



MAYOR
Ed Lawson

CITY COUNCIL
Donald Abbott, Ward I
Dian VanderWell, Ward II
Paul Anderson, Ward III
Charlene Bybee, Ward IV
Kristopher Dahir, Ward V

CITY ATTORNEY
Chet Adams

CITY MANAGER
Neil C Krutz, ICMA-CM

SPARKS CITY COUNCIL CIP BUDGET WORKSHOP MINUTES

8:30 A.M., Monday, March 22, 2021

This meeting was held virtually due to the COVID-19 pandemic

1. **Call to Order**

The Workshop was called to order by Mayor Ed Lawson at 8:30 a.m.

2. **Roll Call**

Mayor Ed Lawson, Council Members Donald Abbott, Dian VanderWell, Paul Anderson, Charlene Bybee, Kristopher Dahir, City Manager Neil Krutz, Acting City Attorney Brandon Sendall and City Clerk Lisa Hunderman, PRESENT.

3. **Pledge of Allegiance**

The Pledge of Allegiance was led by Council Member Anderson.

4. **Public Comment**

None.

5. **Approval of the Agenda**

5.1 Approval of the Agenda (FOR POSSIBLE ACTION)

Consideration of taking items out of sequence, deleting items and adding items which require action upon a finding that an emergency exists.

Motion: Move to approve the agenda as submitted.

Moved by: Council Member Abbott

Seconded by: Council Member Anderson

Yes: Council Members Abbott, VanderWell, Anderson, Bybee, Dahir

No: None

Abstain: None

Vote: Motion passed unanimously, 5-0.

6. **Presentations**

None.

7. General Business

7.1 Review and discussion of the proposed Capital Improvement Plan for Fiscal Years 2022 through 2026 (FOR POSSIBLE ACTION).

A presentation from Assistant City Manager John Martini and presented by Capital Projects Manager Brian Cason and staff providing an overview of the proposed Capital Improvement Plan for Fiscal Years 2022 through 2026.

City Manager Neil Krutz provided opening statements and a brief explanation of this item. He noted direction was given to staff prior to the February 2021 Budget Workshop to look at alternatives that would cut the normal 2.5% transfer to General Fund Revenues under Fiscal Policy 3 by \$1 million for other uses. Mr. Krutz commented it is the City Manager's recommendation to Council to move forward with a fully funded option.

Capital Projects Manager Brian Cason

Mr. Cason provided an overview of the planning process for the total proposed \$25,265,908 CIP budget and briefly discussed how the Comprehensive Plan is being implemented through various projects throughout the city. Projects include pedestrian and bike pathway improvements and additions, future projects including an all-abilities playground at the Sparks Marina, and several projects planned for Victorian Square that include infrastructure improvements, barricade additions, and Nugget Events Center design. Mr. Cason also outlined several projects intended to improve the conditions of city-owned facilities and infrastructure such as HVAC and electrical upgrades.

Transportation Manager Amber Sosa

Mrs. Sosa provided an overview of transportation projects under Fund 1401. Sources for this fund include Fuel Tax and franchise fees. Total cost of transportation projects for FY22 is approximately \$3,217,686. Mrs. Sosa explained Pavement Condition Index (PCI) ratings applications through rehabilitative, corrective maintenance, or preventative maintenance projects. Rehabilitation projects are estimated to cost \$1,200,000 and corrective and preventative maintenance projects are estimated to cost \$700,000. Mrs. Sosa also provided an overview of anticipated Community Development Block Grant (CBDG) projects in the vicinity of Prater Way and Oddie Boulevard, and upcoming drainage improvement projects in the vicinity of Stanford Way. Drainage improvement projects collaborated with the Utilities Division under the Utility Enterprise Fund.

Utility Manager Kevin Porter

Mr. Porter provided an overview of sanitary sewer projects and rehabilitation under the Utility Enterprise Fund. The funding sources for this fund include sewer, storm drain, and river flood user rates and connection fees. Mr. Porter discussed a sewer improvement project in the vicinity of Probasco Way and Greenbrae Drive. Design costs in the amount of \$80,000 are part of the FY22 budget, while construction is planned for FY23. Sewer system rehabilitation projects are estimated at \$1,000,000 for FY22, most of which is allocated for the Cured-In-Place Pipe (CIPP) Program.

