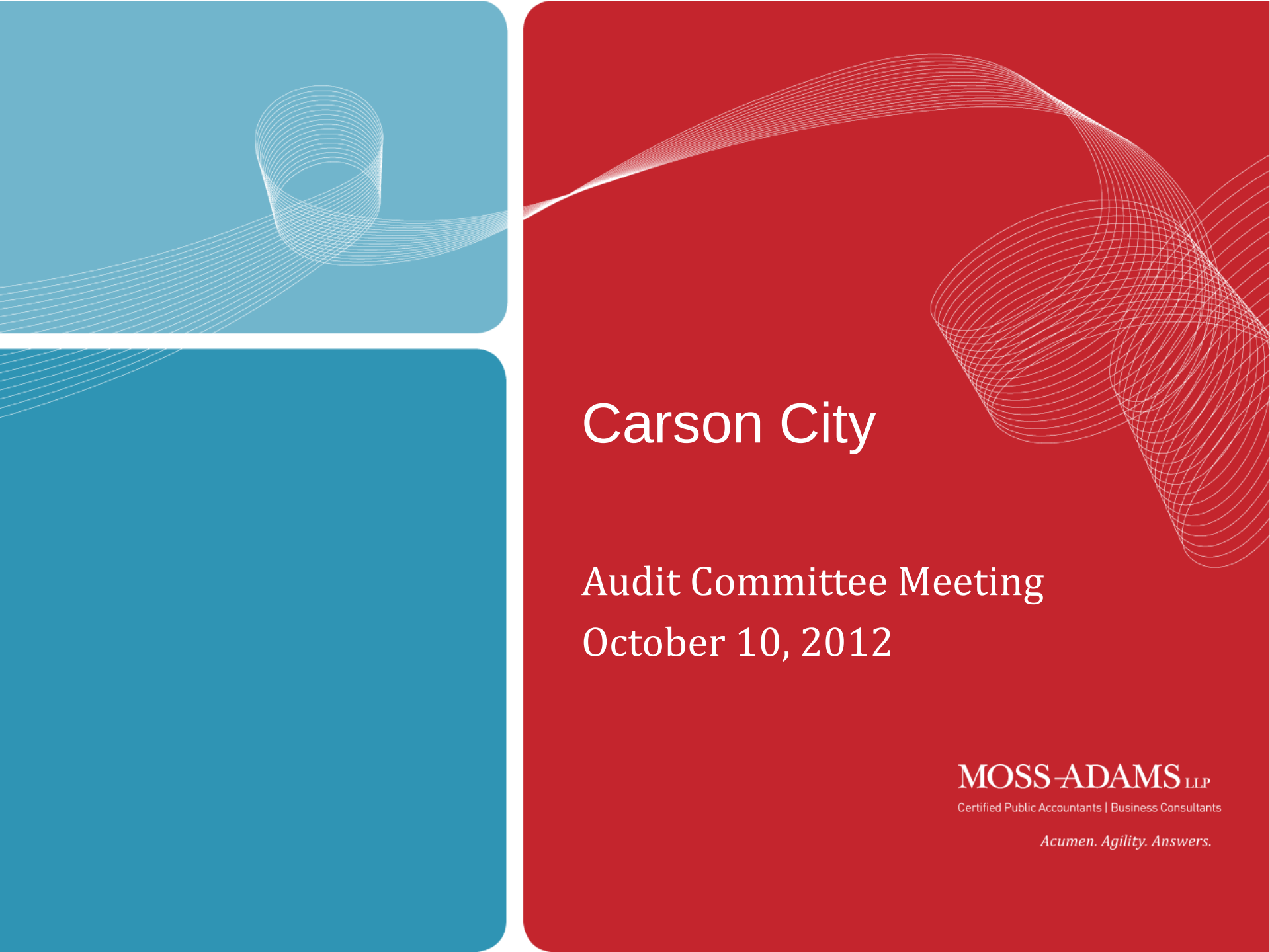


The graphic features a split background. The left side is divided into two horizontal panels: a light blue top panel and a darker blue bottom panel. The right side is a solid red panel. White line art is present: a circular, wireframe-like structure in the top-left blue panel; a large, flowing, ribbon-like shape that starts in the top-left blue panel and extends across the top of the red panel; and a complex, overlapping wireframe structure on the right side of the red panel.

Carson City

Audit Committee Meeting
October 10, 2012

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

AGENDA

- Status Report
- Public Defender Cost and Utilization Study
- Eagle Valley Golf Course Cost Recovery Study
- Next Steps

STATUS REPORT

- May: Audit Committee and Board approved two projects:
 - Community Facility Cost Recovery Study
 - Public Defender Cost and Utilization Study
- June: Audit Committee and Board split Community Facility Study into two components:
 - Eagle Valley Golf Course
 - Community Center, Aquatics Center, and Ice Rink
- October: Internal Auditor presenting Golf Final Report and Public Defender Discussion Draft Report
- November: Internal Auditor will present Public Defender and Community Facility Final Reports

STUDY OBJECTIVES AND SCOPE

- Golf Cost Recovery Study – The objective of this study is to determine opportunities for cost recovery and operational improvements at the Eagle Valley golf courses.
- Public Defender Cost and Utilization Study – The objective of this study is to determine the most cost-effective way for Carson City to provide public defense services.
- These studies were not financial audits. They were not intended to be an assessment of internal controls, compliance, compensation, or policies and procedures.

