



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: April 24, 2018

DATE: Monday, April 16, 2018

TO: Board of County Commissioners

FROM: Lori Cooke, Budget Manager
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THROUGH: Christine Vuletich, Assistant County Manager
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SUBJECT: Recommendation to acknowledge status report and possible direction to staff on the County Manager's recommended Fiscal Year 2019 Budget; and direct the County Manager to return to the Board of County Commission with a Tentative and Final Budget incorporating the approved County Manager's recommendations for adoption at a public hearing to be scheduled on May 22, 2018. (All Commission Districts)

SUMMARY

The purpose of this item is to provide a status report and possible direction to staff on the Manager's recommended Fiscal Year 2019 budget; and direct the County Manager to return to the Board of County Commission (BCC) with a Tentative and Final Budget incorporating the approved County Manager's recommendations for adoption at the public hearing scheduled for May 22, 2018.

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

PREVIOUS ACTION

January 26, 2018 - At the BCC's Strategic Planning Workshop, a preliminary Fiscal Year 2019 Budget Outlook was presented along with budget development recommendations.

BACKGROUND

At its Strategic Planning Workshop on January 26, 2018, 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 of Fiscal Year 2017, a Mid-Year 2018 budget update, and revenue trends, known cost increases, legislative impacts and emerging issues, and capital improvement needs for Fiscal Year 2019.

AGENDA ITEM# _____

The overall outlook presented for Washoe County was "guarded". While the regional economy is improving, the County's revenues are not keeping up with expenditure growth. In addition, the County will be impacted by a one-time C-Tax revenue repayment, estimated at \$4.6 million. Revenues will not be sufficient to sustain known cost increases, and to cover all cost increases due to legislative impacts, emerging issues, and capital improvement needs.

In addition, a five-year forecast revealed the need to bring the General Fund budget into long-term structural balance to ensure fiscal sustainability. Recommendations included County departments holding the line on existing budgets, as no new revenue was anticipated to be available in Fiscal Year 2019 for above base requests. Departments were asked to prioritize, and to reallocate resources from within existing budgets to fund new budget needs. A review of General Fund transfers out was also recommended.

During the months of January and February, all departments, districts and offices worked to develop their budgets for the Fiscal Year 2019. In early March, departments, districts and offices presented their budget submissions to the budget team, which consists of the budget division staff and the assistant county managers.

Next Steps

- May 22: Public Hearing of Fiscal Year 2019 Washoe County Tentative Budget and Adoption of Final Budget
- May 29: Special Meeting on Final Fiscal Year 2019 Budget (if necessary)
- June 1: Final Budget submitted to State Department of Taxation

FISCAL IMPACT

Total Fiscal Year 2019 recommended budgeted expenditures and transfers out for all funds are \$653,003,604. The recommended Fiscal Year 2019 General Fund budget is a balanced budget utilizing a one-time reduction of fund balance, with revenues and other financing sources of \$341,085,653 and expenses and transfers out of \$342,285,546, resulting in a reduction of fund balance of \$1,199,896. The total unrestricted fund balance for the General Fund at the end of Fiscal Year 2019 is budgeted at \$45,896,935, or 13.4% of budgeted expenses and transfers out, which is within the Board of County Commissioner's policy level. Additional information about the recommended Fiscal Year 2019 Budget is provided in the attached Executive Summary, and 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 2019 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 22, 2018.

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 2019 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 22, 2018."