Mr. Porter provided a vicinity map with a scale rating the condition of sewer pipes using a Pipeline Assessment Certification Program (PACP) score. This score is determined by maintenance teams who use various robotic methods to view the pipes and internal conditions to determine the appropriate rating using the PACP standard. Council asked why some streets represented on the map were not assigned a rating or color. Mr. Porter explained those areas may have been rehabilitated recently, a sewer line may not run in that section, or it is an area staff is unable to get full assessment data for due to lack of access. Council also asked if there is a limit to the capability of the robots to reach some of these inaccessible areas where a manhole may be covered, and Mr. Porter noted typically a limitation can be the length of the pipe and how far the unit can drive itself and still pull cables.

Mr. Porter presented the FY22 storm drain projects which include a manhole CCTV assessment estimated at \$50,000 and a stormwater master plan update estimated at \$325,000. The last masterplan update was in 2011. Updated hydrology and master plans are necessary to account for and accommodate city growth.

Lastly, Mr. Porter discussed river flood projects, to include a North Truckee Drain flood improvement that will align with RTC's Sparks Boulevard widening project. With design costs estimated at \$400,000. Improvements will address water breakout possibilities through 100-year storm.

Capital Projects Manager Brian Cason

Mr. Cason resumed the presentation by providing a breakdown for Funds 1404A – Facilities and Equipment, Fund 1404B – IT Software, and Fund 1404C – IT Software. Fund 1404A is funded normally by a 2.5% General Fund Transfer which amounts to \$1,190,800 if Council proceeds with the City Manager's recommendation to maintain full funding in lieu of a \$1,000,000 reduction for new needs. Fund 1404B is funded at \$274,580 from Marijuana Business License Fees, and Fund 1404C is also funded at \$379,000 from Marijuana Business License Fees. Total costs for these funds in FY22 are \$2,561,580.

Fund 1404A FY22 projects include Police Department taser replacements, sidewalk sweeper and snow removal equipment upgrades, P25 radio replacements, City Hall HVAC replacements, and a garage door replacement at Fire Station #4.

2

Information Technology Manager Rich Brown

Mr. Brown discussed Funds 1404B and 1404C. Major systems plans for FY22 include a new public website, support for the remote workforce, camera systems upgrades, and security audits. Hardware and Infrastructure projects include a hardware refresh, Municipal Court refresh, and cloud recovery capabilities. Current hardships the IT Team faces include ongoing nationwide supply chain issues resulting from the COVID-19 pandemic.

Mr. Brown explained which software IT provides on each computer given to city staff and the base licensing costs.

Total costs of IT projects for FY22 is \$274,850 for fund 1404B, and \$379,000 for Fund 1404C.

Capital Projects Manager Brian Cason

Mr. Cason provided an overview for Funds 1405, 1402, 1406, 1407, 1408, 3401, 3601, 1210, and 1702.

Fund 1405 is dedicated to capital projects and is sourced by Ad Valorem (Property tax distributed by the State). Costs for FY22 total \$290,000. \$100,000 is allocated for citywide re-keying and security improvements, \$100,000 is allocated for maintenance admin restroom remodel construction, and \$90,000 is allocated for the Police Department 1st floor carpet replacement.

Fund 1402 is dedicated for Parks projects and is sourced by Franchise Fees and Golden Eagle Regional Park (GERP) rentals, Lease Fees, and Marijuana Licensing Fees. Total costs for parks projects in FY22 are \$1,436,000. Primary fund projects include Alf Sorensen carpet replacements, lighting upgrades at the Larry D. Johnson Community Center, and bike path rehabilitations. GERP Fund projects include synthetic turf replacement at Field 9, GERP main building stairs replacement, and an annual turf maintenance contract.

Funds 1406, 1407, and 1408 are dedicated to Park District Projects and are funded through Residential Construction Tax. The project outlined for FY22 is an addition of Black Hills Park to Park District 3 in the amount of \$600,000.

Fund 1415 is dedicated to Capital projects and is sourced by the Victorian Square Room Tax. Total costs for this fund in FY22 is \$1,342,080, \$900,000 of which is allocated for the Victorian Square Barricade Project, and \$150,000 is allocated for the Victorian Square Public Art Program.

