WASHOE COUNTY

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STAFF REPORT
BOARD MEETING DATE: April 23, 2019

DATE: Friday, April 19, 2019

TO: Board of County Commissioners

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THROUGH: John Slaughter, County Manager

SUBJECT: Recommendation to acknowledge status report and possible direction to staff on the County Manager's recommended Fiscal Year 2020 Budget; and direct the County Manager to return to the Board of County Commissioners with a Tentative and Final Budget incorporating the approved County Manager's recommendations for adoption at a public hearing to be scheduled on May 21, 2019. (All Commissioner Districts).

SUMMARY

The purpose of this item is to provide a status report and possible direction to staff on the County Manager's recommended Fiscal Year 2020 budget; and direct the County Manager to return to the Board of County Commissioners (BCC) with a Tentative and Final Budget incorporating the approved County Manager's recommendations for adoption at the public hearing to be scheduled for May 21, 2019.

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

PREVIOUS ACTION

At its meeting on January 22, 2019, the Board of County Commissioners heard an overview of the financial outlook for Washoe County. The overview included a review of the General Fund's financial results for Fiscal Year 2018, a Mid-Year 2019 review, and revenue trends, known cost increases, and a general outlook for Fiscal Year 2020, which identified many unknown/unquantified issues, including 2019 Legislative Session impacts, collective bargaining agreement impacts, and department requests.

BACKGROUND

The overall outlook presented for Washoe County was "uncertainty". While the regional economy is improving, and the County's operating revenues are anticipated to cover known expense increases, it's not anticipated that revenue increases are sufficient to keep up with current and requested expenditure growth.

AGENDA ITEM # _____

At the 1-22-19 BCC meeting, the following recommendations were presented:

- Replenish the $3 million Stabilization Reserve, as a restriction within the FY 2019 General Fund ending fund balance, depleted in Fiscal Year 2018 due to the 2017 federally declared flooding disaster events.
  *Note: once replenished, it is further recommended that FEMA reimbursements received will be used to replenish each fund that paid the associated project expense.
- Increase Contingency funding due to uncertainties
- Increase Capital Improvement transfer for major equipment replacement costs
- Departments continue to prioritize, restructure and/or reallocate resources within existing budgets, before requesting above base increases

During the months of January and February, all departments, districts and offices worked to develop their budgets for Fiscal Year 2020. In early March, budget submissions were presented to the budget team, which consists of the budget division staff and the assistant county managers.

Next Steps

May 21:	Public Hearing of Fiscal Year 2020 Washoe County Tentative Budget and Adoption of Final Budget
May 28:	Special Meeting on Fiscal Year 2020 Final Budget (if necessary)
June 1:	Fiscal Year 2020 Final Budget submitted to State Department of Taxation

FISCAL IMPACT

Total Fiscal Year 2020 recommended budgeted expenditures and transfers out for all funds are $707,449,138. The recommended Fiscal Year 2020 General Fund budget is a structurally balanced budget, with total expenses, contingency and transfers out of $362,269,146. The total unrestricted fund balance for the General Fund at the end of Fiscal Year 2020 is budgeted at $62,159,063, or 16.1% of budgeted expenses and transfers out, which is within the Board of County Commissioner's policy level of 10% - 17%. Additional information about the recommended Fiscal Year 2020 Budget will also be presented at the meeting.

RECOMMENDATION

It is recommended that the Board acknowledge the status report and provide possible direction to staff on the County Manager's recommended Fiscal Year 2020 Budget; and direct the County Manager to return to the Board with a Tentative and a Final Budget for adoption at a public hearing scheduled for May 21, 2019.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be "move to acknowledge the status report and provide possible direction to staff on the County Manager's recommended Fiscal Year 2020 Budget; and direct the County Manager to return to the Board with a Tentative and a Final Budget for adoption at a public hearing scheduled for May 21, 2019."