



**CARSON CITY CONSOLIDATED MUNICIPALITY
NOTICE OF MEETING OF THE
CARSON CITY AUDIT COMMITTEE**

Day: Tuesday
Date: August 12, 2014
Time: Beginning at 3:00 p.m.
Location: Community Center, Sierra Room
851 East William Street
Carson City, Nevada

Agenda

- 1. Call to Order**
- 2. Roll Call**
- 3. Public Comments and Discussion:**

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of, the Carson City Audit Committee. In order for members of the public to participate in the Committee's consideration of an agenda item, the Committee strongly encourages members of the public to comment on an agenda item during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken.
- 4. For Possible Action: Approval of Minutes - April 22, 2014**
- 5. For Possible Action: Adoption of Agenda**
- 6. Presentation and discussion only regarding the Employee Efficiency Study Work Plan that was approved by the Carson City Board of Supervisors on July 17, 2014.**
- 7. For Possible Action: Discussion and possible action to discuss the overall audit work program schedule and possibly recommend budget modifications to the Board of Supervisors regarding the June 30, 2015 budget to accommodate the Employee Efficiency Study requested by the Board of Supervisors.**
- 8. For Possible Action: Discussion and possible action regarding monitoring of the Audit Findings Response Tracking Report and possible direction to the internal auditor to report and discuss the monitoring with the Board of Supervisors.**
- 9. For Possible Action: To schedule the next meeting of the Carson City Audit Committee**
- 10. Public Comment - The public is invited at this time to comment on any matter that is not specifically included on the agenda as an action item. No action may be taken on a matter raised under this item of the agenda.**

11. For Possible Action: To Adjourn

.....
Agenda Management Notice - Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.
.....

Titles of agenda items are intended to identify specific matters. If you desire detailed information concerning any subject matter itemized within this agenda, you are encouraged to call the responsible agency or the City Manager's Office. You are encouraged to attend this meeting and participate by commenting on any agenda item.
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Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the City Manager's Office in writing at 201 North Carson Street, Carson City, NV, 89701, or by calling (775) 887-2100 at least 24 hours in advance.
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This meeting can be viewed on Channel 226. For specific dates and times - www.bactv.org.
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*To request a copy of the supporting materials for this meeting contact
Rachael Porcari at rporcari@carson.org or call (775) 887-2100.*
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*This agenda and backup information are available on the City's website at www.carson.org,
and at the City Manager's Office - City Hall, 201 N. Carson Street, Ste 2, (775) 887-2100.*
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This notice has been posted at the following locations:
Community Center 851 East William Street
Public Safety Complex 885 East Musser Street
City Hall 201 North Carson Street
Carson City Library 900 North Roop Street
Business Resource & Innovation Center (BRIC) 108 East Proctor Street

Date: August 6, 2014

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A regular meeting of the Carson City Audit Committee was scheduled for 8:30 a.m. on Tuesday, April 22, 2014 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Michael Bertrand
Vice Chairperson William Prowse
Member John Bullis
Member John McKenna

STAFF: Marena Works, Interim City Manager
Nickolas Providenti, Finance Department Director
Randal Munn, Chief Deputy District Attorney
Kathleen King, Deputy Clerk / Recording Secretary

NOTE: A recording of these proceedings, the committee's agenda materials, and any written comments or documentation provided to the recording secretary, during the meeting, are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

1 - 2. CALL TO ORDER AND ROLL CALL (8:30:25) - Chairperson Bertrand called the meeting to order at 8:30 a.m. Roll was called; a quorum was present. Member Sanada was absent.

