WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: June 19, 2018

DATE: Wednesday, June 13, 2018

TO: Board of County Commissioners

FROM: Lori Cooke, Budget Manager, County Manager's Office
(775) 328-2072, lcooke@washoecounty.us

THROUGH: Christine Vuletich, Assistant County Manager
(775) 328-2016, cvuletich@washoecounty.us

SUBJECT: Recommendation to approve the use of General Fund Contingency in the amount of [$1,746,058.19] to cover previously approved unbudgeted expenditures for Fiscal Year 2018; approve cross function appropriation transfers of [$512,000] within the General Fund required to move savings from one function to another function so as to bring the budget authority to the level of anticipated actual expenditures required for Fiscal Year 2018; and, direct the Comptroller's Office to make the appropriate appropriation transfers prior to June 30, 2018 (net impact to County is zero). (All Commission Districts).

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". The purpose of this item is to consider approval of the use of the General Fund Contingency Account to cover flood-related expenses and appropriation transfers to bring functional budget authority into alignment with actual and/or anticipated expenditures. All adjustments are within the existing approved budget for Washoe County. Approval of this recommendation will align budget authority for expenditures already incurred for Fiscal Year 2018, as well as certain anticipated expenditures to be incurred the remainder of this fiscal year.

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

PREVIOUS ACTION

On May 23, 2017, the BCC approved the Fiscal Year 2018 Final Washoe County Budget, which included $2,280,893.19 of General Fund Contingency.

On July 25, 2017, the BCC approved the use and transfer of General Fund Contingency in the amount of $534,835 to cover Health District mosquito spraying expenses related to

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flooded areas for Fiscal Year 2018. This left $1,746,058.19 in General Fund Contingency.

On September 12, 2017, the BCC affirmed the continuation of flood response activity in Lemmon Valley. Based on cost estimates, this action "earmarked" $1,200,000 of General Fund Contingency.

On December 12, 2017, the BCC approved a General Fund Contingency transfer of up to $300,000 to the Capital Improvement Fund for the construction of additional temporary flood barriers in the Swan Lake area. The $300,000 was inclusive of the September 12, 2017 $1,200,000 "earmark", not in addition to.

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, and to move General Fund Contingency funds per Fiscal Year 2018 BCC action(s), a transfer of the remaining balance in the General Fund Contingency account of $1,746,058.19 and cross-functional appropriation transfers of $512,000 within the General Fund are needed. These adjustments will cover approved unbudgeted flood-related expenses in the General Fund as well as actual and/or anticipated functional expenditures.

The following budget appropriation transfers are required:

Manager's Office – Flood Project - $ 1,118,237.43: On September 12, 2017, the BCC received a staff report outlining the situation related to the 2017 North Valleys Flooding events. The BCC affirmed the continuation of flood response activity in Lemmon Valley. The transfer of $1,118,237.43 is required to cover the actual and anticipated expenditures related to ongoing flood response activity.

Capital Improvement Fund – Additional Swan Lake Flood Barriers - $81,762.57: On December 12, 2017, the BCC approved a General Fund Contingency transfer of up to $300,000 for the construction of additional temporary flood barriers in the Swan Lake area. The transfer of $81,762.57 is required to cover the actual expenses of this project.

Sheriff's Office - $60,000: On December 13, 2016, the BCC approved the Washoe County Sheriff's Deputies Association (WCSDA) Collective Bargaining agreement covering Fiscal Years 2018 & 2019. That agreement included a weapons replacement allowance of up to $525.00 based on certain criteria. For budget purposes, it was unknown how many eligible employees would participate. The transfer of $60,000 is required to cover the actual and anticipated expenditures.

Centrally Managed – Public Safety - $486,058.19: A number of Public Safety function expenditures in multiple departments are anticipated to exceed budget appropriation authority in Fiscal Year 2018. The transfer of $486,058.19 is required to cover the anticipated expenditures.

Centrally Managed – Net-Zero Budget Adjustment: A cross-functional appropriation transfer of $512,000 is required to help ensure sufficient budget authority in the Public Safety Function

FISCAL IMPACT

The use of contingency funds in account 189000-820000 and cross functional budget appropriation transfers of salary and services and supplies savings will be processed to cover the adjustments anticipated to bring the budget into alignment with actual and/or anticipated expenditures for Fiscal Year 2018. All adjustments are within the existing approved budget for Washoe County and are summarized below:

Fund/Function	Department/ Expenditure	Cost Object(s)/ G-L Account(s)	Budget Change
General Fund	**Contingency Funds**		
General Gov't	Contingency	C189000-820000	(1,746,058.19)
General Gov't	Manager-Flood Project	GF140617-710100	1,118,237.43
Public Safety	Sheriff- Weapon Repl.	IN60451-710312	60,000.00
Public Safety	Centrally Managed	C190040-701412	486,058.19
Capital Improvement Fund			
Public Works	CIP-NV Temp Flood Barrier	PW920597-710571	81,762.57
Net Total Contingency			- 0-
General Fund	**Cross Functional Net Zero Appropriation Transfers**		
Public Safety	Centrally Managed	C190040-701199	350,000.00
Public Safety	Centrally Managed	C190040-710585	162,000.00
General Gov't	Centrally Managed	C190020-701199	(350,000.00)
General Gov't	Centrally Managed	C190020-710585	(162,000.00)
Net Total Appropriation Transf.			- 0-

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the use of General Fund Contingency in the amount of [$1,746,058.19] to cover previously approved unbudgeted expenditures for Fiscal Year 2018; approve cross function appropriation transfers of [$512,000] within the General Fund required to move savings from one function to another function so as to bring the budget authority to the level of anticipated actual expenditures required for Fiscal Year 2018; and, direct the Comptroller's Office to make the appropriate appropriation transfers prior to June 30, 2018.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

"Move to approve the use of General Fund Contingency in the amount of [$1,746,058.19] to cover previously approved unbudgeted expenditures for Fiscal Year 2018; approve cross function appropriation transfers of [$512,000] within the General Fund required to move savings from one function to another function so as to bring the budget authority to the level of anticipated actual expenditures required for Fiscal Year 2018; and, direct the Comptroller's Office to make the appropriate appropriation transfers prior to June 30, 2018."