



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.gov

STAFF REPORT

BOARD MEETING DATE: May 20, 2025

DATE: Thursday, May 15, 2025

TO: Board of County Commissioners

FROM: Kari Estrada, Senior Fiscal Analyst, Finance
(775) 328-2073, kestrada@washoecounty.gov

Lori Cooke, Budget Manager, Finance
(775) 328-2072, lcooke@washoecounty.gov

THROUGH: Abbe Yacoben, Chief Financial Officer
(775) 325-8243, ayacoben@washoecounty.gov

SUBJECT: Discussion and possible action on the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2026-2030 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2025 as required by NRS 354.5945 [FY 2026 total appropriations of \$126,453,351] which requires all local governments annually to prepare a five-year capital improvement plan to be submitted to the State Department of Taxation and County Debt Management Commission by August 1st of each year. The CIP is a five-year plan for the County's capital improvements for park facilities, including trails, open space, and regional parks; libraries; roads under purview of the County; purchase of light and heavy fleet equipment; utilities infrastructure; capital outlay for major equipment; and County buildings and other facilities. The CIP is limited to capital projects with an estimated cost of \$100,000 or more for assets that have a life-span of more than one year, as part of the reporting requirements of the State and under Board of County Commissioner (BCC) policies. (All Commission Districts).

SUMMARY

The purpose of this item is to consider approval of the County Manager's recommended Capital Improvement Plan (CIP) for Fiscal Years 2026-2030. The CIP is a five-year plan for the County's capital improvements for park facilities, including trails, open space, and regional parks; libraries; roads under purview of the County; purchase of light and heavy fleet equipment; utilities infrastructure; capital outlay for major equipment; County buildings and other facilities; and County technology infrastructure and software. The CIP is limited to capital projects with an estimated cost of \$100,000 or more for assets that have a life-span of more than one year, as part of the reporting requirements of the State and under Board of County Commissioner (BCC) policies.

AGENDA ITEM # _____

Washoe County Strategic Objective supported by this item: Fiscal Sustainability

PREVIOUS ACTION

On May 20, 2025 – The BCC adopted the Final budget for Fiscal Year 2026 that included the capital funds.

On May 13, 2025, the Board of County Commissioners received and discussed updates and additional information concerning the County Manager’s recommendations for the Fiscal Year 2026 budget. The Board directed the County Manager to return with a Tentative and Final Budget incorporating the updated County Manager’s recommendations with direction to further incorporate any additional changes, for adoption at a public hearing scheduled for May 20, 2025.

On April 22, 2025, the Board of County Commissioners received and discussed updates and additional information concerning the County Manager’s recommendations for the Fiscal Year 2026 budget. The Board discussed updates at future meetings prior to the May 20, 2025 public hearing. The Board directed staff to continue individual commissioner meetings and to present those updates at the May 13, 2025 meeting.

On April 15, 2025, the Board of County Commissioners received and discussed the County Manager’s recommendations for the Fiscal Year 2026 budget and directed the County Manager to present additional detail and information to the Board of County Commissioners prior to the May 20, 2025 Fiscal Year Tentative and Final budget adoption public hearing.

On January 28, 2025, the Board of County Commissioners held a strategic planning workshop to discuss prior matters from previous workshops and discuss infrastructure updates, updates on senior services enhancements and facility improvements, behavioral health, an update on the regional economy in relation to housing including the current housing inventory, including potential public-private partnerships to increase inventory and services.

On January 14, 2025, the Board of County Commissioners acknowledged the presentation and possible direction to staff of the Washoe County Financial Outlook for Fiscal Year 2026 and Budget. The overview included a review of the General Fund’s financial results for Fiscal Year 2024, a Mid-Year 2025 review, and economic, revenue and expenditure trends, Board of County Commissioner strategic goals, known cost increases, unquantified/ outstanding cost impacts, and a general outlook for Fiscal Year 2026 and beyond.

BACKGROUND

NRS 354.5945 requires all local governments to annually prepare a five-year capital improvement plan, which must be submitted to the State Department of Taxation and County Debt Management Commission by August 1st of each year.

