



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.us

STAFF REPORT

BOARD MEETING DATE: June 11, 2019

DATE: May 10, 2019

TO: Board of County Commissioners

FROM: Sophia Cardinal, CPA, Sr. Accountant,
Community Services Dept., 954-4643, SCardinal@washoecounty.us

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

THROUGH: Ben Hutchins, CPA, Director, Finance and Customer Service Division
Community Services Dept., 954-4646, bhutchins@washoecounty.us

Christine Vuletich, Assistant County Manager
328-2016, cvuletich@washoecounty.us

SUBJECT: Recommendation to approve the Resolution to augment the Equipment Services Fund in the amount of [\$494,267] to increase fiscal year 2019 budget authority for various operating expenses; and direct the Comptroller to make the necessary budget amendments. (All Commission Districts.)

SUMMARY

This item seeks to approve a Resolution to augment the Community Services Department Equipment Services Fund in the amount of \$494,267 to increase fiscal year 2019 budget authority for various operating expenses. There is sufficient cash and net position within the fund, but additional authority is needed to increase appropriations to cover the expenses.

Washoe County Strategic Objective supported by this item: Stewardship of our community.

PREVIOUS ACTION

On May 22, 2018, the Board of County Commissioners (Board) approved the Fiscal Year 2019 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. Nevada Revised Statute 354.598005 and Nevada Administrative Code 354.481 set the requirements for budgetary augmentations in an internal service fund. Accordingly,

AGENDA ITEM # _____

budget may be amended so long as the expenses do not cause a deficit in the equity balance (net position) of the fund.

In this case, the Equipment Services Fund's unrestricted net position as of July 1, 2018 is \$5,554,111. Additional budget authority in the amount of \$494,267 is requested from the unrestricted net position to cover expected overages in the following operating expenses:

- Overtime – The 2018-2019 snow season required additional staff hours to support the department's Incline Roads operation.
- Vacation/Sick Payoff – One staff member unexpectedly retired during the year, resulting in a large payoff of accumulated vacation and sick hours.
- Repairs & Maintenance – Repairs and maintenance expense is affected by the amount of work performed by outside vendors and therefore varies from year-to-year. Current year expense includes \$24,000 for transmission repair, over \$8,000 in tow fees, and nearly \$8,000 for repair to Truckee Meadow Fire apparatus.
- Auto Physical Damage – Fleet accidents are unpredictable and therefore vary from year-to-year. Equipment Services' cost of labor and parts related to accident repairs are reimbursed through Washoe County's self-insurance program; however, sufficient budget authority is still required for the associated expense. Ninety-eight accident repair work orders have been completed in the current year totaling approximately \$160,000 in parts, labor, and outside vendor repairs.
- Diesel and Unleaded Fuel – The 2018-2019 snow season resulted in an 18% increase in diesel fuel consumption. Additionally, since January 1, 2019, unleaded fuel prices have increased by 20% and diesel fuel prices by 17%.
- Depreciation Expense – More vehicles and equipment have been added to the fleet than were originally planned for within the depreciation estimate.

FISCAL IMPACT

If approved, the additional \$494,267 from the Equipment Services Fund (669) unrestricted net position will result in the following increases to budget authority for fiscal year 2019:

Cost Object	G/L Account	Amount
Source of Funds:		
Equipment Services Fund - Unrestricted Net Position	Cash Account 6069 – Equipment Services	\$494,267
Expenses:		
690200 – Equipment Services Administration	701300 – Overtime	\$54
690300 – Equipment Services Parts	701300 – Overtime	\$369
690301 – Equipment Services Heavy Equipment	701300 – Overtime	\$30,098
690302 – Equipment Services Auto/Light Equipment	701300 – Overtime	\$4,583
690302 – Equipment Services Auto/Light Equipment	701413 – Vacation/Sick Payoff	\$31,163

690301 – Equipment Services Heavy Equipment	710205 – Repairs and Maintenance	\$50,641
690302 – Equipment Services Auto/Light Equipment	710205 – Repairs and Maintenance	\$27,359
690301 – Equipment Services Heavy Equipment	710593 – Auto Physical Damage	\$230
690302 – Equipment Services Auto/Light Equipment	710593 – Auto Physical Damage	\$17,770
690200 – Equipment Services Administration	711060 – Heating Oil - Diesel	\$32,000
690200 – Equipment Services Administration	711065 – Unleaded Gasoline	\$173,000
690100 – Equipment Services Replacement	720000 – Depreciation	\$127,000
TOTAL EXPENSES		\$494,267

The fund has sufficient cash to meet these additional expenses.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the Resolution to augment the Equipment Services Fund in the amount of [\$494,267] to increase fiscal year 2019 budget authority for various operating expenses; 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 the Resolution to augment the Equipment Services Fund in the amount of [\$494,267] to increase fiscal year 2019 budget authority for various operating expenses; and direct the Comptroller to make the necessary budget amendments."