



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** July 16, 2020

Staff Contact: Sheri Russell, Chief Financial Officer (Srusell@Carson.org)

Agenda Title: For Possible Action: Discussion and possible action regarding projects in the Fiscal Year (FY) 2020 Capital Improvements Plan that were approved during the prior year budget process but were delayed due to the COVID-19 pandemic. (Sheri Russell, srusell@carson.org)

Staff Summary: The State of Nevada shut down non-essential business from March 18, 2020 through May 9, 2020, due to the COVID-19 pandemic; therefore, the City projected a 35% decline in sales tax revenue for March and April 2020. The Board of Supervisors took further precautions and delayed FY 2020 capital projects not yet started in case more cash flow was needed. Since that time, Nevada has begun to reopen. Staff is pleased to report that taxable sales decreased by only 12.7% in March and 5.4% in April. At this time, staff does not believe the General Fund will be in a position that would require the City to cancel FY 2020 capital projects. Therefore, staff is requesting the reinstatement of the delayed FY 2020 capital projects.

Agenda Action: Formal Action / Motion **Time Requested:** 5 Minutes

Proposed Motion

I move to reinstate those delayed capital projects from the 2020 Capital Improvement Plan as discussed today.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

4/16/20 - Board of Supervisors moved to approve the delay of capital projects not yet started in FY 2020 which were previously approved as part of the FY 2020 Capital Improvement Plan.

Background/Issues & Analysis

On April 18, 2019, the Board of Supervisors approved the FY 2020 Capital Improvement Plan. Subsequently, COVID-19 became a pandemic, and the State of Nevada shut down non-essential business for approximately 60 days from March 18, 2020 through May 9, 2020, and Nevadans were asked to stay home as much as possible and to practice social distancing to prevent the spread of the virus. At that time, the City projected a 35% decline in sales tax revenue for March and April 2020. Due to uncertainty surrounding the extent of the decline in the Carson City economy and City revenues, staff reviewed the list of approved capital projects and the Board of Supervisors took further precautions and delayed FY 2020 capital projects not yet started in the event that the projected 35% decline was inadequate to address sales tax shortfalls and more cash flow was needed. Holding these capital assets was a prudent precautionary measure as a means to ensure there would be adequate cash flow available if the budgeted 35% decrease in sales tax revenues in March and April 2020 was actually worse than projected.

Since that time, Nevada has begun a phased reopening. The State is currently in phase II of a multi-phase reopening plan and many businesses have reopened. The City now has actual numbers for March and April 2020, and staff is happy to report that sales tax has been coming in much better than projected; taxable sales decreased by only 12.7% in March and 5.4% in April, as compared with March and April 2019. At this time, staff does not believe the General Fund will be in a position that would require the City to cancel FY 2020 capital projects and draw the capital funds back to the General Fund. Therefore, staff would like to resume work on the delayed FY 2020 capital projects, and is requesting the reinstatement of those delayed projects.

Staff is planning on waiting until final numbers for FY 2020 have been obtained before returning to this Board with supplemental requests or capital for FY 2021.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Capital Projects funds will be re-instated, according to the attached schedule.

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Capital projects previously held, that are approved to move forward today, will later be adjusted in the next budget augmentation for FY 2021. Staff will roll-forward the FY 2020 unspent budget and transfer these held items out of the board designated account and back to their original line item in FY 2021.

Alternatives

To amend for final budget.

Attachments:

[FY20 Capital ReInstatement.pdf](#)

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

On Hold - Projects Approved Capital Improvement Plan FY2020

| | | |
|---|----------------|-------------|
| Card Lock System Upgrade | 2102025-506552 | 28,500 |
| Fire Sprinkler System Repairs | 2102025-506552 | 20,000 |
| Fax Solutions | 2101006-506508 | 13,000 |
| Mesh Network Replacement | 2101006-506508 | 70,000 |
| Public Waste Transfer Pad | 2103939-506503 | 400,000 |
| Equipment (Undesignated) | 2103939-506502 | 78,047 |
| Library Public Restroom Fix & Refurbish | 2105062-506559 | 10,000 |
| Security Cameras for Centennial Sports Complex | 2105050-500654 | 4,999 |
| Park Maint Training Room IT Upgrades | 2105050-500654 | 2,451 |
| Lone Mt. Cemetery - Irrigation System Replacement | 2105050-507010 | 201,250 |
| Detention Camera Blind Spot Elimination | 2102020-506512 | 23,247 |
| Fire - Pick-up truck | 2101002-507705 | 45,000 |
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| | | 896,494 |
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| Password Management Software* | 2101006-500669 | 4,768 | Approved through IFC |
|-------------------------------|----------------|-------|----------------------|

* This item was brought before IFC along with Multifactor Identification system as a result of the Non-Essential Business Shut down, as several employees needed to telecommute suddenly and there was an increased risk of penetration of our system.