



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.gov

STAFF REPORT

BOARD MEETING DATE: June 21, 2022

DATE: May 20, 2022

TO: Board of County Commissioners

FROM: Susan Dees, Sr. Accountant, Community Services Dept.
328-2044, sdees@washoecounty.gov

Dave Gonzales, Equipment Services Superintendent, Community Services Dept., 328-2121, dgonzales@washoecounty.gov

Lori Cooke, Budget Manager
328-2072, lcooke@washoecounty.gov

THROUGH: David Solaro, Assistant County Manager
328-3624, dsolaro@washoecounty.gov

Eric Crump, Director of Operations, Community Services Dept.
328-3625, ECrump@washoecounty.gov

Cathy Hill, Interim Chief Financial Officer
328-2563, chill@washoecounty.gov

SUBJECT: Recommendation to approve Resolution R22-065 to augment the Equipment Services Fund in the amount of [\$400,000] to increase fiscal year 2022 revenue and expenses authority for diesel and unleaded gasoline in accordance with Nevada Revised Statute (NRS) 354.598005; and direct the Comptroller to make the necessary budget amendments. (All Commission Districts.)

SUMMARY

This item seeks to approve a Resolution to augment the Equipment Services Fund (Internal Service Fund) in the amount of \$400,000 to increase fiscal year 2022 revenue and expenses authority for diesel and unleaded gasoline expenses as the average cost of gas has steadily climbed due to high cost of crude oil. Funding for the additional expenses will come from fuel billings to County departments.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability. Long-Term Sustainability.

PREVIOUS ACTION

On October 12, 2021, the Board of County Commissioners (Board) approved Resolution R21-061 to augment the Equipment Services Fund [in the amount of \$2,000,000] to increase fiscal year 2022 budget authority to enable staff to place orders for replacement vehicles and equipment; and direct the Comptroller to make the necessary budget amendments.

AGENDA ITEM # _____

On May 18, 2021, the Board approved the Fiscal Year 2022 Final Washoe County Budget.

BACKGROUND

The Equipment Services Fund is an internal service fund that purchases and maintains vehicles and specialized large equipment for use by other County departments and bills user departments for operation and capital replacement cost.

Nevada Revised Statute 354.598005 and Nevada Administrative Code 354.481 set the requirements for budgetary augmentations in an internal service fund. Accordingly, budget may be amended so long as the expenses do not cause a deficit in the equity balance (net position) of the fund and the budget is adjusted in a manner provided by law.

In this case, the Equipment Services Fund's unrestricted net position as of July 1, 2021 is \$6,139,070. Additional budget authority in the amount of \$400,000 is requested to cover expected overages in diesel and unleaded gasoline expenses, a result of increasing crude oil cost globally. Revenue will be generated from fuel billings to County departments to offset the increase in expenses.

FISCAL IMPACT

If approved, the Fiscal Year 2022 augmentation will result in an increase in appropriations for the Equipment Services Fund in the following accounts:

Cost Object	G/L Account	Amount
Increased Revenue		
690200 – Equipment Services Administration	491517 – Fuel Billings	\$400,000
Increased Expenses:		
690200 – Equipment Services Administration	711060 – Diesel	\$150,000
690200 – Equipment Services Administration	711065 – Unleaded gasoline	\$250,000
Total Expenses		\$400,000
NET IMPACT		\$0

RECOMMENDATION

It is recommended that the Board of County Commissioners approve Resolution R22-065 to augment the Equipment Services Fund in the amount of [\$400,000] to increase fiscal year 2022 revenue and expenses authority for diesel and unleaded gasoline in accordance with Nevada Revised Statute (NRS) 354.598005; and direct the Comptroller to make the necessary budget amendments.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve Resolution R22-065 to augment the Equipment Services Fund in the amount of [\$400,000] to increase fiscal year 2022 revenue and expenses authority for diesel and unleaded gasoline in accordance with Nevada Revised Statute (NRS) 354.598005; and direct the Comptroller to make the necessary budget amendments."