The County’s capital planning process begins with departments submitting proposed capital projects. Project submittals are categorized under three project types: Core/Critical Projects, Benefits to Community/Staff, and Quality of Life. This is done to ensure that the CIP Committee considers projects in each category and that each type has

a share of available funding. All submissions are evaluated by the CIP Committee, comprised of the two Assistant County Managers, Chief Financial Officer, Chief Information Officer, Comptroller, Community Services Director, and Budget Manager. Each project receives a score in each of the following criteria:

- Assessment of Need
- BCC Strategic Planning Goals
- Project Life Cycle
- Implications of Project Deferral
- Fiscal Impact⁴
- Economic Impact
- Environmental Impact

For FY 2026, departmental CIP requests were not submitted. The decision was made for a variety of reasons, including the large volume of current projects, projects with expiring funding and various funding streams, ongoing future of the workplace planning, etc. However, facility and technology related CIP projects were submitted and evaluated based on the criteria above along with a risk/condition assessment.

For FY 2026, project scores were averaged and for projects relying on funding from the General Fund, a scoring cutoff was determined based on the level of General Fund support to the CIP. To continue to improve and maintain existing County facilities and capital assets, the intent is to increase the level of General Fund support each year by \$1 million with FY 2026 at \$12.5 million.

The entire 5-year plan includes over \$367 million in capital expenditures. The first year of the plan that is incorporated into the Fiscal Year 2026 Budget, totals \$126,453,351.

CAPITAL IMPROVEMENT PLAN SUMMARY	Year 1 FY 2026
Fund	
Capital Improvement Fund	
Capital Outlay	29,311,366
Services and Supplies/Other	4,400,545
Parks Capital Fund	
Capital Outlay	1,033,464
Services and Supplies/Other	3,060,283
Capital Facilities Tax Fund	-
Other Funds	7,855,949
Utilities Fund	75,062,000
Equipment Services Fund	5,729,744
Capital Projects Included in CIP	\$ 126,453,351

**Note: The capital expenditures above do not include Capital Facilities Tax Fund appropriations of \$11,067,583. Total capital fund appropriations for FY 2026 are \$137,520,934.*

The County Manager's recommended capital projects for Fiscal Year 2026 includes:

FY 2026 Recommended Projects - Capital Improvements Fund	Estimated Cost
ROV ADA Project	400,000
1 S. Sierra and 75 Court St. Fire Alarm System Modernization	700,000
911 Parr HU3 & HU7 Roof Replacement	1,450,000
911 Parr Shower Replacement	1,600,000
911 Parr AC4 Kitchen Upgrade	540,000
911 Parr Wastewater Lift Station Grinder "Muffin Monster" Replace	1,200,000
9th Street Concrete Enhancement	2,000,000
North Valleys Splash Park Resurfacing	220,000
May Arboretum Cactus Succulent Garden Design	550,000
Sierra Sage Roof and Siding Replacement	850,000
Enterprise Resource Planning (ERP) Upgrade (exisiting funding)	3,000,000
Data Management Platform And Implementation Services	145,000
Halo Phase II (ITSM)	107,620
TS Infrastructure Assessment Implementation MDF/IDF	704,000
P25 Radios (on-going)	300,000
Recommended New Projects	13,766,620
Other Projects and Expenditures	Estimated Cost
Existing Projects Carry-Over	11,344,746
Undesignated Budget	8,287,669
Salaries and Wages; Benefits; Other	312,877
Subtotal Other	19,945,291
Total Capital Improvements Fund	33,711,911

FY 2026 Recommended Projects - Parks Capital Fund	Estimated Cost
Lazy 5 Regional Park Master Plan Update	170,000
Undesignated Budget	3,923,747
Total Parks Capital Fund	4,093,747
FY 2026 Recommended Projects - Utilities Fund	Estimated Cost
Steamboat Lift Station Replacement and 2nd Force Main (Rates)	833,000
New Service Trucks (5) (Rates)	300,000
STMWRF Projects (Rates)	2,150,000
Cold Springs WRF Projects (Rates)	1,170,000
Pleasant Valley Interceptor - Reach 3 Conveyance Project	38,860,000
Steamboat Lift Station Replacement and 2nd Force Main (Connection Fees)	3,332,000
STMWRF 2020 Expansion (Connection Fees)	10,487,000
Recycled Water Distributuion Expansion (Connection Fees)	17,150,000
Cold Springs WRF Projects (Connection Fees)	780,000
Total Utilities Fund	75,062,000
FY 2026 Recommended Projects - Roads	Estimated Cost
Slurry Seal	3,300,000
Undesignated and Street Cut	986,000
Total Roads Capital	4,286,000
<i>*Slurry Seal for FY26 includes Cold Springs, Incline Village, Sun Valley, Pleasant Valley, and Gerlach</i>	
FY 2026 Recommended Projects - Equipment Services Fund and Other Funds	Estimated Cost
Equipment Services Capital (Heavy and Light Fleet)	5,729,744
Other Fund Projects	3,569,949