3. PUBLIC COMMENTS AND DISCUSSION (8:30:42) - Chairperson Bertrand entertained public comment. (8:31:28) In reference to the Fraud, Waste, and Abuse Program, Ward 4 Supervisor Jim Shirk advised of having "lived through this experience," and expressed the opinion "there's a down side to everything and there's an up side to everything." He advised of having been contacted in January "that [he] made 2,000 copies on one day; then [he] made another 2,000 copies on a City ... copy machine and then ... a couple days later, I made not 2,000, not 4,000, not 10,000, but 17,000 copies." He advised that the "experience ... was not pleasant." He expressed the opinion that the process was not good and "there are a lot of things that need to be worked out and how it's handled." He expressed the further opinion that "the program itself could probably be beneficial to the City but, in the early stages, ... we need to step back, take a look at this." He expressed the opinion that "making 17,000 copies in a day and being investigated for that, although it may be warranted because you have to investigate everything, ... it was wrong." He reiterated the need for re-evaluation of the program. He stated that "through the whole process, you're accused of something and, then you're found I guess, for the ... sake of argument, not guilty, but you can't get any letter saying that you're free of this; that there is no mistake. ... Here you are, you're free and clear, you're exonerated. There's nothing forthcoming. That's it. You won't hear anything. So you're accused of something, you have to go through the process, but you're not given the letter saying you've done nothing wrong." He reiterated the need to evaluate the process. He "commend[ed] the staff who run this program. They were pleasant. They were always there when I contacted them. They never gave me a hard time." He "condemn[ed] the process because ... the kinks [have not] been worked out." Chairperson Bertrand offered to modify the agenda to address items 8 and 9 prior to item 6; however, Supervisor Shirk declined. Supervisor Shirk expressed the opinion that his "testimony today should be evaluated and put into perspective and put that into how we do this in the forward motion ..." Chairperson Bertrand entertained additional public comment; however, none was forthcoming.

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4. POSSIBLE ACTION ON APPROVAL OF MINUTES - February 11, 2014 (8:35:32) - Chairperson Bertrand entertained a motion. **Vice Chairperson Prowse moved to approve the minutes. Member McKenna seconded the motion. Motion carried 4-0.**

5. POSSIBLE ACTION TO ADOPT THE AGENDA (10:08:55) - Chairperson Bertrand modified the agenda to combine items 8 and 9.

6. PRESENTATION, DISCUSSION, AND POSSIBLE ACTION TO DIRECT STAFF REGARDING THE DRAFT AGREED UPON PROCEDURES (“AUP”) REPORT ON INTERNAL CONTROLS FROM THE CARSON CITY PUBLIC GUARDIAN, AS PREPARED BY KAFOURY, ARMSTRONG & CO., AS OF AND FOR THE YEAR ENDING JUNE 30, 2013 (8:36:08) - Chairperson Bertrand introduced and provided background information on this item. Ms. Works provided additional background information, and Chairperson Bertrand entertained questions or comments of the committee members.

When no questions or comments were forthcoming, Chairperson Bertrand invited Attorney Laura Miles to the podium. (8:40:08) Attorney Laura Miles expressed the opinion that a “misinterpretation” had occurred. She explained that “the petty cash funds are not City funds. They are donated funds for use for the public guardian's wards. They are not, in any way, accountable to the City. They are accountable to the court. All funds managed by the public guardian ... are not City funds. They are the property of the individual wards. The public guardian, under NRS 159, is mandated to file accountings with the court. The court has to approve all accountings on all cases for each individual ward. And, in the past 15-plus years ... there has not been any problem with any of the accountings provided to the judges ... All fees paid to the public guardian's office, under NRS 253, are approved by the court. The court has full oversight of all of the funds in the public guardian's office. The fees that are paid to the public guardian are paid to the county and, once the county receives those funds, then those are the only funds coming out of the public guardian's office which are county funds. As far as the accounts, the public guardian is the only signer on any of the wards' accounts. The accounts are not in the City's name. They are in individual wards' names. The individual wards are the ones who pay taxes on those accounts. The individual ward's social security number is the tax ID number on those accounts. The only person who can withdraw funds from those accounts is the public guardian. The staffers in her office do have access to the Quickbooks on the computer and to reports which they do post in the computer for her, but they cannot withdraw any funds out of those accounts. ... And the problems that Ms. Works referred to with guardians, if you looked into that fact, the problem with the public guardians has never been mismanagement of funds. It is private fiduciaries who have mismanaged funds who have had court cases against them. The public guardians in this State, because they are county employees, because they are accountable to the court for every penny that comes through their offices, we have not had any problems with the public guardians in this State as to the management of the wards' funds.” Ms. Miles reiterated “those funds are not City funds and the public guardian does have to account for all of those funds to the court on a regular basis.”

In response to a question, Ms. Miles advised that the public guardian provides the judges “with a complete accounting showing the printout of all the accounts, the registers, as well as what each fund is spent for, how much income, ... and the five judges ... in the past 15-plus years have had no problems with it.”

(8:43:53) Public Guardian Deborah Marzoline added that her office is “also overseen by the federal government. We have to do a report on all funds from RSDI, SSI that we get for each client yearly. So,

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I have to send them something saying how much we've spent on medical, rent, food, clothing, how much we've saved for them.” She acknowledged that she and her staff are employees of the City.

