



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

BOARD MEETING DATE: June 28, 2022

**DATE:** Thursday, June 23, 2022

**TO:** Board of County Commissioners

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**THROUGH:** Cathy Hill, Interim Chief Financial Officer  
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**SUBJECT:** Recommendation to approve the use of General Fund Contingency in the total amount of [\$600,000] for fiscal year 2022 in accordance with Nevada Revised Statute (NRS) 354.598005 to 1) increase expenditure authority for General Fund departments for cost increases for various Washoe County utilities as well as operations and maintenance and fuel for vehicle fleets due to inflation and crude oil prices in the amount of [\$550,000]; 2) increase cross-fund and cross-functional budget appropriation transfers to the Homelessness Fund in the total amount of [\$50,000] to support an emergency repair to a main water line at the Our Place campus; and direct the Comptroller to make the appropriate cross-fund and cross-functional budget appropriation transfers and cash transfers.[Total fiscal year 2022 impact \$600,000; net fiscal impact \$-0-].  
(All Commission Districts)

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### SUMMARY

Nevada Revised Statute (NRS) 354.598005(5) provides that "budget appropriations may be transferred between functions, funds, or contingency accounts .... if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions". Further, Nevada Revised Statute (NRS) 354.608 states that "no expenditure may be made directly from a contingency account, except as a transfer to the appropriate account...in accordance with the procedure established in NRS 354.598005".

The purpose of this item is to consider approval of the use of the General Fund Contingency account. Approval of this recommendation will align budget authority for expenditures already incurred, or anticipated to be incurred, for Fiscal Year 2022 (FY22), including providing additional resources to General Fund departments for cost increases for various Washoe County utilities as well as operations and maintenance and fuel cost

AGENDA ITEM # \_\_\_\_\_

related to increased inflation and crude oil prices. All adjustments are within the Washoe County existing approved FY22 budget.

Approval of these transfers will leave \$400,000 available in FY22 General Fund Contingency.

**Washoe County Strategic Objective supported by this item:** Fiscal Sustainability

### **PREVIOUS ACTION**

On June 21, 2022, the BCC approved to augment the Equipment Services Fund in the amount of \$400,000 to increase revenue and expense budget authority for diesel and unleaded gasoline.

On April 26, 2022, the BCC approved the use of General Fund Contingency in the total amount of \$7,500,000 for fiscal year 2022 to support Conflict Counsel, Riverhouse, Crossroads, Roads Fund, and Homelessness.

On April 12, 2022, the BCC approved the use of General Fund contingency in the amount of \$428,000, to support reasonable and necessary costs to support the Alternative Sentencing Department operations.

On January 25, 2022, the BCC approved the use of General Fund contingency in the amount of \$335,000, to support reasonable and necessary costs to meet minimum Due Process rights in the Guzman Trial.

On January 25, 2022, the BCC is considering the recommended approval to use General Fund contingency in the amount of \$1,600,000, to support expenses related to the proper preparation for, and to run, elections.

On July 20, 2021, the BCC approved the use of General Fund Contingency in the amount of \$255,000 to support a contract with Well Care. Well Care services include oversight of the operation of a twenty-bed Community Triage Center for those in need of crisis psychiatric services, medical and social detoxification from alcohol or other substances, or co-occurring disorders, for individuals who are 18 years of age or older and are not in need of emergency room care.

On May 18, 2021, the BCC approved the Fiscal Year 2022 Final Washoe County Budget, which included \$11,118,000 of General Fund Contingency. The statutory maximum allowable contingency was recommended and approved for FY22 due to unknown and/or unquantified impacts, including 2021 Legislative actions and pandemic response.

### **BACKGROUND**

The County must stay within its adjusted budget for each fund, with certain very limited exceptions, and by function. To remain compliant with this statutory requirement, a General Fund Contingency account transfer totaling \$600,000 is needed for various increased County utilities as well as vehicle fleet expenditures in operations and maintenance and fuel. This adjustment will cover actual and/or anticipated FY22 fund and functional expenditures.

Approval of these transfers will leave \$400,000 available in FY22 General Fund Contingency.

