



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: April 26, 2022

DATE: Thursday, April 21, 2022

TO: Board of County Commissioners

FROM: Lori Cooke, Budget Manager, County Manager's Office
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THROUGH: Christine Vuletich, Chief Financial Officer
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SUBJECT: Recommendation to approve the use of General Fund Contingency in the total amount of [\$7,500,000] for fiscal year 2022 in accordance with Nevada Revised Statute (NRS) 354.598005 to (1.) increase expenditure authority for Conflict Counsel – General Fund in the amount of \$300,000 for fiscal year 2022, to support conflict attorneys [\$40,000), and mental health evaluations including competency and risk assessments [\$260,000]; and (2.) increase cross-fund and cross-functional budget appropriation transfers in the amount of \$7,200,000 to (a.) the Indigent Fund to support the Riverhouse project to rehabilitate buildings #14 & #15 on the Our Place Campus at 480 Galetti Way, supporting the first location women stay when entering the Crossroads program [\$2,500,000] and Our Place Building 2A Renovation project to support establishing continuity between entry and onsite program areas for Crossroads and Our Place, as well as office, meeting and clinic dedicated spaces on the Our Place Campus [\$500,000]; to (b.) the Roads Fund in the total amount of [\$1,200,000] to support one-time costs supporting Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant match for a rural road reconstruction project near Gerlach for planning, design, easement, etc., and/or other unfunded projects; and (c.) to the Homelessness Fund in the total amount of [\$3,000,000] to support FY22 Cares Campus operating costs; and direct the Comptroller to make the appropriate budget amendments, budget appropriation transfers, and cash transfers. [Total fiscal year 2022 impact \$7,500,000; net fiscal impact \$-0-]. (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”. Further, Nevada Revised Statute (NRS) 354.608 states that “no expenditure may be made directly from a contingency account, except as a transfer to

AGENDA ITEM # _____

the appropriate account...in accordance with the procedure established in NRS 354.598005”.

The purpose of this item is to consider approval of the use of the General Fund Contingency account. Approval of this recommendation will align budget authority for expenditures already incurred, or anticipated to be incurred, for Fiscal Year 2022 (FY22), including providing additional resources to the Conflict Counsel budget. In addition, approval will provide funding to the Roads Fund [\$1,200,000], Indigent Fund [\$3,000,000], and Homelessness Fund [\$3,000,000], to support expenses and/or other identified and necessary projects. All adjustments are within the Washoe County existing approved FY22 budget.

Approval of these transfers will leave \$1,000,000 available in FY22 General Fund Contingency.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability and Vulnerable Populations.

PREVIOUS ACTION

On April 12, 2022, the BCC approved the use of General Fund contingency in the amount of \$428,000, to support reasonable and necessary costs to support the Alternative Sentencing Department operations.

On January 25, 2022, the BCC approved the use of General Fund contingency in the amount of \$335,000, to support reasonable and necessary costs to meet minimum Due Process rights in the Guzman Trial.

On January 25, 2022, the BCC is considering the recommended approval to use General Fund contingency in the amount of \$1,600,000, to support expenses related to the proper preparation for, and to run, elections.

On July 20, 2021, the BCC approved the use of General Fund Contingency in the amount of \$255,000 to support a contract with Well Care. Well Care services include oversight of the operation of a twenty-bed Community Triage Center for those in need of crisis psychiatric services, medical and social detoxification from alcohol or other substances, or co-occurring disorders, for individuals who are 18 years of age or older and are not in need of emergency room care.

On May 18, 2021, the BCC approved the Fiscal Year 2022 Final Washoe County Budget, which included \$11,118,000 of General Fund Contingency. The statutory maximum allowable contingency was recommended and approved for FY22 due to unknown and/or unquantified impacts, including 2021 Legislative actions and pandemic response.

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, a General Fund Contingency account transfer totaling \$7,500,000 is needed for Conflict Counsel and Care Campus expenditures, the Human Services Agency Riverhouse and

Our Place Campus Building 2A renovation capital projects, and one-time costs support the RAISE grant match. This adjustment will cover actual and/or anticipated FY22 fund and functional expenditures.

Approval of these transfers will leave \$1,000,000 available in FY22 General Fund Contingency.

The following General Fund Contingency budget appropriation and cross-fund, cross-functional appropriation transfers are necessary:

Conflict Counsel

Conflict Counsel attorney costs have increased due to increase in caseload. The cost of mental health evaluations, including competency evaluations and risk assessments have increased as a result of the State of Nevada, Department of Health and Human Services unilaterally terminating the contract due to staffing shortages which provided these services at Lake's Crossing Center. The County is working with private sector providers to provide this service which is at a higher cost. Lake's Crossing remains statutorily required to provide treatment, either inpatient or outpatient, to people that have been deemed by the court incompetent to proceed. The transfer of \$300,000 is required to cover the actual and anticipated expenses of these impacts.

Human Services Agency – Indigent Fund

The capital project for the Riverhouse will support the Women's Crossroads program located on the campus with Our Place. The buildings (#14 & #15 at 480 Galletti) were not part of the rehabilitation of the leased properties on the NNAMHS Campus for Our Place and are in need of updating to accommodate the residents. Riverhouse is the first house women entering the Crossroads program stay and complete the blackout period, and where women from other houses gather for programming. A transfer of \$2,500,000 is required to cover the anticipated expenses of this capital project.

