



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

**BOARD MEETING DATE:** May 20, 2025

**DATE:** May 12, 2025

**TO:** Board of County Commissioners

**FROM:** Lori Cooke, Budget Manager, Finance  
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**THROUGH:** Eric P. Brown, County Manager

**SUBJECT:** Public hearing, discussion, and possible action on the Washoe County Tentative Budget for Fiscal Year 2026 (July 1, 2025 through June 30, 2026) pursuant to NRS 354.596-estimated appropriations [\$1,064,408,656], as well as possible changes to the Tentative Budget and adoption of it as the Final Budget for Fiscal Year 2026 pursuant to NRS 354.598-estimated appropriations [\$1,075,989,019]. The proposed budget incorporates Board priorities of funding for existing contractual obligations, supplies, utilities, personnel costs, capital improvements and operations, and maintaining the County's assets and infrastructure needs. The proposed budget also includes the following actions:

- 1) To approve the changes to position control for Fiscal Year 2026 indicated on Attachment A-including the reduction of 10.78 Net Full Time Equivalents (FTE), Reclassifications/Evaluations/Other Changes impacting up to 43.0 positions/incumbents and Title Only Changes impacting up to 40.0 positions/incumbents.

If necessary to accommodate any material changes desired by the Board as identified during the hearing on the Tentative Budget, this item may be continued to May 27, 2025, at 10:00 AM. (All Commission Districts).

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### SUMMARY

The purpose of this item is to conduct a hearing on the Tentative Budget for Fiscal Year 2026 (July 1, 2025 through June 30, 2026); consider approval of the Final Budget for FY 2026, which incorporates the updates following the County Manager's recommendations presented on April 15, 2025, and approve changes to position control for FY 2026 related to the FY 2026 Final Budget as outlined.

**Washoe County Strategic Objective supported by this item:** Fiscal Sustainability

**AGENDA ITEM #** \_\_\_\_\_

## **PREVIOUS ACTION**

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**

### **Final County Budget**

NRS 354.596 requires a public hearing of the County's Tentative Budget, which is required to be submitted to the State Department of Taxation by April 15 of each year. The Department of Taxation has examined the submitted Tentative Budget for compliance with law and has provided a written certificate of compliance.

Pursuant to NRS 354.598, at the date of the County's Tentative Budget hearing, the Board of County Commissioners may also adopt a Final Budget. A final budget must be certified by a majority of the Board and submitted to the State by June 1 annually.

Included in this agenda packet is the Fiscal Year 2026 Tentative Budget submitted to the State in April and the Fiscal Year 2026 Final Budget document. There are minimal changes between the Fiscal Year 2026 Tentative and Final Budgets. Appropriations increased by \$11.5 million, or 1.2%. Material changes are outlined below:

### *General Fund*

- Eight ARPA-funded positions now reflect in the General Fund with a one-time \$6M ARPA interest transfer that will provide funding in future years (i.e., “pre-funded” for ~ 5 years).
- Reallocation of \$1.3M circulation budget from Library department to centralized budget (net zero change)
- Special District Funds increased back to \$100,000 per district
- Pooled Interest increased based on anticipated cash balance(s)

### *Other Funds*

- The Other Restricted Revenue Fund now reflects the ARPA interest \$6M transfer to the General Fund.
- The Capital Improvement Fund now reflects additional year-end true ups as well as additional earmarked funding for potential General Government projects.

The Washoe County Board of County Commissioners has a clear vision and Strategic Plan with long-term goals and shorter-term initiatives and benchmarks. The Board met in January 2025 to revisit its Strategic Plan and affirmed its priority areas of focus from prior years:

- Serving Seniors
- Mental Health
- Capital Improvement Projects/Infrastructure

However, the Board was cautioned at the January 14, 2025, meeting regarding the fiscal landscape. The reality for Fiscal Year 2026 is there will be similar challenges as in recent years, with anticipated flat C-Tax revenue growth and declining ARPA and State/Federal grants which will limit resource availability.