**Vehicle Fuel and Operations & Maintenance (O&M):**

The economy continues to see increases to inflation and crude oil prices in 2022. The following is market analysis for regular and diesel gas prices compared for one year ago and one month ago as of June 2, 2022:

[www.gasprices.aaa.com](http://www.gasprices.aaa.com):

	Regular	Mid	Premium	Diesel
Current Avg.	\$5.779	\$5.994	\$6.144	\$5.897
Yesterday Avg.	\$5.737	\$5.950	\$6.115	\$5.864
Week Ago Avg.	\$5.583	\$5.783	\$5.963	\$5.697
Month Ago Avg.	\$5.093	\$5.293	\$5.474	\$5.391
Year Ago Avg.	\$3.764	\$3.952	\$4.113	\$3.546

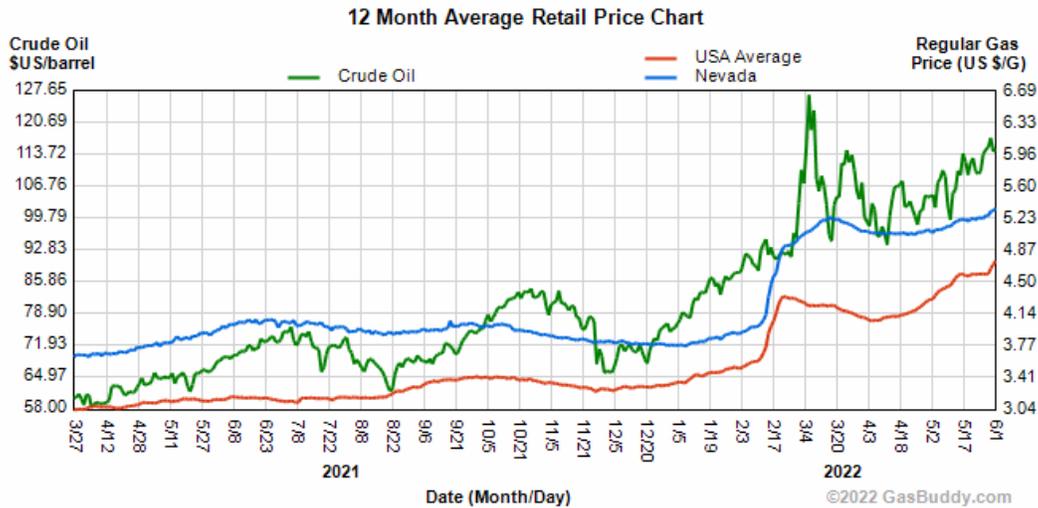
HIGHEST RECORDED AVERAGE PRICE			
	Price	Date	
Regular Unleaded	\$5.779	6/2/22	
Diesel	\$5.897	6/2/22	

Year Ago Comp.	Regular	Increase	Diesel	Increase
Current Avg	5.779	53.53%	5.897	66.30%
Yesterday Avg	5.737	52.42%	5.864	65.37%
Week Ago Avg	5.583	48.33%	5.697	60.66%
Month Ago Avg	5.093	35.31%	5.391	52.03%
Year Ago Avg	3.764	0.00%	3.546	0.00%

Month Ago Comp.	Regular	Increase	Diesel	Increase
Current Avg	5.779	13.47%	5.897	9.39%
Yesterday Avg	5.737	12.64%	5.864	8.77%
Week Ago Avg	5.583	9.62%	5.697	5.68%
Month Ago Avg	5.093	0.00%	5.391	0.00%
Year Ago Avg	3.764	0.00%	3.546	0.00%

This is a comparison of Nevada’s Historial Price Charts for Regular Gas and Crude Oil:  
[www.nevadagasprices.com](http://www.nevadagasprices.com)



In FY21, Washoe County had actual expenditures in the General Fund (100) in Fuel and Lube (710391), Equipment Services O&M (711114), and ESD Fuel Charge (711117) in the amount of \$1,848,696 and for FY22 it is predicted to be \$2,560,517; a 38.5% increase.

According to *chooseenergy.com*, Nevada residents paid, on average, 13.39 cents/kWh in March 2022, compared to 11.96 cents/kWh in March 2021, representing a 12% increase. The national average increased from 13.30 cents/kWh to 14.47 cents/kWh, or 8.8%. California, Florida, Hawaii, Maine, New Hampshire, and Oklahoma had higher increases than Nevada at 17.6%, 15.9%, 21.3%, 40.3%, 19.4%, and 26.0%, respectively.

**Utilities:**

Nevada business rates increased 19.6%, from 7.16 cents/kWh to 8.56 cents/kWh. More information is available at: <https://www.chooseenergy.com/electricity-rates-by-state/>.