STUDY METHODOLOGY

- Interviews – conducted interviews with internal and external stakeholders
- Documents – reviewed relevant documents to understand historical and current environment
- Analysis – market factors, revenues, expenditures, and performance
- Deliverables – submitted draft and final reports, key stakeholders reviewed draft reports



PUBLIC DEFENDER COST AND UTILIZATION STUDY DISCUSSION DRAFT REPORT

KEY FINDINGS

- There are three options for indigent defense in Nevada: NSPD, County Public Defender, and contract attorneys
- NSPD originally represented 15 eligible counties; now 4 counties use NSPD, 5 counties use a County Public Defender, and 8 counties use contract attorneys
- Carson City is the largest customer of NSPD with 68% of NSPD service hours budgeted to be provided to Carson City in FY 12-13
- For the period FY 07-08 through FY 11-12:
 - NSPD budget for counties increased 3.8%
 - NSPD budget for Carson City increased 18.7%
 - NSPD hours for Carson City varied from 8,256 to 12,902
 - NSPD cost per hour for Carson City varied from \$76 to \$109

NSPD SERVICE HISTORY

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
NSPD Budgeted Total County Revenues	\$1,151,081	\$1,313,798	\$1,313,737	\$1,359,834	\$1,366,620	\$1,363,447
NSPD Budgeted Carson City Revenues	\$583,903	\$824,696	\$899,484	\$915,691	\$935,193	\$978,924
NSPD Hours on Carson City Cases	9,756	10,443	8,256	11,293	12,096	12,902
Carson City Cost Per Hour	\$60	\$79	\$109	\$81	\$77	\$76

OPTIONS

NSPD and Conflict Attorneys (Status Quo)		
Advantages	Disadvantages	Cost
• Administrative simplicity of an outsourced model • Comprehensive capability	• Lack of City control • Increasing portion of NSPD costs	\$1,392,000
County Pubic Defender and Conflict Attorneys		
Advantages	Disadvantages	Cost
• Increased City control	• No cost savings • Increased administrative burden on City • Uncertain availability of qualified attorneys	\$1,411,000
Contract Attorneys Only		
Advantages	Disadvantages	Cost
• Potential cost savings • Increased City control	• Uncertain availability of qualified attorneys • Increased administrative burden on City • Increased administrative burden on Courts	\$1,204,000 - \$1,376,000

RECOMMENDATIONS

Carson City's best options appear to be:

1. Optimizing the current delivery model by:
 - Working with the NSPD to refine the basis for determining the cost of services charged to Carson City
 - Collecting comprehensive case data from conflict attorneys
 - Incorporating performance standards in attorney contracts
 - Exploring potential modifications to the current structure to achieve cost savings
2. Transitioning to a contract attorney only model after thoroughly considering the advantages and disadvantages of this approach



EAGLE VALLEY GOLF COURSE COST RECOVERY STUDY FINAL REPORT

KEY FINDINGS

- Constructed in 1974 and expanded in 1985, Eagle Valley supports recreational and tournament golf activities and treated wastewater effluent disposition
- Since 1997, managed by CCMGC, generally profitable, and regular investments have been made in course improvements
- FY 08-09 through FY 11-12 reflect financial challenges:
 - \$480,000 required payments
 - \$210,000 deferred by Board of Supervisors
 - \$70,000 paid by CCMGC
 - \$200,000 unpaid by CCMGC
- Current annual payment requirement is \$120,000

KEY FINDINGS

- CCMGC should be able to increase bottom line performance by \$50,000 to \$100,000 per year through:
 - Enhanced oversight by the City
 - Marketing and operations collaboration between the City and CCMGC
 - Added CCMGC focus on increasing revenues and decreasing costs

OVERSIGHT

Recommendations

The City should hold a voting seat on CCMGC's Board.

CCMGC should develop an operating budget against which the City can evaluate operations.

The City should integrate Eagle Valley into Parks and Recreation marketing, maintenance, and operations, where beneficial.

The City should enforce lease terms, renegotiate the terms of the lease, or re-bid the Eagle Valley lease.

OPERATIONS

Recommendations

CCMGC should continue to set rates at a competitive level and pursue opportunities to generate additional revenue.

CCMGC should recover some costs from complimentary rounds.

CCMGC should continue to pursue efficiencies in operations.

CCMGC should fully develop and implement the Eagle Valley marketing plan.

POLICY

Recommendations

The City should develop alternative areas as contingency for additional wastewater effluent.

The City should evaluate alternative land use scenarios for the Eagle Valley East Course.

NEXT STEPS

TIER 1 PROJECTS

- Fleet Management Efficiency Study: Determine whether the fleet management group could operate more efficiently (10-12 weeks, \$25,000, plus expenses)
- Shared Services Group Feasibility Analysis: Evaluate the cost savings potential of a shared services group (10-12 weeks, \$25,000, plus expenses)