These challenges are compounded by expenditures continuing to significantly outpace revenues. The adopted Fiscal Year 2025 budget included a five-year General Fund forecast reflecting unsustainable structural deficits (ongoing expenditures exceeding revenues). With the finalization of the collective bargaining agreements, continued flattening of C-Tax revenue, and the recently confirmed increase in PERS rate contributions for next year, the forecast reflects unsustainable structural deficits in earlier years than previously thought.

Based on our various challenges, Fiscal Year 2026 will be a year in which the County needs to focus on ***Resilience and Innovation***. This means there are no resources for additional personnel. Success will require the entire organization to work together to identify and implement creative and innovative solutions based on a service inventory and using technology to help us get the work done and maintain our focus on our customers. Instead of submitting above base budget requests as usual, Departments were invited to participate in the Budget Congress and discuss the top one to three non-personnel priorities. The Fiscal Year 2026 base budget was updated as in prior years to account for known impacts (i.e., central services, personnel, BCC-approved contracts, etc.).

In designing the Fiscal Year 2026 budget process, County leadership collectively embarked on a more efficient, collaborative, and strategic process to determine methods of executing the

Board's vision with very finite resources. As part of that goal, the annual budget process was updated-including:

- Distributed and collated pre-Budget Congress survey responses from departments
  - Determined needs, assets to be shared and collective challenges
- Held the first all-department collaborative Budget Congress
- Continued individual meetings with Commissioners-including additional follow-up
- Launched the Washoe County Checkbook (i.e., transparency website)
- Plan to hold a "Budget 101" session at an upcoming public Meeting
- Continued process improvement based on best practices and stakeholder feedback

The County is starting from a *relatively* stable financial position in part due to larger than anticipated Fiscal Year 2024 investment returns and lower-than-anticipated Incline Settlement final payments (both non-recurring). Additionally, thanks to the organization's collective discipline and cooperation, we have been able to weather some significant fiscal challenges in the recent past. This includes various unplanned emergency responses (N. Valleys flooding, Davis Creek Fire, Hidden Valley flooding, etc.), the AT&T Sales Tax Refund, our COVID-19 response, the Incline Settlement payments, historically high inflationary impacts, historically high PERS contribution rate increases, implementation of a comprehensive classification and compensation study, and multi-year collective bargaining agreements, etc. The impact of these challenges and initiatives was met without requiring budget reductions. This is quite an achievement, and we are grateful to all departments for their teamwork and innovation, but we still face a challenging outlook over the next five years.

The County Manager's Fiscal Year 2026 Final Budget reflects consideration of service needs and anticipated resources. It also adheres to the BCC strategic vision focus areas as well as the County's continued goals over the last several years of:

- Maintain Services
  - Make progress on Fundamental Service Review
  - Provide time for department heads/elected officials to collaborate with alternative service delivery options
- Commitment to Our Employees: Keep Employees Working
  - No layoffs/furloughs
- Use Reserves Wisely
  - Stabilize expenditure growth to bring into alignment with revenues.
  - Stabilization will ensure sufficient working cash to pay the bills and preserve fund balance for compliance with the Board's policy and statute.

### **FISCAL IMPACT**

Total Fiscal Year 2026 (FY26) appropriations (expenditures/expenses, contingencies and transfers out) for 23 Governmental and 6 Proprietary funds are \$1.076 billion, see chart below. This represents an \$81.9 million, or 7%, decrease compared to the Fiscal Year 2025 (FY25) final budget. However, due to a change in the budget process, it's estimated that capital project funds will have mid-year FY26 budget appropriation increases of \$80 million

compared to the Final budget of \$49 million (i.e., a total of ~\$130 million) – see note and chart(s) below.

