



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

BOARD MEETING DATE: June 21, 2022

**DATE:** May 20, 2022

**TO:** Board of County Commissioners

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**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.)

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### **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:

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

### **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."