



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** January 2, 2020

Staff Contact: Sheri Russell , Chief Financial Officer (srussell@carson.org)

Agenda Title: For Possible Action: Discussion and possible action to prioritize the appropriation of excess undesignated General Fund ending fund balance from fiscal year (FY) 2019 in the amount of \$2,523,236. (Sheri Russell srussell@carson.org)

Staff Summary: At the December 5, 2019 Board of Supervisors meeting, the Board requested that staff bring back an item for Board discussion and possible action on how to prioritize the \$2,523,236 in General Fund savings from FY 19. The following are staff recommendations based on FY 20 Board actions, Board direction, and future capital needs:

Rifle and Pistol Range Safety Improvements	\$ 432,039
Subscriber Radio Replacement FY 21 and FY 22	1,091,690
Capital Needs FY 21	999,507
Total FY 19 Savings	\$ 2,523,236

Agenda Action: Formal Action / Motion **Time Requested:** 10 Minutes

Proposed Motion

I move to appropriate the FY 19 excess undesignated General Fund ending fund balance as proposed.

Board's Strategic Goal

Efficient Government

Previous Action

December 5, 2019 - The Carson City Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019 was presented.

Background/Issues & Analysis

At the November 7, 2019 Board of Supervisors meeting, staff provided the Board with a status update on the rifle and pistol range. Based on current available funding, staff had recommended that a request for bids be done for the shooting bays and short range improvements. Instead the Board gave direction to staff to include the long range, short range and shootings bays in the request for bids to determine what savings could be realized by doing the improvements to all three ranges at the same time. Based on the bids that were received, \$432,039 is needed from the General Fund to complete the entire project. \$4,500 is for project management, and the remaining \$427,539 for Construction. The engineers estimate for this item was \$933,960 and total bid with alternate and contingency is \$809,410. The City set aside \$250,000 in the Fiscal Year 2020 Capital Improvement Program (CIP) and secured Grant Funding of \$131,871. Contingency amount of \$73,583 will only be transferred if needed.

Another item that came before the Board on December 5, 2019 was the Radio System Plan. Part of that plan included \$1,091,690 for subscriber radio replacement, split between two years FY 21 and FY 22. These purchases are necessary to implement the City's 2019 Public Safety Radio System Plan. Staff is recommending setting aside this amount from General Fund ending fund balance to ensure funding is available for these future costs.

Lastly, a General Fund 5-year projection has been included which shows that the available capital funding for FY 21 is \$4 million, \$3.5 million and \$3.3 million less than what we had available for FY 19 and FY 20, respectively. Therefore staff is recommending the remaining fund balance be saved for FY 21 capital needs. Note that the 5-year projection shows \$4,018,452 for CIP funding. The breakdown of this is \$1,434,269 for Landfill capital, \$760,354 for Fleet (1% General Fund Expenditures), and \$691,829 for Extraordinary Maintenance (5 cents, property taxes), which leaves \$1,132,000 for all other general government capital needs (facilities, parks, equipment, etc.).

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: General Fund (Contingency)/ Fund Balance

Is it currently budgeted?

Explanation of Fiscal Impact: Impact will depend on the discussion; however, if recommendations are approved total budget will be added to contingency for budget purposes. The funding for the Rifle and Pistol Range Safety Improvements will be transferred from Contingency to the Quality of Life Fund during the FY20 augmentation process and the remaining balance will be held in contingency and actual dollars will be designated as assigned fund balance at year end, so it can be used for FY21 and FY22 budget needs.

Alternatives

N/A

Attachments:

[Radio Capital.pdf](#)

[5 year projections with FY 19 actual - 11-7-19.pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