Washoe County Budget					
	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2026	Change from Prior Year	
Total Budget Appropriations*	Final	Tentative	Final	\$	%
<b>Governmental Funds</b>					
General Fund	\$ 522,087,064	\$ 547,515,380	\$ 549,296,292	\$ 27,209,228	5%
Special Revenue Funds	\$ 334,370,052	\$ 319,393,972	\$ 324,466,280	\$ (9,903,772)	-3%
Capital Project Funds	\$ 152,549,046	\$ 44,235,408	\$ 48,873,241	\$ (103,675,805)	-68%
Debt Service Funds	\$ 14,273,749	\$ 13,251,261	\$ 13,251,261	\$ (1,022,488)	-7%
<b>Total Governmental Funds</b>	<b>\$ 1,023,279,911</b>	<b>\$ 924,396,021</b>	<b>\$ 935,887,074</b>	<b>\$ (87,392,837)</b>	<b>-9%</b>
<b>Proprietary Funds</b>					
Enterprise Funds	33,565,657	31,965,349	32,054,659	\$ (1,510,998)	-5%
Internal Service Funds	101,023,158	108,047,286	108,047,286	\$ 7,024,128	7%
<b>Total Proprietary Funds</b>	<b>134,588,815</b>	<b>140,012,635</b>	<b>140,101,945</b>	<b>\$ 5,513,130</b>	<b>4%</b>
<b>Total Appropriations - All Funds</b>	<b>1,157,868,726</b>	<b>1,064,408,656</b>	<b>1,075,989,019</b>	<b>(81,879,707)</b>	<b>-7%</b>

\*Total appropriations include expenditures, contingencies and transfers out

\*\* Capital Project Funds' budgets do not reflect carry forward projects from prior years

FY 26 budget re-appropriation is estimated at \$80 million. The budget will be re-appropriated (increased) during the year-end process and included with acceptance of the annual audit.

Governmental Funds						
Fund Type	Salaries & Benefits	Services & Supplies	Capital Outlay	Contingency	Operating Transfers Out	Total Appropriations
General Fund	363,898,331	92,358,082	479,507	6,800,000	85,760,372	549,296,292
Special Revenue Funds	136,904,490	132,529,806	7,231,442	-	47,800,542	324,466,280
Capital Project Funds	205,877	15,922,535	30,344,830	-	2,400,000	48,873,241
Debt Service Funds	-	13,251,261	-	-	-	13,251,261
<b>Total</b>	<b>501,008,697</b>	<b>254,061,683</b>	<b>38,055,779</b>	<b>6,800,000</b>	<b>135,960,914</b>	<b>935,887,074</b>
Proprietary Funds						
Fund Type	Operating Expenses	Non-Operating Expenses			Operating Transfers Out	Total Appropriations
Enterprise Funds	30,907,261	789,085			358,313	32,054,659
Internal Service Funds	108,047,286	-			-	108,047,286
<b>Total</b>	<b>138,954,547</b>	<b>789,085</b>			<b>358,313</b>	<b>140,101,945</b>
<b>Total Appropriations</b>						<b>1,075,989,019</b>

### Overall Revenue Trends

While the regional economy is growing, the level of growth continues to show signs of slowing. As economic growth slows, the County's revenue growth is also expected to slow, and resources will not support all needs and Fiscal Year 2026 budget requests.

Overall, FY 2026 revenues for governmental funds are estimated at \$754 million, which is an increase over FY 2025 budgeted revenues of \$747.8 million, or 0.8 percent. Note that the adopted revenues of most funds do not include supplemental funding (i.e., grants, donations, etc.) or restricted funds that are carried forward from the prior year. Those estimates are included with the FY 2025 estimates-to-complete and will be finalized in FY 2026 based on FY 2025 year-end actuals and closeout.

Property taxes are the largest source of revenue across all County funds. For FY 2026, total property taxes are projected by the State Department of Taxation to increase 7.2%, from \$311.8 million in FY 2025 to \$334.1 million in FY 2026. The increase above the 3.0% cap on existing residential and 8.0% on non-residential (general) in FY 2026 is mostly attributable to new development. Property tax is the largest revenue source in the General Fund, representing approximately 52% of all revenues.