The capital project for the Our Place-Building 2A renovation was not part of the rehabilitation of the leased properties on the NNAMHS Campus for Our Place. The building serves as the entry point for womens Crossroads and is the location of the on-site clinic for women and families at both Crossroads and Our Place. Renovation is needed to establish continuity between program areas, as well as office, meeting and clinic dedicated spaces. A transfer of \$500,000 is required to cover the anticipated expenses of this capital project.

Roads Fund

Funds will be used to support one-time costs that support the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant match and/or other unfunded projects. A transfer of 1,200,000 is required to cover the anticipated expenses of the project.

Homelessness Fund – Cares Campus

Funds are needed to support the FY22 Cares Campus operating costs that are not included in the FY22 adopted budget due to transition timing. A transfer of \$3,000,000 is required to cover the actual and anticipated expenses.

FISCAL IMPACT

If approved, the use of contingency funds in account 189000-820000 and the associated cross-fund and cross-functional budget appropriation transfers, and budget amendments are anticipated to bring the budget into alignment with actual and/or anticipated expenditures for Fiscal Year 2022 (FY22) for the items outlined above. All adjustments are within the existing approved budget for Washoe County and are summarized in the table below.

General Fund Contingency Transfer:

Fund/Function	Department/ Expenditure/Transfer	Cost Object(s)/ G-L Account(s)	Budget Change
General Fund (F100)	Contingency Funds		
General Gov't	Contingency	189000-820000	(7,500,000.00)
General Gov't	Transfer to Indigent Fund	189000-812021	3,000,000.00
General Gov't	Transfer to Homelessness Fund	189000-812023	3,000,000.00
General Gov't	Transfer to Roads Fund	189000-812216	1,200,000.00
Subtotal Contingency			(300,000.00)
General Fund (F100)	Department/ Expenditure		
Judicial	Conflict Counsel - Court Appointed Attorneys	101010-710839	40,000.00
Judicial	Conflict Counsel - Psychiatric Evaluations	101010-710842	260,000.00
Subtotal Expenditures			300,000.00
Roads Fund (F216)	Expenditure/Transfer		
Public Works	Transfer from General Fund	216001-621001	1,200,000.00
Public Works	Roads – Professional Services	216001-710100	1,200,000.00
Indigent Fund (F221)			
Welfare	Transfer from General Fund	221220-621001	3,000,000.00
Welfare	Crossroads - Building Improvement	221220-781002	3,000,000.00
Homelessness Fund (F223)			
Welfare	Transfer from General Fund	223410-621001	3,000,000.00
Welfare	Cares Campus Shelter – Professional Services	223410-710100	3,000,000.00
Subtotal Appropriation Transfers			-0.00-
NET TOTAL CONTINGENCY			- 0.00-

*Upon approval, Comptroller will need to process all budget appropriation transfers as outlined above and actual Interfund cash transfers for Roads Fund (F216), Indigent Fund (F221) & Homelessness Fund (F223).

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the use of General Fund Contingency in the total amount of [\$7,500,000] for fiscal year 2022 in accordance with Nevada Revised Statute (NRS) 354.598005 to (1.) increase expenditure authority for Conflict Counsel – General Fund in the amount of \$300,000 for fiscal year 2022, to support conflict attorneys [\$40,000), and mental health evaluations including competency and risk assessments [\$260,000]; and (2.) increase cross-fund and cross-functional budget appropriation transfers in the amount of \$7,200,000 to (a.) the Indigent Fund to support the Riverhouse project to rehabilitate buildings #14 & #15 on the Our Place Campus at 480 Galetti Way, supporting the first location women stay when entering the Crossroads program [\$2,500,000] and Our Place Building 2A Renovation project to support establishing continuity between entry and onsite program areas for Crossroads and Our Place, as well as office, meeting and clinic dedicated spaces on the Our Place Campus [\$500,000]; to (b.) the Roads Fund in the total amount of [\$1,200,000] to support one-time costs supporting Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant match for a rural road reconstruction project near Gerlach for planning, design, easement, etc., and/or other unfunded projects; and (c.) to the Homelessness Fund in the total amount of [\$3,000,000] to support FY22 Cares Campus operating costs; and direct the Comptroller to make the appropriate budget amendments, budget appropriation transfers, and cash transfers. [Total fiscal year 2022 impact \$7,500,000; net fiscal impact \$-0-].

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 total amount of [\$7,500,000] for fiscal year 2022 in accordance with Nevada Revised Statute (NRS) 354.598005 to (1.) increase expenditure authority for Conflict Counsel – General Fund in the amount of \$300,000 for fiscal year 2022, to support conflict attorneys [\$40,000), and mental health evaluations including competency and risk assessments [\$260,000]; and (2.) increase cross-fund and cross-functional budget appropriation transfers in the amount of \$7,200,000 to (a.) the Indigent Fund to support the Riverhouse project to rehabilitate buildings #14 & #15 on the Our Place Campus at 480 Galetti Way, supporting the first location women stay when entering the Crossroads program [\$2,500,000] and Our Place Building 2A Renovation project to support establishing continuity between entry and onsite program areas for Crossroads and Our Place, as well as office, meeting and clinic dedicated spaces on the Our Place Campus [\$500,000]; to (b.) the Roads Fund in the total amount of [\$1,200,000] to support one-time costs supporting Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant match for a rural road reconstruction project near Gerlach for planning, design, easement, etc., and/or other unfunded projects; and (c.) to the Homelessness Fund in the total amount of [\$3,000,000] to support FY22 Cares Campus operating costs; and direct the Comptroller to make the appropriate budget amendments, budget appropriation transfers, and cash transfers.”*