6.2.1 TEN YEAR BUDGET

		Fleet Radio (FY20-FY29)	11/5/2019										
Org	Object	Project Description	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	10 Yr Total
5603055		Radio Console Replacement	\$ 458,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,563
5603055		Subscriber Radio Replacement	154,855	154,855	154,855	-	-	-	-	-	-	-	464,565
5603055		PS Radio Voice Recorder P25	26,485	-	-	-	-	-	-	-	-	-	26,485
5603055		PS Legacy Radio Repeater Replacement	197,569	-	-	-	-	-	-	-	-	-	197,569
		Total Capital	837,472	154,855	154,855	-	-	-	-	-	-	-	1,147,182
5603055		Communications Foreman (T5)(New)(100%)		90,255	94,608	99,177	103,983	109,032	114,339	119,916	125,784	131,952	989,046
		Communications Technician (T2)(100%)		78,887	82,730	86,770	91,020	95,489	100,191	105,137	107,333	110,278	857,835
		Salaries and Benefits³		169,142	177,338	185,947	195,003	204,521	214,530	225,053	233,117	242,230	1,846,881
5603055	500309	Professional Services ⁶	25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000	10,000	10,000	160,000
5603055	500330	Training	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
5603055	500427	Microwave/Ethernet Maintenance ²	20,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	155,000
5603055	500430	Equipment Repair & Maintenance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
5603055	500433	Software Maintenance Contract ^{4,5}	20,586	20,586	20,586	42,000	62,000	62,000	62,000	62,000	62,000	62,000	475,758
5603055	500436	Facility Maintenance ¹	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
5603055	500437	Radio Maintenance	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	700,000
5603055	500504	Subscription Services ¹	-	211,500	352,500	564,000	634,500	634,500	634,500	634,500	634,500	634,500	4,935,000
5603055	500625	Operating Supplies	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
5603055	500674	Small Tools/Instruments	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000
5603055	500676	Technical Equipment	200,000	-	-	-	-	-	-	-	-	-	250,000
5603055	508101	Principal - Fleet & Cap Proj Tax Fund	120,000	122,000	125,000	-	-	-	-	-	-	-	367,000
5603055	509101	Interest - Fleet & Cap Proj Tax Fund	7,818	5,045	2,441	-	-	-	-	-	-	-	15,304
		Services & Supplies and Bond Payments	478,404	489,131	630,527	736,000	811,500	811,500	811,500	811,500	811,500	1,061,500	7,453,062
		TOTAL FLEET RADIO DEPARTMENT EXPENSES	\$ 1,315,876	\$ 813,128	\$ 962,720	\$ 921,947	\$ 1,006,503	\$ 1,016,021	\$ 1,026,030	\$ 1,036,553	\$ 1,044,617	\$ 1,303,730	\$ 10,447,125
		Working Capital	(237,472)	(154,855)	(154,855)	-	-	-	-	-	-	-	(547,182)
		Debt Service obtained for Radio Equipment	(600,000)	-	-	-	-	-	-	-	-	-	(600,000)
		Total O&M Charge	478,404	446,773	455,365	357,947	372,003	381,521	391,530	402,053	410,117	419,230	9,299,943
		Total Subscriber Replacement Charge	-	-	-	-	-	-	-	-	-	250,000	250,000
		Total NSRS Subscriber Fees	-	211,500	352,500	564,000	634,500	634,500	634,500	634,500	634,500	634,500	4,935,000
		CAPITAL paid from 210 Fund - (anticipated to be paid in FY21 & FY22)											
2100000		Subscriber Radio Replacement	545,845	545,845	545,845	-	-	-	-	-	-	-	1,637,535
2100000		PS Radio Voice Recorder P25	93,355	-	-	-	-	-	-	-	-	-	93,355
		TOTAL CAPITAL PROJECTS FUND INVESTMENT	639,200	545,845	545,845	-	-	-	-	-	-	-	1,730,890
		TOTAL ESTIMATED RADIO SYSTEM 10 YEAR PLAN	\$ 1,955,076	\$ 1,358,973	\$ 1,508,565	\$ 921,947	\$ 1,006,503	\$ 1,016,021	\$ 1,026,030	\$ 1,036,553	\$ 1,044,617	\$ 1,303,730	\$ 12,178,015
	Notes												
		1 FY21-Add new accounts for Facility Maintenance and Subscription Services(NSRS User Fees)											
		2 FY21-Reduce Microwave and Ethernet Maintenance											
		3 FY21-Salaries and Wages-1 New FTE Communication Foreman, 1 Existing FTE Communication Technician, (Assuming no termination 4.5% Merit increase every year)											
		4 FY23-Radio Console Warranty Coverage Ends, Warranty Extension Cost \$21,434/Yr (Software Maintenance Contract)											
		5 FY24-Subscriber Radio warranty's begin to expire. Harris Technical Support Services required \$20,000/Yr (Software Maintenance Contract)											
		6 FY24-Professional Services reduced due to decreased need due to system migration											

FIGURE 1

Budget Worksheet	FY19 FINAL AUDIT	FY20 FINAL BUDGET	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
Beginning Fund Balance	\$ 12,154,536	\$ 10,008,998	\$ 6,524,890	\$ 6,845,602	\$ 7,065,206	\$ 7,303,098
Total Revenues	80,966,263	82,509,893	85,030,565	87,768,651	90,546,928	93,424,617
Transfers In	2,557,152	201,719	143,703	143,703	143,703	143,703
Total Sources	95,677,951	92,720,610	91,699,158	94,757,956	97,755,837	100,871,419
Total Expenditures	69,330,063	74,102,584	75,906,275	78,278,460	80,814,334	83,416,985
Contingency	-	500,000	500,000	500,000	500,000	500,000
CIP Funding	7,549,342	7,303,718	4,018,452	4,296,927	5,150,638	5,354,896
Fleet VEU Impact	0	0	129,089	243,654	331,024	395,782
Transfers Out	4,174,493	4,289,418	4,299,740	4,373,708	3,656,743	3,664,332
Ending Fund Balance	14,624,053	6,524,890	6,845,602	7,065,206	7,303,098	7,539,424
Total Uses	\$ 95,677,951	\$ 92,720,610	\$ 91,699,158	\$ 94,757,956	\$ 97,755,837	\$ 100,871,419
Ending Fund Balance as a % of Expenditures	21.09%	8.81%	9.00%	9.00%	9.00%	9.00%