One of the County's most volatile sources of revenue is Consolidated Tax (C-Tax). As it is comprised mainly of sales taxes, C-Tax is the first major source of revenue to show signs of softening as the economy slows. The County's C-Tax receipts have been slowing over the past two years. In addition, due to the modernization of technology systems at the State of Nevada Department of Taxation, we do not have the current fiscal year information on taxable sales. Further, the November 2024 distribution, received in February 2025, was approximately half of the anticipated amount. Year-to-date, C-Tax distributions are lower than compared to the prior year by \$3.6 million, or 3.4%. The County has responded by revising its Fiscal Year 2025 year-end forecast for C-Tax from the original budgeted increase of 2.5% to an estimated increase of 0.0% over the prior fiscal year. In addition, the Fiscal Year 2026 Budget assumes a 2.0% increase in Consolidated Tax (C-Tax) with gradual increases expected in the five-year forecast thereafter to a maximum of 2.75% in Fiscal Year 2030.

#### Overall Expenditure/Expense Trends

Personnel is one of the County's largest costs. Fiscal Year 2026 personnel costs are budgeted to increase 6.1% compared to FY 2025 final budget. The increase is largely attributed to continuation of the FY 2024 implementation of a comprehensive classification and compensation study, but more so due to the historic FY 2026 PERS rate increases. No new positions are being recommended and General Fund salary savings of approximately 3% are budgeted.

As identified above, total appropriations (expenditures/expenses, contingencies & transfers out) are budgeted to decrease 7%, comprising of decreases of 9% in governmental funds and an increase of 4% in proprietary funds. General Fund appropriations are budgeted to increase by 5 percent.

Fiscal Year 2026 continues many similar themes from Fiscal Years 2023 through 2025, including caring for the County's most vulnerable. Notable highlights for the Fiscal Year 2026 Recommended Budget, for all funds, include:

- No net new positions in any fund (see Attachment A for detail)

- No position reclassifications resulting in cost increases (see note below and Attachment A for detail).

Budgeting General Fund salary savings across all departments (~3%)

Library budget will be “flat” (i.e., no budget reductions, no above base increases).

- The remaining Library Expansion Fund balance will be spent in FY26 and additional General Fund resources of ~\$1.3 million will be funded.
- Note that the increased General Fund support is offset with reallocation of the expiring Library Expansion Fund tax.
- Library Board of Trustees and BCC to work together to provide an updated service delivery model and financial needs by October 1, 2025 for the FY 2027 budget process.

Increase General Fund transfer to Northern Nevada Public Health by \$1 million

ARPA-funded positions will be funded with ARPA interest (does not include ARPA support positions) in the General Fund. See below:

- Public Defender 5.0
- Juvenile Services 2.0
- District Court 1.0

*\* Note: A complete list of all position changes, including new, de-limited, other FTE changes, reclassified positions, etc., is reflected in Attachment A. Budget and department staff are working together to identify offsets. As such, some of the reclassifications on Attachment A are contingent upon identifying and processing a permanent offset. Please see Attachment A for additional information.*

General Fund Transfers Out of \$85.8 million, supporting:

- Indigent Fund - \$25.2 million
- Homelessness Fund - \$21.8 million
- Transfer to Capital Projects - \$13.2 million
  - Includes \$12.5 million base (ongoing) +
    - \$650,000 one-time
- Health District - \$10.5 million
  - Includes \$1 million increase vs. FY25 transfer
- Roads Fund - \$6.6 million
  - Includes \$5 million increase (ongoing).
- Debt Service Fund - \$5.0 million
- Senior Services Fund - \$3.4 million

The County’s total levied property tax rate remains at \$1.3917 per \$100 of assessed valuation. This rate has been the same since Fiscal Year 2005 (22 years). The statutory maximum rate is \$3.66 per \$100 of assessed valuation. Most areas of Washoe County are at the \$3.66 maximum due to the overlapping rates of different non-county entities (i.e., City of Reno, City of Sparks, Truckee Meadows Fire Protection District, Washoe County School District, General Improvement Districts, etc.).

