

BOULDER CITY BALLOT QUESTION NO. 2

**City of Boulder City
An Advisory Question**

As funds become available within the Capital Improvement Fund, shall the City spend up to \$250,000 from the Capital Improvement Fund for the purchase of police vehicles for the Boulder City Police Department?

Yes

No

EXPLANATION

The Boulder City Police Department has a number of police cruisers which have experienced many miles and/or hours of use. Such old and outdated equipment often results in less efficient and less effective public safety service to the community and exposes our police officers to greater risk to their own safety while at work. Additionally, such equipment requires increased costs for maintenance and upkeep. These police vehicles are essential to providing appropriate levels of law enforcement service in Boulder City. If funds from the Capital Improvement Fund for these public safety vehicles are not authorized by the voters, the City will be forced to replace them from the City’s General Fund with a corresponding impact to other City services to the public.

A “YES” vote would allow the City to expend not more than \$250,000 from the Capital Improvement Fund for the purpose of replacing Boulder City Police Department vehicles. Such expenditure would only be allowed if funds were available within the Capital Improvement Fund.

A “NO” vote would not allow the City to expend money from the Capital Improvement Fund for replacing Boulder City Police Department vehicles.

ARGUMENT FOR PASSAGE

The Boulder City Police Department is responsible for law enforcement on two very busy sections of US 93 & US 95. Due to the size of our city limits (207 square miles), our police department puts mileage on its police cars at a very quick rate. The City of Boulder City needs to keep a healthy fleet of police vehicles by replacing substandard vehicles on a regular basis.

- 8 out of 36 of our police vehicles have 100,000 miles or more
- 13 have 80,000 or more
- 6 are rated either *fair or poor* condition

Yes, this question has been asked of you before; however, *failure of the question does not mean the City will not buy new police cars*. Failure of the question means the money will come from the General Fund rather than the Capital Improvement Fund. Currently, \$200,000 per year for the next five fiscal years has been allocated from the General Fund for police vehicles.

The General Fund is the City's main operating fund which records all assets and liabilities of the entity that are not assigned to a special purpose fund. It provides the resources necessary to sustain the day-to-day activities and pays for all administrative and operating expenses. Funding sources for the General Fund are consolidated taxes, property taxes, licenses and permits, and 80% of land lease revenue.

An amount of up to, but not to exceed \$250,000 is being asked to expend from the Capital Improvement Fund. A "YES" vote will allow the money to come from the Capital Improvement Fund, if and only if there is money in the Capital Improvement Fund. The Capital Improvement Fund is used for capital acquisitions, long term assets that are not regularly bought or sold, construction of major capital facilities and/or capital improvements. Funding sources for the Capital Improvement Fund are land sales revenue and 20% of land lease revenue.

All expenditures from the Capital Improvement Fund must be approved by the voters. A "YES" vote will allow the money allocated from the General Fund to be used for other purposes such as payment on the City's debt, or other operational expenses.

Submitted by Ballot Question Committee as provided for in NRS 295.217

REBUTTAL TO ARGUMENT FOR PASSAGE

Police vehicles are resources necessary to sustain day-to-day activities and should, therefore, be paid from the General Fund. The budget for the next five fiscal years includes the purchase of four vehicles per year at a cost of \$50,000 per vehicle for a total of \$200,000. If additional vehicles are required, they could be budgeted in subsequent years. Relying on the Capital Improvement Fund (CIF) does not put the City in a good position because of the uncertainty of future availability of funds.

Addressing the fleet needs with a vehicle replacement program would allow the purchase of four new vehicles in the next fiscal year and allow the City the ability to budget for additional vehicles each subsequent year from the General Fund.

This committee believes police vehicles should be considered assets that are purchased on a regular basis in smaller quantities to avoid the sudden need for many new vehicles at once. Such a replacement plan should be budgeted and paid from the General Fund rather than from a fund that may or may not have sufficient funds in the future such as the Capital Improvement Fund.

Submitted by Ballot Question Committee as provided for in NRS 295.217

ARGUMENT AGAINST PASSAGE

The words Capital Improvement Fund (CIF) often bring to mind the activity of improving existing capital within the City such as structures or infrastructure. CIF expenditures can be viewed as investments into what the City owns. It is the opinion of this committee that the purchase of vehicles is not what is generally considered improvement of City capital. Vehicles do not appreciate in value unless they are collector's items. Vehicles are an expense, not an investment.

It is the opinion of this committee that the purchase of police vehicles, while deemed necessary by the City, should be an ongoing regularly budgeted item in the General Fund, rather than purchased from the CIF as funds become available. The risk of using the CIF for the purchase of vehicles is funds may not become available for a considerable time, thereby eliminating the possibility of vehicle purchases when the need is crucial. By properly planning and budgeting the purchase of police vehicles from the General Fund on a regular, consistent, and incremental basis, the City puts the police fleet at lower risk of falling into disrepair. Also, using the General Fund eliminates the City's risk of CIF possibly not being available or voters rejecting the advisory question. This can be compared to private citizens budgeting for a vehicle purchase from their regular income rather than hoping for a windfall wherein they *might* be able to make the purchase.

Finally, a similar advisory question pertaining to the purchase of fire and police vehicles was already rejected by Boulder City residents during the November, 2010 General Election. An almost identical question (albeit, without fire rescue vehicles included) is being asked of the voters. This committee's opinion is that the City would be better served to budget the purchase of police vehicles through the General Fund as opposed to hoping Capital Improvement Funds become available and voters approve the advisory question.

Submitted by Ballot Question Committee as provided for in NRS 295.217

REBUTTAL TO ARGUMENT AGAINST PASSAGE

All expenditures from the Capital Improvement Fund must be approved by the voters if and when funds are available. In a perfect world, the City would be able to plan and budget the purchase of police vehicles through the General Fund in order to keep the police department in vehicles that are in top working order.

This is not a perfect world, and we can't afford to have officers out in our community and on our highways in vehicles that are not reliable. Just like private citizens, there are instances when unanticipated expenses occur. As private citizens we have to dip into savings or take out a loan to replace a vehicle that is no longer usable. The City needs to have a back-up plan to the General Fund.

A "YES" vote will allow the City to spend money out of the Capital Improvement Fund, if available, allowing money from the General Fund to be used for other purposes such as debt reduction.

Submitted by Ballot Question Committee as provided for in NRS 295.217

FISCAL NOTE

Description of Anticipated Financial Effect: This will impact the Capital Improvement Fund in the amount of not more than \$250,000 and then only if funds are available within the Capital Improvement Fund. This question does not require any expense that will require the levy or imposition of a new tax or fee or the increase of an existing tax or fee.