In response to a further question, Ms. Miles explained that “NRS 253 is the statute that creates the public guardian's offices throughout the State and it is up to the county commissioners in each county to appoint a public guardian. They are county employees, though the county commissioners also have the option of contracting with a private fiduciary to be the public guardian. In that case, they are not county employees. But still, all funds handled by the office, ... are reportable to the court in each individual case.” In response to a further question, Ms. Marzoline advised that she is bonded and “responsible for anything that ... goes on in my office.” In response to a further question, Ms. Marzoline advised that the auditors reviewed 10 to 15 random files. In response to a comment, she reviewed the staff positions in the Public Guardian's office. Following discussion, Ms. Miles advised that she and Ms. Marzoline have been working, over the past two years, to develop a new Public Guardian Manual.

In response to a question, Ms. Works provided additional background information on the agreed-upon procedures (“AUP”) report. She acknowledged that the cost for developing the agreed-upon procedures report will be covered by the City. In response to a question, Mr. Munn advised that “there are individuals that have duties over which there should be some oversight.” In response to a further question, he advised that there is no supervisor over the Public Guardian “other than a public body which is always problematic. Because of that, ... the City Manager has tried, over the years, to have some type of oversight to see ... what's going on over there.” Ms. Works discussed her research into other city charters relative to the public guardian's office. Extensive discussion followed.

At Chairperson Bertrand's invitation, Kafoury, Armstrong & Co. Engagement Shareholder Dan Carter advised of having issued an engagement letter with a not-to-exceed amount of \$10,000. He estimated that the work to date has amounted to approximately \$2,000 or \$3,000. He explained that the committee may need to be added as a “user” of the independent accountant's report. He expressed the opinion that the committee seems to have “a good understanding of the way this has all played out.” He advised of “some minor discrepancies; most of which could be explained while we were out there.” He expressed the opinion that the “primary concern is just the documentation of internal controls and segregation of duties.” Mr. Carter, Ms. Marzoline, and Ms. Miles responded to questions of clarification.

Chairperson Bertrand commended City staff for looking into this matter, and suggested following up on the issues discussed at this meeting. Following discussion, Chairperson Bertrand summarized the consensus of the committee as being “supportive of your taking a look at these issues, getting this taken care of, working with the public guardian.” He expressed a preference to “see controls and systems in place so no matter who is in that position, ... there's oversight and there's controls. Otherwise, ... you do open up to potential fraud or sometimes just errors or things of that nature and we have no way of being able to check on that.” He thanked Mr. Carter for his work, and Vice Chairperson Prowse thanked City management for looking into the matter.

7. DISCUSSION AND POSSIBLE ACTION REGARDING THE PRESENTATION, DISCUSSION, AND POSSIBLE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS ON THE PERFORMANCE METRICS DEVELOPMENT FINAL REPORT, AS PROVIDED BY MOSS-ADAMS, LLP (9:14:47) - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Program Director Mark Steranka introduced Colleen Rosillas and provided background

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information on development of the subject report. Ms. Rosillas narrated a PowerPoint presentation of the Performance Framework, copies of which were included in the agenda materials. Ms. Rosillas, Mr. Steranka, and Mr. Providenti responded to questions of clarification, and discussion ensued, throughout the presentation.

Chairperson Bertrand thanked Mr. Steranka and Ms. Rosillas for their presentation, and entertained a motion. **Member McKenna moved to forward to the Board of Supervisors the presentation, discussion, and recommendations of the performance metrics development final report, as provided by Moss-Adams, LLP. Vice Chairperson Prowse seconded the motion.** In response to a question, Member McKenna explained the intent of his motion. In response to a comment, Mr. Steranka advised that the performance metrics development report is submitted in final form. He explained that the report “is a living document; that information, as it becomes available, will continue to be developed. ... the intent is for this report to become an information tool ... for the City. So, as that information is developed, as goals are developed, they will be added to this framework that the City's using. And the framework will continue to evolve over time.” Following discussion, Chairperson Bertrand entertained additional questions. When no further questions were forthcoming, he called for a vote on the pending motion.