### General Fund

The General Fund is the largest and primary operating fund of the County and encompasses many functions/operations such as public safety for the Sheriff, juvenile services, medical

examiner, public guardian and the Public Administrator; judicial functions such as the District Court, the four justice courts in Washoe County, the District Attorney and public defense; general government and finance functions such as the Board of County Commissioners, County Clerk, County Recorder, County Treasurer, County Assessor, County manager's office, human resources, technology services, and registrar of voters; regional library services; regional parks and recreation; human (social) services; and other functions.

The General Fund is the largest Washoe County fund, comprising 51% of total budget appropriations. The Washoe County Fiscal Year 2026 General Fund Final budget reflects total sources and uses balanced with an anticipated decrease in fund balance of \$2.5 million.

While the last few fiscal years' financial results provided non-recurring resources to pay for one-time needs, such as property tax refunds per a legal settlement, and needed asset maintenance and capital improvements, challenges remain. Many priorities were considered in developing the Fiscal Year 2026 Recommended Budget. These priorities included funding for existing: contractual obligations, supplies, utilities, personnel costs, and maintaining the County's assets and infrastructure needs.

#### Revenue(s)

Total FY 2026 General Fund revenues are forecasted to increase from \$511.9 million to \$538.9 million, or \$27.9 million, 5.5%, compared to FY 2025 estimates. As discussed above, the C-Tax has shown decreased growth to date in FY 2025 and it is expected to grow 2.0% in FY 2026, compared to FY 2025 estimated, to \$162 million. C-Tax represents 30% of the County's General Fund revenues. Property taxes remain by far the largest single source of revenue for the General Fund, roughly 53% of all General Fund revenues. General Fund ad valorem taxes are estimated to increase \$24.5 million, or 9.4 percent. In addition to new development, a portion of this increase is due to the reallocation of \$0.02 previously voter-approved to support Library Expansion. Another portion of the increase is attributable to the reallocation of the Debt Service rate from \$0.0100 to \$0.0057 based on the outstanding debt service payments.

#### Expenditure(s)

Total budgeted expenditures, not including contingency or transfers out, for FY 2026 are \$457 million. This is a \$19.5 million increase over FY 2025 estimated expenditures of \$437 million, or 4.5%. This also reflects an increase of \$25.5 million, or 5.9%, compared to the adopted FY 2025 budget.

Salaries and benefits remain the largest category of expenditures and total \$363.8 million, or 79.6% of expenditures not including operating transfers out. General Fund personnel expenditures are budgeted to increase \$19.2 million, or 5.6%, compared to the adopted FY 2025 budget. The increase in FY 2026 General Fund personnel expenditures reflects continuation of the FY 2024 implementation of a comprehensive classification and compensation study, the historical FY 2024 and FY 2026 PERS rate increases, finalized Collective Bargaining Agreements, and FY 2026 budgeted salary savings. Services and Supplies show an increase of \$7.4 million, or 8.7%, compared to the adopted FY 2025 budget, due almost exclusively to inflationary expenditure increases (i.e., Naphcare detention medical services, Axon body worn/fleet vehicle cameras, etc.).

Other notable Fiscal Year 2026 General Fund items have been discussed above.



*Fund Balance*

The General Fund FY 2026 ending fund balance is budgeted at \$138.8 million, or 25.6% of total expenditures and transfers out. However, after accounting for the General Fund stabilization reserve of \$4 million, and other restrictions and commitments, the actual unassigned ending fund balance is estimated to be \$129 million, or 23.8% of General Fund expenditures and transfers out. The current Board policy is to maintain an unassigned General Fund balance of 10% to 17 percent.

