not to exceed six months, from the Regional Transportation Fund to the Carson Area Metropolitan Planning Organization (CAMPO) Fund for an amount not to exceed \$50,000 and to the Street Maintenance Fund for an amount not to exceed \$200,000, and from the General Fund to the Transit Fund for an amount not to exceed \$600,000. (Pamala Ganger, pganger@carson.org)

Staff Summary: The CAMPO Fund, the Street Maintenance Fund and the Transit Fund may incur temporary cash shortages on June 30, 2019. The interfund loans would enable the City to cover any temporary cash shortages in these funds. Carson City is required by NRS 354.6118 to hold a public hearing on the interfund loans.

Agenda Action: Resolution **Time Requested:** 5 minutes

Proposed Motion

I move to adopt Resolution No. _____.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

NRS 354.6118 requires the approval of interfund loans, and Governmental Accounting Standards Board Regulations will not allow the City to record negative cash. Therefore, in order to comply with both of these regulations, we are requesting the following loans. The loans may not be necessary, and Finance will only transfer the amount needed.

The CAMPO Fund may incur a cash shortage at June 30, 2019, due to reimbursement type federal grants related to the CAMPO program. Labor and supplies for the CAMPO program are paid from the RTC Fund; once a reimbursement request is submitted by Carson City, those program expenses paid by RTC are moved to the CAMPO Fund in anticipation of federal reimbursement. Unfortunately, it takes a month or two to receive reimbursement revenue from the federal program.

The Street Maintenance Fund may incur a cash shortage at June 30, 2019, as the funding source, County Option one quarter percent sales taxes and fuel taxes, is passed through from the State so the taxes for May and June will not be received by the City until July 31st and August 31st, respectively. The loan amount

requested is an estimate of the Street Maintenance Fund expenses through June 30, 2019, and potential cash flow needs.

The Transit Fund may incur a cash shortage at June 30, 2019, due to reimbursement type grants for the Transit program. The loan amount is an estimate of bus purchase costs and payroll expenses through June 30, 2019.

Historically, the City only loans amounts between funds necessary to bring cash to zero at June 30, 2019, and repays those funds promptly upon receipt of the revenue.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 354.6118

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Regional Transportation Fund Cash account and General Fund Cash account.

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Short-term reduction in Regional Transportation cash of \$250,000, to be repaid within 6 months from the CAMPO Fund and Streets Maintenance Fund, and short-term reduction in General Fund cash of \$600,000, to be repaid within 6 months from the Transit Fund.

Alternatives

Not to approve loans and provide staff with alternate direction.

Attachments:

[Resolution for interfund loans 2019.docx](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

RESOLUTION NO. _____

RESOLUTION FOR INTERFUND LOANS FROM THE REGIONAL TRANSPORTATION FUND TO THE CAMPO FUND AND THE STREET MAINTENANCE FUND, AND FROM THE GENERAL FUND TO THE TRANSIT FUND.

WHEREAS, the CAMPO Fund, the Street Maintenance Fund and the Transit Fund will incur a temporary cash shortage on June 30, 2019; and

WHEREAS, the interfund loans will enable the City to cover the temporary cash shortage in these Funds; and

WHEREAS, the lending of this money will in no way adversely affect the Regional Transportation Fund nor the General Fund, and these loans are made in accordance with NRS 354.6118.

NOW, THEREFORE, be it resolved by the Carson City Board of Supervisors that:

(1) sufficient amounts of money are available for the loan from the Regional Transportation Fund and the General Fund and the money in those funds is not restricted as to its use; and

(2) the loan of the money will not compromise the economic viability of the Regional Transportation Fund and the General Fund; and

(3) the Regional Transportation Fund shall lend the CAMPO Fund an amount not to exceed \$50,000 and the Street Maintenance Fund an amount not to exceed \$200,000, and the General Fund shall lend the Transit Fund an amount not to exceed \$600,000, for the purpose of covering temporary cash shortages in the Funds. These loans shall be at a zero percent interest rate for a period not to exceed six (6) months. These loans may be repaid in increments or a lump sum amount, but must be repaid within six (6) months from the date of this resolution.

ADOPTED this ____ day of _____, 2019.

AYES: Supervisors _____

NAYES: Supervisors _____

ABSENT: Supervisors _____

ROBERT L. CROWELL, Mayor

ATTEST: _____
AUBREY ROWLATT, Clerk Recorder