RESULT:	Approved [3 - 1]
MOVER:	Member John McKenna
SECOND:	Vice Chair Bill Prowse
AYES:	Member McKenna, Vice Chair Prowse, Chair Bertrand
NAYS:	Member John Bullis
ABSENT:	Member Mary Sanada
ABSTAIN:	None

8. DISCUSSION AND POSSIBLE ACTION REGARDING PRESENTATION, DISCUSSION, AND POSSIBLE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS ON THE FRAUD, WASTE, AND ABUSE (“FWA”) PROGRAM FINAL REPORT, AS PROVIDED BY MOSS-ADAMS, LLP; and 9. DISCUSSION REGARDING AN UPDATE ON THE FRAUD, WASTE, AND ABUSE (“FWA”) PROGRAM ACTIVITY (10:01:10) - Chairperson Bertrand introduced this item. Moss-Adams, LLP Policy and Program Director Mark Steranka provided background information on, and an overview of, the subject report, copies of which were included in the agenda materials. Vice Chairperson Prowse discussed the importance of confidentiality relative to the fraud, waste, and abuse program process. He noted “one of the major goals of a fraud, waste, and abuse policy ... to ... develop and maintain public confidence in the City's management.” He acknowledged the likelihood of awkwardness associated with any investigation, but expressed the opinion that “this process has had good benefits in terms of helping citizens be comfortable with the way the City operates and gives the citizens and individuals an outlet to try to identify and resolve problem areas.” Member McKenna disagreed with “any expectation of confidentiality” in consideration of the records of the City being public. He expressed the further opinion that there are as many citizens who believe the fraud, waste, and abuse program is “a waste of money” as there are who believe it beneficial.

In response to a question, Mr. Steranka described the program as “relatively new,” and advised that “there are two steps remaining in the current program that will still happen before the end of the fiscal year. One is to do web-based training for employees ... to build additional awareness and understanding by employees.

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... And then, whatever the City decides to do in terms of more public announcement awareness of this.” Mr. Steranka was uncertain as to the anticipated volume of calls to the fraud, waste, and abuse hotline.

Chairperson Bertrand modified the agenda to combine items 8 and 9. Following a brief discussion, Member McKenna suggested giving the fraud, waste, and abuse program “three years, five years ... and see if it works out; see if there's a need there. Tweaking it every six months ... is [not] worthwhile. It's one of those programs that has to be put into place.” In response to a question, Mr. Steranka advised that “as we go through this process, confidentiality is paramount both to the person making the report and the ... subject or subjects of the report. That is incredibly important.” He assured the committee that “confidentiality has been preserved through this process. You're going to have, in essence, two primary outcomes. You're going to have an outcome of which there is no substantiated issue. And so it's kind of reported, investigated, closed. Or you're going to have a situation where there is substance to it and it can be at various levels. It can be criminal. It can be civil. It can be ... waste or abuse. And if there is the latter case, then we're going to have details to report back to you because I would expect that there will be, in essence, ... findings or recommendations.” Mr. Steranka reviewed the report included with the agenda materials for item 9, and advised that the report was provided to the committee to “close the loop.” In reference to previous comments, he suggested the report is a public document. “... if the recipient of this wants to connect the dots, then they can, but we're purposely not putting details in this because there isn't a finding that we're reporting back to you that something needs to be done about it.” Discussion followed, and Mr. Steranka suggested that, upon request, the complainant or the person being complained against could receive whatever is prepared publicly for the committee. He emphasized “they're not going to get a separate letter from Moss-Adams saying, 'We absolve you ...' or anything like that. They're going to get what we've delivered to the City.” Additional discussion followed, and Mr. Steranka assured the committee members that “the person on the receiving end is made very well aware in a very timely manner, not only as we're progressing through the investigation, of the status, but as soon as we've made a conclusion, they're aware of it. So, even though, they have not received something in writing yet,” he assured the committee, “they knew what our conclusion was. Verbally, they were made aware in a timely fashion.”