In FY21, Washoe County had actual expenditures in the General Fund (100) in Utilities (711010), Waste Removal (711011), Sewer (711018), Water (711019), Water/Sewer (711020), Natural Gas (711040), and Propane (711050) in the amount of \$3,176,453 and for FY22 it is predicted to be \$3,811,169; a 22.2% increase.

**Homelessness Fund – Our Place:**

On June 15, 2022, a main water break at the Our Place Campus was determined critical for repair. The repair will require all of the water resources to be shut off to the entire lower campus impacting all of the Our Place buildings, JOY, and the childcare center. Repairs are scheduled for Monday, June 20<sup>th</sup> and will tak 2-3 days to fix. Human Services has an action plan in place for the Our Place Campus during the repair. Due to the anticipated cost and scope of the repair, use of major maintenance capital funding is not an option.

**FISCAL IMPACT**

If approved, the use of General Fund contingency in account 189000-820000 and the associated cross-fund, cross-functional budget appropriation transfers are anticipated to bring the budget into alignment with actual and/or anticipated expenditures for Fiscal Year 2022 (FY22) for the items outlined above. All adjustments are within the existing approved budget for Washoe County and are summarized in the following table.

**General Fund Contingency Transfer:**

<b>Fund/Function</b>	<b>Department/ Expenditure/Transfer</b>	<b>Cost Object(s)/ G-L Account(s)</b>	<b>Budget Change</b>
<b>General Fund (F100)</b>	<b>Contingency Funds</b>		
General Gov't	Contingency	189000-820000	(600,000.00)
General Gov't	Transfer to Homelessness Fund	189000-812023	50,000.00
<b>Subtotal Contingency</b>			<b>(550,000.00)</b>
<b>General Fund (F100) - Fuel_O&amp;M</b>	<b>Department/ Expenditure</b>		
Culture and Recreation	Library	130100-711114	1,534.00
Culture and Recreation	Library	130100-711117	2,049.00
Culture and Recreation	Parks	140320-711114	448.00
Culture and Recreation	Parks	140320-711117	2,817.00
Culture and Recreation	Parks	140405-711114	1,333.00
Culture and Recreation	Parks	140405-711117	670.00
Culture and Recreation	Parks	140410-711114	627.00
Culture and Recreation	Parks	140410-711117	780.00
Culture and Recreation	Parks	140510-710391	1,090.00
Culture and Recreation	Parks	140510-711117	17.00
Culture and Recreation	Parks	140513-711114	1,085.00
Culture and Recreation	Parks	140514-710391	2,426.00
Culture and Recreation	Parks	140560-711114	3,252.00
Culture and Recreation	Parks	140560-711117	464.00
Culture and Recreation	Parks	140600-711114	21.00
Culture and Recreation	Parks	140610-710391	1,555.00
Culture and Recreation	Parks	140620-710391	3,311.00
Culture and Recreation	Parks	140630-711114	8,372.00
Culture and Recreation	Parks	140630-711117	12,449.00
Culture and Recreation	Parks	140710-711117	2,065.00
Culture and Recreation	Parks	140713-711114	1,023.00
Culture and Recreation	Parks	140713-711117	1,302.00
Culture and Recreation	Parks	140716-711117	54.00
Culture and Recreation	Parks	140717-711114	1,080.00
General Gov't	Assessor	102600-711114	1,486.00
General Gov't	Assessor	102600-711117	2,567.00
General Gov't	Treasurer	113100-711114	130.00
General Gov't	Treasurer	113100-711117	138.00
General Gov't	Technology Services	108300-711117	29.00
Judicial	Alternate Public Defender	128010-711117	33.00
Judicial	District Attorney	106100-710391	3,254.00
Judicial	Incline Constable	126100-711117	801.00

