



County Executive Office

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NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: December 16, 2025

TO: Board of Supervisors

FROM: Erin Mettler, Deputy County Executive Officer/CFO

SUBJECT: Review Capital Project Improvement Plan and adopt a Resolution of Intention to Issue Tax-Exempt Obligations to Finance the Costs of Certain Capital Improvements

RECOMMENDATION: Adopt the Resolution.

FUNDING: There is no direct impact associated with adopting this Resolution. However, adoption gives the Board flexibility to incorporate approval of current capital project expenditures into a future debt financing action for tax-exempt obligations.

BACKGROUND: At the January 2025 Board Workshop, staff provided presentations on the County's financial status, reflecting on the current economic outlook, planned growth of General Fund balances, and on several upcoming capital improvement project needs for County facilities, some of which will require significant financial investments. Staff introduced potential financing mechanisms available to deliver these capital projects including grant awards, general fund and special fund balance drawdowns, and tax-exempt lease revenue bond financing. At the conclusion of the three-day workshop, the Board provided policy direction to return to the Board with an education session specific to tax-exempt lease revenue bond financing.

In May 2025, KNN Public Finance, LLC provided information to the Board on debt issuance, capital project financing planning, and education around municipal debt, including use of a reimbursement resolution mechanism to reserve the option to finance capital project expenditures which occur ahead of debt financing approval. At the conclusion of that presentation, the Board provided staff direction to proceed with bringing forward this reimbursement resolution at such a time as needed to maximize flexibility in financing options for capital expenditures. The reimbursement resolution is a resolution of intent to issue tax-exempt obligations to finance the costs of certain capital improvements. It does not commit the Board to issue debt.

Since January's Board Workshop presentation on capital projects, the Facilities Department has developed a robust tool which captures all known capital projects, county facility maintenance needs, and future department capital project requests. This tool also identifies costs at both the summary and line-item level, establishes a proposed timeline, and is scalable based on available funding, priority need, and Board direction. The end result will be presented at the 2026 Board Workshop in conjunction with the proposed five-year Capital Project Facilities Master Plan (also known as the Capital Project Improvement Plan).

Several identified capital projects are in various stages of design, concept, and need, including a regional Animal Shelter, various county building improvements, a new indoor firearms training facility, and storage

needs in eastern county, among others. This resolution of intent to issue tax-exempt debt has a proposed cap of \$25,000,000 and is subject to further Board approval once specific projects and their costs are agreed upon. The benefit of adopting this resolution now is that certain design, engineering, permitting and preliminary construction costs for approved capital projects will become eligible for reimbursement to the general fund with debt proceeds, should that be the most advantageous use of said funds. The cost-benefit of this opportunity will be presented to the Board and the decision to move forward remains at the Board's discretion.

Two key projects are targeted for this reimbursement and future debt issuance: the Sheriff's Office Firearms Training Facility and the new Regional Animal Shelter. It is anticipated that additional capital facility projects identified in the five-year plan may also be prime uses for debt proceeds and/or reimbursement from debt proceeds. The full list of potential projects, associated costs and their estimated time of expenditure are incorporated into the attached Resolution as Exhibit A.

The Sheriff's Firearms Training Facility project recently received additional federal funding and is intended to utilize the Justice Services Assignment of General Fund dollars in addition to Sheriff Special Revenue funds as its source for construction cost. There is a request to finance a portion of this project with tax exempt debt proceeds so as to preserve and extend the ability of the Sheriff's special revenue funds to pay for various equipment, software, and operational equipment needs specific to their department which would otherwise require general fund support. The County Executive Office is supportive of this proposal as it will benefit all general fund departments at the same time as meeting the timing needs of the Sheriff's Department. Receiving annual loan repayments from the Sheriff's special revenue funds will help offset a future debt obligation of the general fund.

By adopting this reimbursement resolution, the Board maintains ultimate flexibility in funding capital improvement projects because it allows for eligible expenditures to be reimbursed when they occurred up to 18 months prior to debt issuance. Final authority to issue tax-exempt debt will be brought back to the Board for consideration in 2026.

Item Initiated by: Erin Mettler, Deputy County Executive Officer/CFO

Approved by: Alison Lehman

Submittal Date: December 1, 2025