In response to a question, Member McKenna cautioned to ensure that “rules for employees” are followed; “notification, due process, and definitely confidentiality there because they have confidentiality under NRS. Now, public officers, citizens,” Member McKenna expressed the hope that “everybody realizes that until all the facts are in, it's not a foregone conclusion.” Mr. Munn advised that District Attorney Neil Rombardo had opposed the fraud, waste, and abuse program. He explained, “It wasn't so much the volume but it was that we all deal with ... constant complainers, people that look for problems. And his concern was this would become a vehicle for people to do anonymous complaints which really sift down to political attacks. And the case in point is the first one out of the chute. ... the way this process worked, eventually, what Moss-Adams was able to gather ends up on the D.A.'s plate and we have to figure out whether there's any substance or meat, civilly, ethically, criminally, and make some assessment and, ultimately, make some advice to Moss-Adams. So, we end up becoming intimate in the process and we become, essentially, the safeguard that people are not unjustly accused of something because it can become very expensive. If this ends up as an ethics complaint, that person has to go and appear before the Ethics Commission and our office doesn't tender defense to those individuals so they incur legal expenses, all because of maybe a false claim. If it was one that they were willing to make to the Ethics Commission in the first case, they certainly could have but didn't. The District Attorney's Office does not feel this program will produce a cost effective approach to dealing with wrongdoing by employees and that internal controls within the system will find those things long before people will file an anonymous complaint.”

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Discussion followed, and Member McKenna advised of having voted against the fraud, waste, and abuse program. He suggested that “public officers, those who are elected, those who are city managers, we have a different criteria. We have no shield. Everything we do is public and people can complain about us any way they want, through this program or through the newspaper ... and we have a different standard to live up to and that just goes with taking this job.” Member McKenna didn't see any reason to criticize the fraud, waste, and abuse program “that could work very well internally; however, we have the D.A.'s feelings on it. We spent the money. Let's see if it works.” Vice Chairperson Prowse agreed with a three to five year review process of the fraud, waste, and abuse program. In reference to the fraud, waste, and abuse program in the State of Oregon, he advised “there are a lot of benefits to come out of it beyond just identifying somebody abusing the system or not. And, in this case, ... it raised an issue within how the City operates and, based on the report, there were some changes made. That's a good thing.” Vice Chairperson Prowse expressed the opinion that the City should “try on the program for size and see what happens.”

Chairperson Bertrand entertained additional committee member comments and, when none were forthcoming, public comments. When no public comments were forthcoming, he entertained a motion. **Vice Chairperson Prowse moved that the Audit Committee recommend this final report on the fraud, waste, and abuse program to the Board of Supervisors. Member McKenna seconded the motion.** Chairperson Bertrand entertained discussion and, when none was forthcoming, a vote on the pending motion.

RESULT:	Approved [4 - 0]
MOVER:	Vice Chair Bill Prowse
SECOND:	Member John McKenna
AYES:	Vice Chair Prowse, Members McKenna, Bullis, and Chair Bertrand
NAYS:	None
ABSENT:	Member Mary Sanada
ABSTAIN:	None

In response to a question, Mr. Munn suggested forwarding the Fraud, Waste, and Abuse Program Investigation Report 2014-01 to the Board of Supervisors. In response to a further question, Mr. Steranka advised that Moss-Adams will make both the committee and the Board of Supervisors aware of investigation activity.

10. DISCUSSION AND POSSIBLE ACTION REGARDING MONITORING OF AUDIT FINDING RESPONSE TRACKING REPORT AND POSSIBLE DIRECTION TO THE INTERNAL AUDITOR TO REPORT AND DISCUSS THE MONITORING WITH THE BOARD OF SUPERVISORS (10:31:21) - Chairperson Bertrand introduced this item, and Moss-Adams, LLP Policy and Program Director Mark Steranka reviewed the agenda materials. The committee members offered suggested revisions to the report, and discussion followed. Chairperson Bertrand suggested no formal action was necessary.

11. DISCUSSION AND POSSIBLE ACTION TO IDENTIFY, DISCUSS, AND PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS ON ADDITIONAL PROJECTS TO BE PERFORMED BY THE INTERNAL AUDITOR FOR THE PERIOD ENDING JUNE 30, 2015 (10:37:29) - Chairperson Bertrand introduced this item. Moss-Adams, LLP Policy and Program Director Mark Steranka provided background information, and narrated a PowerPoint presentation, copies

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of which were included in the agenda materials. He and Mr. Providenti responded to corresponding questions of clarification, and discussion ensued.

Chairperson Bertrand entertained a motion. **Vice Chairperson Prowse moved to recommend to the Board of Supervisors the four audit projects, as follows: maintain the fraud, waste, and abuse program; provide basic internal audit services; perform an internal controls review Citywide; and update and focus the strategic planning development phase 2; the balance of the \$110,000 budget would be available during the year on an as-needed basis. Member Bullis seconded the motion.** Chairperson Bertrand entertained discussion on the motion and, when none was forthcoming, called for a vote on the pending motion. (11:03:08) In response to a question, Mr. Munn advised that approval of the contract was the understood intent of the motion.