The Fiscal Year 2026 Final Budget reflects total sources and uses for the General Fund balanced with an anticipated decrease in fund balance of \$2.5 million. The largest portion of this reduction is due to the contingency budget of \$6.8 million based on multiple unknown impacts, including the 2025 Legislative Session. Note that the variance between the FY 2026 Tentative Budget decrease in fund balance of \$8.3 million and the FY 2026 Final Budget decrease in fund balance of \$2.5 million is almost entirely due to the one-time transfer of \$6 million of ARPA interest into the General Fund from the Other Restricted Revenue Fund and the offsetting personnel costs. The County will continue to prepare and monitor a five-year forecast of the General Fund to identify possible structural deficits based on the cumulative impact of forecasted revenues and expenditures to ensure long-term fiscal sustainability.

Please see the General Fund Fiscal Year 2026 Final Budget, Sources and Uses, on the following page.

Washoe County FY 2026 General Fund Recommended Budget (Final)							
Sources and Uses	FY 2024 Actual	FY 2025 Final	FY 2025 Estimated	FY 2026 Tentative	FY 2026 Final	FY26 Final vs. FY25 Year-End Estimate % Var.	\$ Var.
<b>Revenues and Other Sources</b>							
Taxes	242,782,117	260,606,144	260,606,144	285,086,625	285,086,625	9.4%	24,480,481
Licenses and permits	15,211,894	14,967,049	14,935,691	14,995,691	14,995,691	0.4%	60,000
Consolidated taxes - Actual	158,901,100	160,175,176	158,901,100	162,079,122	162,079,122	2.0%	3,178,022
SCCRT AB104	19,927,024	19,823,791	19,927,024	20,126,294	20,126,294	1.0%	199,270
Other intergovernmental	10,806,919	9,120,947	9,396,342	10,939,052	10,939,052	16.4%	1,542,710
Charges for services	26,331,833	26,343,770	27,805,602	30,519,218	30,519,218	9.8%	2,713,616
Fine and forfeitures	7,074,596	8,158,708	7,958,708	6,768,382	6,768,382	-15.0%	(1,190,326)
Miscellaneous	15,061,922	3,984,305	12,384,305	7,879,305	9,379,305	-24.3%	(3,005,000)
<b>Total revenues</b>	<b>496,097,405</b>	<b>503,179,890</b>	<b>511,914,916</b>	<b>538,393,689</b>	<b>539,893,689</b>	<b>5.5%</b>	<b>27,978,773</b>
Other sources, transfers in	14,192,938	746,168	746,168	854,057	943,367	26.4%	197,199
Other sources, transfers in - one-time					6,000,000		
<b>TOTAL SOURCES</b>	<b>510,290,343</b>	<b>503,926,058</b>	<b>512,661,084</b>	<b>539,247,746</b>	<b>546,837,056</b>	<b>6.7%</b>	<b>34,175,972</b>
<b>Uses:</b>							
<b>Expenditures and Other Uses</b>							
Salaries and wages	205,888,848	220,491,857	222,240,320	233,676,457	234,388,088		
Vacancy Savings		-	(1,324,956)	(7,065,669)	(7,073,962)		
<b>Subtotal</b>	<b>205,888,848</b>	<b>220,491,857</b>	<b>220,915,364</b>	<b>226,610,788</b>	<b>227,314,126</b>	<b>2.9%</b>	<b>6,398,762</b>
Employee benefits	114,204,547	124,052,673	124,999,297	140,308,903	140,695,145		
Vacancy Savings		-	(743,844)	(4,249,562)	(4,247,629)		
<b>Subtotal</b>	<b>114,204,547</b>	<b>124,052,673</b>	<b>124,255,453</b>	<b>136,059,341</b>	<b>136,447,516</b>	<b>9.8%</b>	<b>12,192,063</b>
Services and supplies	75,453,607	85,077,389	90,310,320	91,805,371	92,494,771	2.4%	2,184,451
Capital outlay	1,715,460	1,003,657	1,732,636	479,507	479,507	-72.3%	(1,253,129)
Capital outlay (GASB 87)	12,940,175						
Debt Service (GASB 87)	2,220,973	-	-	-			
<b>Total expenditures</b>	<b>415,643,559</b>	<b>431,225,577</b>	<b>437,213,773</b>	<b>454,955,008</b>	<b>456,735,920</b>	<b>4.5%</b>	<b>19,522,147</b>
Transfers out	77,566,356	78,361,487	78,382,987	85,760,372	85,760,372	9.4%	7,377,385
Contingency	-	12,500,000	10,000,000	6,800,000	6,800,000	-32.0%	(3,200,000)
<b>TOTAL USES</b>	<b>509,709,915</b>	<b>522,087,064</b>	<b>525,596,760</b>	<b>547,515,380</b>	<b>549,296,292</b>	<b>4.5%</b>	<b>23,699,532</b>
<b>Net Change in Fund Balance</b>	<b>580,427</b>	<b>(18,161,006)</b>	<b>(12,935,676)</b>	<b>(8,267,634)</b>	<b>(2,459,236)</b>	<b>-81.0%</b>	<b>10,476,440</b>
Beginning Fund Balance	153,572,311	123,888,506	154,152,738	136,013,217	141,217,062		
Ending Fund Balance	154,152,738	105,727,500	141,217,062	127,745,583	138,757,826		
<b>Unassigned Ending Fund Balance</b>	<b>\$145,354,042</b>	<b>\$ 96,118,352</b>	<b>\$136,467,062</b>	<b>\$122,995,583</b>	<b>\$129,207,826</b>		
<b>Unassigned Ending Fund Balance%</b>	<b>28.6%</b>	<b>18.9%</b>	<b>26.6%</b>	<b>22.8%</b>	<b>23.8%</b>		
*as % of Expense & Transfers less Capital							