<b>General Fund (F100) - Fuel O&amp;M</b>	<b>Department/ Expenditure</b>		
Public Safety	Alt Sentencing	154000-711114	2,801.00
Public Safety	Alt Sentencing	154000-711117	6,841.00
Public Safety	Fire Suppression	187550-711114	2,092.00
Public Safety	Fire Suppression	187560-710391	669.00
Public Safety	Juvenile Services	127200-711117	3,849.00
Public Safety	Juvenile Services	127610-711114	11,901.00
Public Safety	Juvenile Services	127610-711117	6,310.00
Public Safety	Medical Examiner	153010-711114	19,851.00
Public Safety	Medical Examiner	153010-711117	5,759.00
Public Safety	Public Administrator	159100-711114	380.00
Public Safety	Public Administrator	159100-711117	456.00
Public Safety	Public Guardian	157100-711114	1,573.00
Public Safety	Public Guardian	157100-711117	2,526.00
Public Safety	Sheriff's Office	150200-710391	1,437.00
Public Safety	Sheriff's Office	150430-710391	8,991.00
Public Safety	Sheriff's Office	150430-711117	40,449.00
Public Safety	Sheriff's Office	150620-710391	684.00
Public Safety	Sheriff's Office	150680-710391	29,930.00
Public Safety	Sheriff's Office	150700-710391	9,898.00
Public Safety	Sheriff's Office	150710-710391	1,532.00
Public Safety	Sheriff's Office	150860-711117	6,118.00
Public Safety	Sheriff's Office	150970-711114	15,877.00
Public Safety	Sheriff's Office	150970-711117	13,564.00
Public Works	Community Services	105300-711114	1,917.00
Public Works	Community Services	105300-711117	1,608.00
Public Works	Community Services	105301-711114	11,895.00
Public Works	Community Services	105301-711117	21,255.00
Public Works	Community Services	105303-711114	129.00
Public Works	Community Services	105303-711117	2,700.00
Public Works	Community Services	105306-711114	1,182.00
Public Works	Community Services	105306-711117	761.00
Public Works	Community Services	105403-711117	60.00
Public Works	Community Services	105404-711114	1,727.00
Public Works	Community Services	105404-711117	722.00
Welfare	Human Services	179100-711114	1,387.00
Welfare	Human Services	179100-711117	2,907.00
<b>Subtotal Expenditures</b>			<b>300,000.00</b>
<b>General Fund (F100) - Utilities</b>	<b>Department/ Expenditure</b>		
Public Works	Community Services	105305-711010	100,000.00
Public Works	Community Services	105305-711011	15,000.00
Public Works	Community Services	105305-711019	30,000.00
Public Works	Community Services	105305-711040	85,000.00
Public Works	Community Services	105305-711050	20,000.00
<b>Subtotal Expenditures</b>			<b>250,000.00</b>
<b>Homelessness Fund (F223)</b>	<b>Expenditure/Transfer</b>		
Welfare	Transfer from General Fund	223230-621001	50,000.00
Welfare	Our Place Campus – Repairs and Maintenance	223230-710205	50,000.00
<b>Subtotal Appropriation Transfers</b>			<b>-0.00-</b>
<b>NET TOTAL CONTINGENCY</b>			<b>- 0.00-</b>

\*Upon approval, Comptroller will need to process all budget appropriation transfers as outlined above and actual Interfund cash transfers for the Homelessness Fund (F223).

**RECOMMENDATION**

Recommendation to approve the use of General Fund Contingency in the total amount of [\$600,000] for fiscal year 2022 in accordance with Nevada Revised Statute (NRS) 354.598005 to 1) increase expenditure authority for General Fund departments for cost increases for various Washoe County utilities as well as operations and maintenance and fuel for vehicle fleets due to inflation and crude oil prices in the amount of [\$550,000]; 2) increase cross-fund and cross-functional budget appropriation transfers to the Homelessness Fund in the total amount of [\$50,000] to support an emergency repair to a main water line at the Our Place campus; and direct the Comptroller to make the appropriate cross-fund and cross-functional budget appropriation transfers and cash transfers.[Total fiscal year 2022 impact \$600,000; net fiscal impact \$-0-]. (All Commission Districts)

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: *"Approve the use of General Fund Contingency in the total amount of [\$600,000] for fiscal year 2022 in accordance with Nevada Revised Statute (NRS) 354.598005 to 1) increase expenditure authority for General Fund departments for cost increases for various Washoe County utilities as well as operations and maintenance and fuel for vehicle fleets due to inflation and crude oil prices in the amount of [\$550,000]; 2) increase cross-fund and cross-functional budget appropriation transfers to the Homelessness Fund in the total amount of [\$50,000] to support an emergency repair to a main water line at the Our Place campus; and direct the Comptroller to make the appropriate cross-fund and cross-functional budget appropriation transfers and cash transfers.[Total fiscal year 2022 impact \$600,000; net fiscal impact \$-0-]. (All Commission Districts)"*