RESULT:	Approved [4 - 0]
MOVER:	Vice Chair Bill Prowse
SECOND:	Member John Bullis
AYES:	Vice Chair Prowse, Members Bullis, McKenna, and Chair Bertrand
NAYS:	None
ABSENT:	Member Mary Sanada
ABSTAIN:	None

12. POSSIBLE ACTION TO APPOINT ONE MEMBER OF THE AUDIT COMMITTEE TO ACT AS LIAISON TO COMMUNICATE WITH THE EXTERNAL AUDITOR (10:55:24) - Chairperson Bertrand introduced and provided background information on this item. Mr. Munn provided direction in response to a question. Chairperson Bertrand entertained a motion. **Vice Chairperson Prowse moved to appoint Member Sanada as the committee's liaison with the external auditor. Member Bullis seconded the motion.** Chairperson Bertrand entertained discussion. In response to a question, Mr. Munn advised that one person does not constitute a subcommittee "because they're not a collegial body, and their work is independent and they come back and report to the [committee]." Chairperson Bertrand entertained additional questions or comments and, when none were forthcoming, called for a vote on the pending motion.

RESULT:	Approved [4 - 0]
MOVER:	Vice Chair Bill Prowse
SECOND:	Member John Bullis
AYES:	Vice Chair Prowse, Members Bullis, McKenna, and Chair Bertrand
NAYS:	None
ABSENT:	Member Mary Sanada
ABSTAIN:	None

13. POSSIBLE ACTION TO SCHEDULE NEXT MEETING OF THE AUDIT COMMITTEE (10:57:35) - Chairperson Bertrand introduced this item, and discussion took place regarding the next meeting. Consensus of the committee was to schedule the next meeting for Tuesday, August 12th at 3:00 p.m.

14. PUBLIC COMMENT (11:03:45) - Chairperson Bertrand entertained public comment; however, none was forthcoming.

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15. ACTION TO ADJOURN (11:03:51) - Chairperson Bertrand adjourned the meeting at 11:03 a.m.

The Minutes of the April 22, 2014 Carson City Audit Committee meeting are so approved this _____ day of August, 2014.

MICHAEL BERTRAND, Chair

**Carson City Audit Committee
Agenda Report**

Date Submitted: August 4, 2014

Agenda Date Requested: August 12, 2014

To: Chair and Members

From: Michael Bertrand, Chairman

Subject Title: Presentation and discussion only regarding the Employee Efficiency Study Work Plan that was approved by the Carson City Board of Supervisors on July 17, 2014.

Summary: The Carson City Board of Supervisors requested that Moss Adams complete an Employee Efficiency Study at their July 17, 2014 meeting. Because of the timing of the study, the Audit Committee was not involved in the process. Moss Adams will be presenting their work plan to the Audit Committee.

Type of Action Requested: (check one)

() Resolution

() Ordinance

() Formal Action/Motion

(X) Other (Presentation & Discussion Only)

Does This Action Require A Business Impact Statement: () Yes (X) No

Recommended Committee Action: Will depend on discussion and possible recommendations.

Explanation for Recommended Committee Action: See Staff Summary

Applicable Statute, Code, Policy, Rule or Regulation:

Fiscal Impact: Will depend on the motion.

Explanation of Impact: Will depend on the motion

Funding Source: Internal Audit budget

Alternatives: N/A

Supporting Material: Moss Adams Work Plan

Prepared By: Michael Bertrand

Reviewed By: Nancy Paulson
(Finance Director)

Date: 8/5/14

Board Action Taken:

Motion: _____

	Member	Aye/Nay
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____
5)	_____	_____

(Vote Recorded By)



Carson City Employee Efficiency Study Work Plan

I. Project Objective

- Perform a high-level evaluation of staffing level efficiency within departments reporting to the City Manager, as well as the Clerk/Recorder, Library, Sheriff's Office, and Treasurer.