### Proprietary Funds

Proprietary funds for Washoe County consist of three enterprise funds (Building and Safety, Golf Course, and the Utilities Fund) and three internal service funds (Equipment Services, Health Benefits and Risk Management). Overall, operating revenues for proprietary funds total \$133.9 million, while operating expenses and transfers total \$139.3 million. The reason

for the variance of revenues to expenses is due to the net impact of planned FY 2026 expenses in the Health Benefits, Risk Management, and Building & Safety Funds offset with net income in the Utilities and Equipment Services Funds.

### Conclusion

Washoe County will continue to maintain strong and healthy fund balances for FY 2026 and is committed to providing quality customer service for its residents. The County successfully managed the debt portfolio and received an upgrade to AA+/Stable from S&P Global in April 2023. The Final Fiscal Year 2025-2026 budget reflects a reasonable but conservative approach to balance future needs while continuing to be fiscally responsible.

### RECOMMENDATION

It is recommended that the Board adopt the Final Budget for Fiscal Year 2026 pursuant to NRS 354.598-estimated appropriations [\$1,075,989,019]. The proposed budget incorporates Board priorities of funding for existing contractual obligations, supplies, utilities, personnel costs, capital improvements and operations, and maintaining the County's assets and infrastructure needs. The proposed budget also includes the following actions:

- 1) To approve the changes to position control for Fiscal Year 2026 indicated on Attachment A-including the reduction of 10.78 Net Full Time Equivalents (FTE), Reclassifications/Evaluations/Other Changes impacting up to 43.0 positions/incumbents and Title Only Changes impacting up to 40.0 positions/incumbents.

### POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be "*move to adopt and certify the Final Budget for Fiscal Year 2026 pursuant to NRS 354.598-estimated appropriations [\$1,075,989,019]. The proposed budget incorporates Board priorities of funding for existing contractual obligations, supplies, utilities, personnel costs, capital improvements and operations, and maintaining the County's assets and infrastructure needs. The proposed budget also includes the following actions:*

- 1) *To approve the changes to position control for Fiscal Year 2026 indicated on Attachment A-including the reduction of 10.78 Net Full Time Equivalents (FTE), Reclassifications/Evaluations/Other Changes impacting up to 43.0 positions/incumbents and Title Only Changes impacting up to 40.0 positions/incumbents."*