



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.us

STAFF REPORT

BOARD MEETING DATE: *December 11, 2018*

DATE: Thursday, December 06, 2018

TO: Board of County Commissioners

FROM: Kari Estrada, Senior Fiscal Analyst
(775) 328-2073, kestrada@washoecounty.us, and
Lori Cooke, Budget Manager
(775) 328-2072, lcooke@washoecounty.us

THROUGH: Christine Vuletich, Assistant County Manager
(775) 328-2016, cvuletich@washoecounty.us, and
David Solaro, Assistant County Manager
(775) 328-3624, dsolaro@washoecounty.us

SUBJECT: Recommendation to approve the resolution to augment the Roads Fund in the amount of [\$1,656,355.51] to increase expenditure authority for projects associated with the flood-caused natural disasters declared in January 2017 and February 2017 for fiscal year 2019; and direct the Comptroller to make the appropriate budget amendments. (All Commission Districts.)

SUMMARY

During the first two months of 2017, the Washoe County Board of County Commissioners (BCC) ratified declarations of emergencies for two separate flood events: the flooding of the Truckee River in January 2017 and widespread flooding in Lemmon Valley and other North Valleys areas that began in February 2017. We utilized the County's Stabilization Account to help pay for these costs prior to reimbursement from Federal Emergency Management Agency (FEMA) and to cover the non-FEMA reimbursed portion of costs. NRS 354.6115(3) allows for the use of monies in a local government's stabilization account when the governing body has issued a formal declaration that a natural disaster exists.

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

PREVIOUS ACTION

On January 17, 2017, the BCC ratified the Declaration of a State of Emergency declared by the Washoe County Board of Commissioners on Friday, January 6, 2017. This action was related to flooding of the Truckee River channel and neighboring areas in Washoe County.

AGENDA ITEM # _____

On February 28, 2017, the BCC approved a Declaration of a State of Emergency as an emergency item that was added to the agenda (Item #15). This action was related to flooding in the North Valleys area, which has continued to this day.

On March 14, 2017, the BCC ratified the Declaration of a State of Emergency declared on February 28, 2017.

On April 25, 2017, the BCC received a presentation regarding estimated flood-related costs for the January Truckee River flood event and North Valleys flood event in February, as part of the presentation on the Fiscal Year 2017-18 recommended budget.

On May 23, 2017, the BCC approved the Fiscal Year 2017-18 final budget.

On June 27, 2017, the BCC approved the use of General Fund Contingency and interfund transfers for certain flood-related costs incurred in Fiscal Year 2016-17. The accompanying staff report noted the need to access the County's \$3 million Stabilization Account in Fiscal Year 2017-18 prior to FEMA's partial reimbursement of eligible costs.

On September 12, 2017, the BCC approved the transfer of \$3,000,000 from the County's Stabilization Account to the Roads Fund to pay expenses incurred by Washoe County to mitigate the effects of the flood-caused natural disasters declared in January 2017 and February 2017.

BACKGROUND

During the first two months of 2017, the Washoe County Board of County Commissioners (BCC) ratified declarations of emergencies for two separate flood events: the flooding of the Truckee River in January 2017 and widespread flooding in Lemmon Valley and other North Valleys areas that began in February 2017. Both flood events later received a presidential declaration of emergency, which entitles Washoe County and other jurisdictions to receive partial reimbursement from the Federal Emergency Management Agency (FEMA) for eligible repair and recovery costs. It was necessary to use the County's Stabilization Account to help pay for these costs prior to reimbursement from FEMA and to cover the non-FEMA reimbursed portion of costs.

For fiscal year 2018, the flood related projects were estimated to be completed and expended by June 30, 2018. Due to various reasons, these projects were not completed in fiscal year 2018 and will need additional budget authority for fiscal year 2019. These projects are anticipated to be completed in fiscal year 2019.

Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code 354.410 set for the requirements for budgetary augmentations. Available resources for a mid-year budget augmentation are:

- An opening balance which is larger than anticipated;
- Revenues in excess of those budgeted;

- Revenues generated from previously unbudgeted sources; or
- An unappropriated ending balance of a fund for capital projects.

In this case, there is a larger than anticipated opening balance for the Road Fund since the flood related projects had been forecasted to be completed by June 30, 2018.

FISCAL IMPACT

If approved, the resolution will result in an increase in appropriations for the Roads Fund in the amount of \$1,656,355.51 for fiscal year 2019 for the flood related projects:

| Cost Object | G/L Account | Amount |
|--|------------------------------|-----------------------|
| Source of Funds: | | |
| Unappropriated Fund Balance - Roads | Cash Account 2160 - Roads | \$1,656,355.51 |
| Expenditures: | | |
| FL021701.826 WASHB62 - Emergency Protective Measures | 781003 - Road Bridge Capital | \$264,260.00 |
| FL021701.831 WASHC61 - County Wide Roads | 781003 - Road Bridge Capital | \$306,664.00 |
| FL021701.832 WASHC68 - East Lake Blvd | 781003 - Road Bridge Capital | \$217,146.00 |
| FL021701.834 FHWA-County Wide Roads | 781003 - Road Bridge Capital | \$176,860.00 |
| FL011701.801 WASHB01 - Emerg Protective Measures | 781003 - Road Bridge Capital | \$11,392.00 |
| FL011701.802 WASHC18 - County Wide Roads | 781003 - Road Bridge Capital | \$35,967.00 |
| FL011701.804 WASHC20 - County Wide Roads | 781003 - Road Bridge Capital | \$24,941.00 |
| FL011701.814 WASHC30 - County Wide Roads | 781003 - Road Bridge Capital | \$290,975.51 |
| FL011701.822 WASHD01-Retention Ponds | 781003 - Road Bridge Capital | \$40,000.00 |
| FL011701.823 FHWA-County Wide Roads | 781003 - Road Bridge Capital | \$288,150.00 |
| Total Increase in Expenditures | | \$1,656,355.51 |

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the resolution to augment the Roads Fund in the amount of [\$1,656,355.51] to increase expenditure authority for projects associated with the flood-caused natural disasters declared in January 2017 and February 2017 for fiscal year 2019; and direct the Comptroller to make the appropriate budget amendments.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve the resolution to augment the Roads Fund in the amount of [\$1,656,355.51] to increase expenditure authority for projects associated with the flood-caused natural disasters declared in January 2017 and February 2017 for fiscal year 2019; and direct the Comptroller to make the appropriate budget amendments."