II. Scope of Work

Phase 1 – Project Initiation and Ongoing Management

- | | |
|-----|--|
| 1.1 | Conduct kickoff meeting to confirm objectives, participants, schedule, deliverables, and advisory committee composition. |
| 1.2 | Submit document request list. |
| 1.3 | Schedule interviews. |
| 1.4 | Conduct project management and progress reporting. |
| 1.5 | Perform quality assurance. |

Phase 2 – Fact Finding

- | | |
|-----|---|
| 2.1 | Obtain and review relevant documents. |
| 2.2 | Conduct interviews. |
| 2.3 | Conduct organization walkthroughs. |
| 2.4 | Develop preliminary findings. |
| 2.5 | Present preliminary findings to the advisory committee to verify facts. |
| 2.6 | Revise preliminary findings as necessary. |

Phase 3 – Analysis

- | | |
|-----|---|
| 3.1 | Evaluate performance (see list of areas of focus). |
| 3.2 | Compare to best practices. |
| 3.3 | Determine gaps between performance and best practices. |
| 3.4 | Conduct alternatives analysis to define solutions. |
| 3.5 | Prepare draft findings and recommendations. |
| 3.6 | Present draft findings and recommendations to the advisory committee to test the practicality of solutions. |
| 3.7 | Revise draft findings and recommendations as necessary. |

MOSS-ADAMS_{LLP}

II. Scope of Work	
Phase 4 - Reporting	
4.1	Submit draft report.
4.2	Submit final report.
4.3	Present final report.

III. Areas of Focus	
<ul style="list-style-type: none"> Organizational structure Span of control Staffing levels and skills Roles and responsibilities Policies and procedures Workflow processes Boards and committees Technology 	<ul style="list-style-type: none"> Centralized versus decentralized Insourcing and outsourcing Recruiting and retention Training and development Overtime Intra- and inter-department communication, coordination, and collaboration

IV. Schedule
<ul style="list-style-type: none"> Approximately three months <ul style="list-style-type: none"> Project kickoff late July Project completion late October Key milestones: preliminary findings, draft findings/recommendations, and draft report

V. Budget
<ul style="list-style-type: none"> Professional fees \$52,000, plus expenses Work will be performed in accordance with AICPA consultancy standards

VI. Staffing
<ul style="list-style-type: none"> Mark Steranka, Director (Project Manager) Laura Peth, Manager Colleen Rozillis, Manager Scilla Outcault, Senior Consultant

Carson City Audit Committee

Agenda Report

Date Submitted: August 4, 2014

Agenda Date Requested: August 12, 2014

To: Chair and Members

From: Michael Bertrand, Chairman

Subject Title: For Possible Action: Discussion and possible action to discuss the overall audit work program schedule and possibly recommend budget modifications to the Board of Supervisors regarding the June 30, 2015 budget to accommodate the Employee Efficiency Study requested by the Board of Supervisors.

Summary: Based on the Board of Supervisors wanting Moss Adams to complete an Employee Efficiency Study for the City, Moss Adams would like to discuss the current budget and projects that have been previously accepted by the Audit Committee and the Board of Supervisors for the period ending June 30, 2015 and determine if modifications should be made.

Type of Action Requested: (check one)

() Resolution

() Ordinance

(X) Formal Action/Motion

() Other (Specify)

Does This Action Require A Business Impact Statement: () Yes (X) No

Recommended Committee Action: Will depend on discussion and possible recommendations.

Explanation for Recommended Committee Action: See Staff Summary

Applicable Statute, Code, Policy, Rule or Regulation:

Fiscal Impact: Will depend on the motion.

Explanation of Impact: Will depend on the motion

Funding Source: Internal Audit budget

Alternatives: N/A

Supporting Material: Moss Adams Internal Audit Plan Update

Prepared By: Michael Bertrand

Reviewed By: Nancy Paulson
(Finance Director)