Projects in years 2-5 of the CIP are presented in this document as part of the long-range capital planning process to monitor and plan for future capital needs of the County. This document is a planning tool and is also needed to meet the requirements of the State as part of Washoe County's Fiscal Year 2026 budget submittal, as outlined in the Nevada Revised Statute 354.5945.

A master plan for the Sheriff's facility was completed in Fiscal Year 2018, which will provide direction on future improvements to the facility including possible construction of a new infirmary and a new crime lab. Other significant projects either in the pre-planning phase and/or included in years 2-5 of the CIP are the District Court Building and the North Valleys Library. For these projects/facilities, the cost is indicated as "To be Determined", as conceptual plans have not been finalized. Ultimately, if the County wishes to fund these projects, the BCC will need to consider the issuance of long-term debt along with identifying revenue sources for fiscal sustainability.

The Capital Facilities Tax Fund was established to account for the ad valorem tax revenues generated by the five-cent capital facility property tax levy, of which 60% is paid to the State Highway Fund and 11.25% to the City of Reno and City of Sparks.

Principal resources are derived from capital facilities property taxes and investment earnings. Proceeds are restricted for the purchase, renovation, and repayment of medium-term financing of capital assets. As previously mentioned, these expenditures are not considered capital, but they are included in total budget appropriations.

FY 2026 Capital Facilities Tax	Estimated Cost
Services and Supplies	57,000
Payments to Other Agencies (City of Reno/City of Sparks)	1,359,566
Payments to State Highway Fund	7,251,017
Transfers to Roads Special Revenue Fund	2,400,000
Total Capital Facilities Tax	11,067,583

The summary of the CIP and Consolidated Project List is attached as Attachment “A”.

FISCAL IMPACT

Total funding for the first year of the CIP is \$126,453,351. This includes new projects funded from transfers from the General Fund, other special revenue funds, park bond funds, fuel taxes (for roads), ad valorem property taxes, sewer bonds for Utilities, and bonds for the Nevada Shared Radio System. None of the Community Reinvestment and the State and Local Fiscal Recovery Fund (SLFRF) grant awarded to Washoe County pursuant to the American Rescue Plan Act of 2021 (ARPA) projects are included in this amount. Projects budgeted in Fiscal Year 2025 but not yet completed will be reappropriated through the County’s year-end process at an estimated \$88M.

RECOMMENDATION

It is recommended that the Board adopt the County Manager’s recommended Capital Improvement Plan (CIP) for Fiscal Years 2026-2030 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2025 as required by NRS 354.5945 [FY 2026 total appropriations of \$126,453,351] which requires all local governments annually to prepare a five-year capital improvement plan to be submitted to the State Department of Taxation and County Debt Management Commission by August 1st of each year. The CIP is a five-year plan for the County’s capital improvements for park facilities, including trails, open space, and regional parks; libraries; roads under purview of the County; purchase of light and heavy fleet equipment; utilities infrastructure; capital outlay for major equipment; and County buildings and other facilities. The CIP is limited to capital projects with an estimated cost of \$100,000 or more for assets that have a life-span of more than one year, as part of the reporting requirements of the State and under Board of County Commissioner (BCC) policies.

POSSIBLE MOTION

Should the Board agree with staff’s recommendation, a possible motion would be, “*move to adopt the County Manager’s recommended Capital Improvement Plan (CIP) for Fiscal Years 2026-2030 and direct the County Manager to submit the CIP to the State of Nevada and others by August 1, 2025 as required by NRS 354.5945 [FY 2026 total appropriations of \$126,453,351] which requires all local governments annually to prepare a five-year capital improvement plan to be submitted to the State Department of Taxation and County Debt Management Commission by August 1st of each year.*”