Fund 3401 for Redevelopment Area 1 is dedicated to Capital projects and is for projects in the downtown area funded by property taxes. This fund will also contribute to the Victorian Square Barricade Project (\$700,000), in addition to the Nugget Events Center Forecourt design (\$250,000), Victorian Amphitheater Phase 2 Design (\$25,000), Victorian Square Infrastructure Improvement Project Section 2c (\$800,000), and CDBG pedestrian improvements within RDA 1 (\$300,000).

Fund 3601 for Redevelopment Area 2 is dedicated to Capital projects and is for projects in the Sparks Marina, Oddie Boulevard, and Conductor Heights areas and is funded by property taxes. \$150,000 is allocated for the Sparks Marina All-Abilities Playground.

Fund 1210 is for Impact Fee Service Area (IFSA) 1 for the construction of sanitary sewers, flood control, parks, and public facilities and is funded by fees collected from development in IFSA 1. \$750,000 is allocated for land purchase for Fire Station #6.

Fund 1702 is the Motor Vehicle Fund and all departments and funds pay cost recovery on vehicles and equipment. Total costs for this fund for FY22 are \$3,311,160. \$2,526,160 is allocated for the Vehicle and Equipment Replacement Plan and \$785,000 is allocated for the Fire Apparatus and Equipment Replacement Plan.

Questions from Council

Council asked about transportation funding that seems to fall short in projected budget years, and what is being considered to mitigate that possibility. Transportation Manager Sosa explained they are examining current funding that comes from gas tax and franchise fees and trying to be as efficient as possible. They are monitoring preventative maintenance closely while also trying to help those streets that are in critical need of rehabilitation. Mrs. Sosa noted as vehicles become more efficient and electric car usages increase, funding sources may be affected.

Council asked if there are possible alternative funding sources. Assistant City Manager Martini commented increases in usage of electric cars will have an impact and those trends are being monitored. He explained less gas expenditure means less gas tax receipts. Mr. Martini noted there are currently efforts at the federal level considering possibilities for the taxation of electric vehicles, and staff will continue to monitor those efforts. If nothing happens federally and gas funds continue to fall, alternative funding options will be considered. Possibilities include management of available funds which may translate to less projects over time, or potential direction from Council to reallocate into the Road Fund.

Council asked what projects would not get funded from Fund 1404A if staff is directed to cut the fund by \$1 million instead of approving the normal fully funded transfer of 2.5% (\$1,1908,000). Capital Projects Manager Cason confirmed staff would need to evaluate highest priority needs. He noted there would likely be impacts to equipment for Police and Fire Departments, as well as facilities projects for staff. The impact on the fund itself if funds are not transferred at the normal 2.5% rate would mean an increasingly negative balance over future fiscal years. Council also asked if grants could possibly cover expenditures. Mr. Cason confirmed Police and Fire staff is always looking for grant funding options, however they are never guaranteed and some equipment needs are high priority.

Council asked what is being done to move the city into the future with more charging stations and accommodations for electric vehicles. Mr. Martini and Mr. Cason each confirmed that as facilities upgrades are evaluated, the need for electronic vehicle charging stations is also assessed. There are currently stations at City Hall, and as needs increase additional installation options will be considered. Mrs. Sosa also confirmed Regional Transportation Commission (RTC) will be conducting a study to consider regional needs, technologies, and options, and as stakeholders the City of Sparks will be a part of that effort. Lastly, Council asked if the charging stations might be a source of revenue by establishing usage fees. Mrs. Sosa confirmed that may be a possibility.

Council asked about Fund 1210 and if the allocated \$750,000 dedicated for a new fire station would be enough with increasing costs of land in the area. Mr. Martini confirmed preliminary designs for the station have been established and at least two acres of land are required for the project. The dedicated \$750,000 is intended as a starting point to negotiate with the current landowners, and actual costs will be decided based on those future conversations.

8. Comments from the Mayor, Council and City Manager

Council Members Anderson and Dahir thanked all presenters and teams for their hard work and contributions.

Mayor Lawson thanked everyone for their efforts on the Sparks Marina All-Abilities Playground and noted he is excited for what that will bring to the community.

9. Public Comment

None.

10. Adjournment

The workshop was adjourned at 10:02 a.m.

Ed Lawson, Mayor

ATTEST:

Lisa Hunderman, City Clerk

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