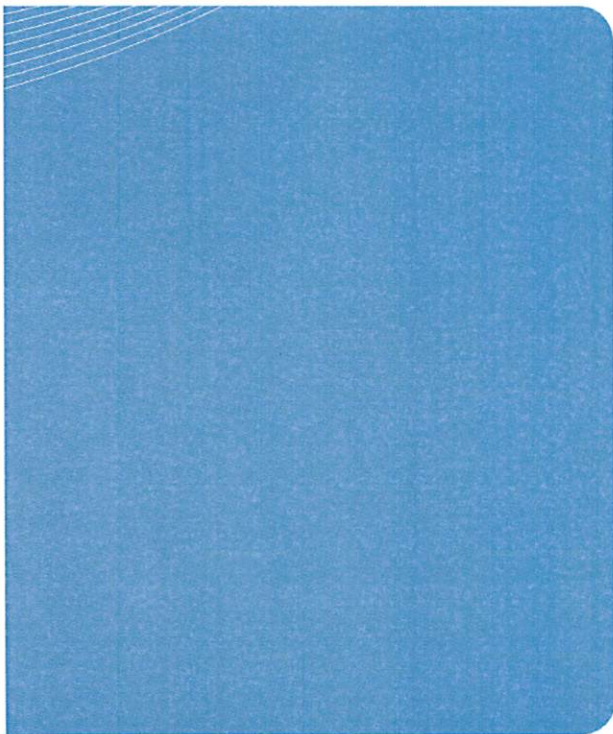
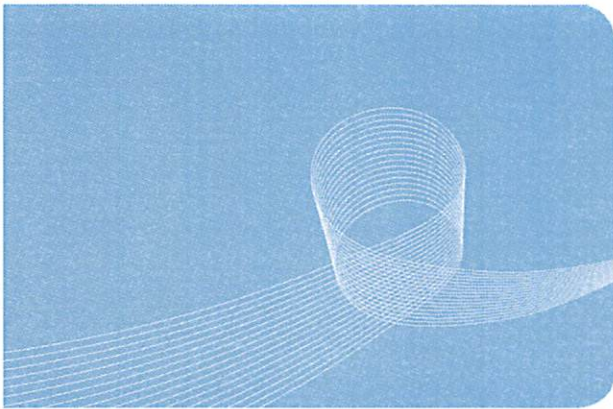
Date: 8/5/14

Board Action Taken:

Motion: _____

	Member	Aye/Nay
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____
5)	_____	_____

(Vote Recorded By)

A red square graphic with rounded corners. It features a white wireframe design of a ribbon that loops and curves across the square, similar to the design in the blue squares but on a red background.

Carson City

Audit Committee Meeting
FY 14-15 Internal Audit Plan Update
August 12, 2014

MOSS-ADAMS^{LLP}
Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.



AGENDA

- I. FY 14-15 Audit Plan Budget
- II. FY 14-15 Audit Plan Schedule



I. FY 14-15 AUDIT PLAN BUDGET

• Basic Internal Auditor Services	\$10,000
• Internal Controls Review	\$40,000
• Strategic Planning (PM Dev. Phase 2)	\$30,000
• FWA Program Coordination	\$10,000
• Employee Efficiency Study contribution	<u>\$20,000</u>
• Total Budget	\$110,000



I. FY 14-15 AUDIT PLAN BUDGET

- Basic Internal Auditor Services: Attend Audit Committee and Board of Supervisors (BOS) meetings; track City responses to audit findings and recommendations (52 weeks, \$10,000)
- Internal Controls Review: Conduct a review of the City's internal controls framework focusing on selected key controls in areas deemed important to protecting the City's assets and resources and processing and reporting timely financial information (12-14 weeks, \$40,000)
- Strategic Planning: Work with the City Manager, Deputy City Manager, and Department Heads to update the City's strategic plan and update KPIs as required to align with priority strategies (14-16 weeks, \$30,000)
- Fraud, Waste, and Abuse (FWA) Program Coordination: Perform duties such as reviewing and investigating hotline calls, overseeing the distribution of response activities, coordinating with staff, and reporting FWA activities to the Audit Committee and BOS (52 weeks, \$10,000)
- Project TBD: Contribution towards the Employee Efficiency Study requested by the BOS (\$20,000)

**Carson City Audit Committee
Agenda Report**

Date Submitted: 08/04/2014

Agenda Date Requested: 08/12/2014

To: Chair and Members

From: Michael Bertrand, Chairman

Subject Title: For Possible Action: Discussion and possible action regarding monitoring of the Audit Findings Response Tracking Report and possible direction to the internal auditor to report and discuss the monitoring with the Board of Supervisors.

Summary: Representatives from Moss Adams and city staff will discuss Audit Findings Monitoring.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Discussion Only)

Does This Action Require A Business Impact Statement: Yes No

Recommended Committee Action: Will depend on the discussion.

Explanation for Recommended Committee 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: N/A

Supporting Material: Internal Audit Findings Response Tracking Report

Prepared By: Nick Providenti, Finance Director

Reviewed By: Nancy Paulra
(Finance Director)

Date: 8/5/14

Board Action Taken:

Motion:

	Member	Aye/Nay
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____
5)	_____	_____

(Vote Recorded By)

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

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
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 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.						

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
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.						

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
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.						

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
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

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
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

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
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.