Washoe County Fiscal Year 2022 County Manager's Recommended Budget

Washoe County Commission Meeting

Eric P. Brown, County Manager

May 11, 2021

Budget Timeline

January

BCC Strategic Planning Session:

- FY20 Year-end Financial Results
- FY21 Mid-Year Budget Review
- FY22 Preliminary Outlook

February/March

- CIP Committee
- Develop Cost Estimates
- Develop Revenue Estimates
- Work with Departments

April/May

- Develop Tentative Budget
- Work with County Manager/Individual Commissioners
- **Today: Presentation of Recommended Budget to BCC**
- **Public Hearing and Budget Adoption**

Economic Outlook Spring 2020

March 2020:

- Worldwide COVID-19 pandemic declared, lock-down, businesses shut down
- Consumer Spending dropped 7.6% – biggest decline since records began in 1959

April 2020:

- Nevada Unemployment Rate 19.9% - Highest in State History

Acute Financial Impact:

- Revenue Loss
- Non-budgeted pandemic response expenditures

Washoe County Goals:

- Maintain Services
- Keep Employees Working
- Use Reserves Wisely

Duration and severity of pandemic not yet understood………

Economic Outlook Spring 2021

Financial Impact:

- Revenue loss not as great as anticipated a year ago
- Federal CARES Act funding deployed ($20 million received)
- FEMA obligated claims ($7 million pending receipt)
- Emergency Rental Assistance ($6.6 million being disbursed)
- Second round of Federal stimulus American Rescue Plan Act (pending)

Economy cautiously improving:

- Pandemic still here, but vaccination efforts promising, lock-downs easing, businesses slowly reopening/increasing operations

Unemployment rate still high, but less so in northern Nevada:

- March 2021: Washoe County 4.6%, Nevada 8.1% and U.S. 6.0%

Duration of pandemic – end in sight?

Fiscal Year 2022 County Manager Recommended Budget

Washoe County FY 2022 Recommended Budget (All Funds)

Washoe County				
Total Budget Appropriations*	**Fiscal Year 2021 Final**		**Fiscal Year 2022 Recommend**	
Governmental Funds				
General Fund	$	355,549,667	$	435,482,853
Special Revenue Funds	$	202,284,502	$	235,126,643
Capital Project Funds	$	45,046,687	$	14,185,998
Debt Service Funds	$	13,677,152	$	45,317,141
Total Governmental Funds	**$**	**616,558,008**	**$**	**730,112,635**
Proprietary Funds				
Enterprise Funds	$	22,734,982	$	23,692,567
Internal Service Funds	$	76,322,529	$	75,343,284
Total Proprietary Funds	**$**	**99,057,511**	**$**	**99,035,851**
Total Appropriations-All Funds	**$**	**715,615,519**	**$**	**829,148,486**

- Total Budget(All Funds) $829M
- 23 Governmental Funds
- 6 Proprietary Funds
- New: Homelessness Fund (special revenue fund to account for regional homelessness services)

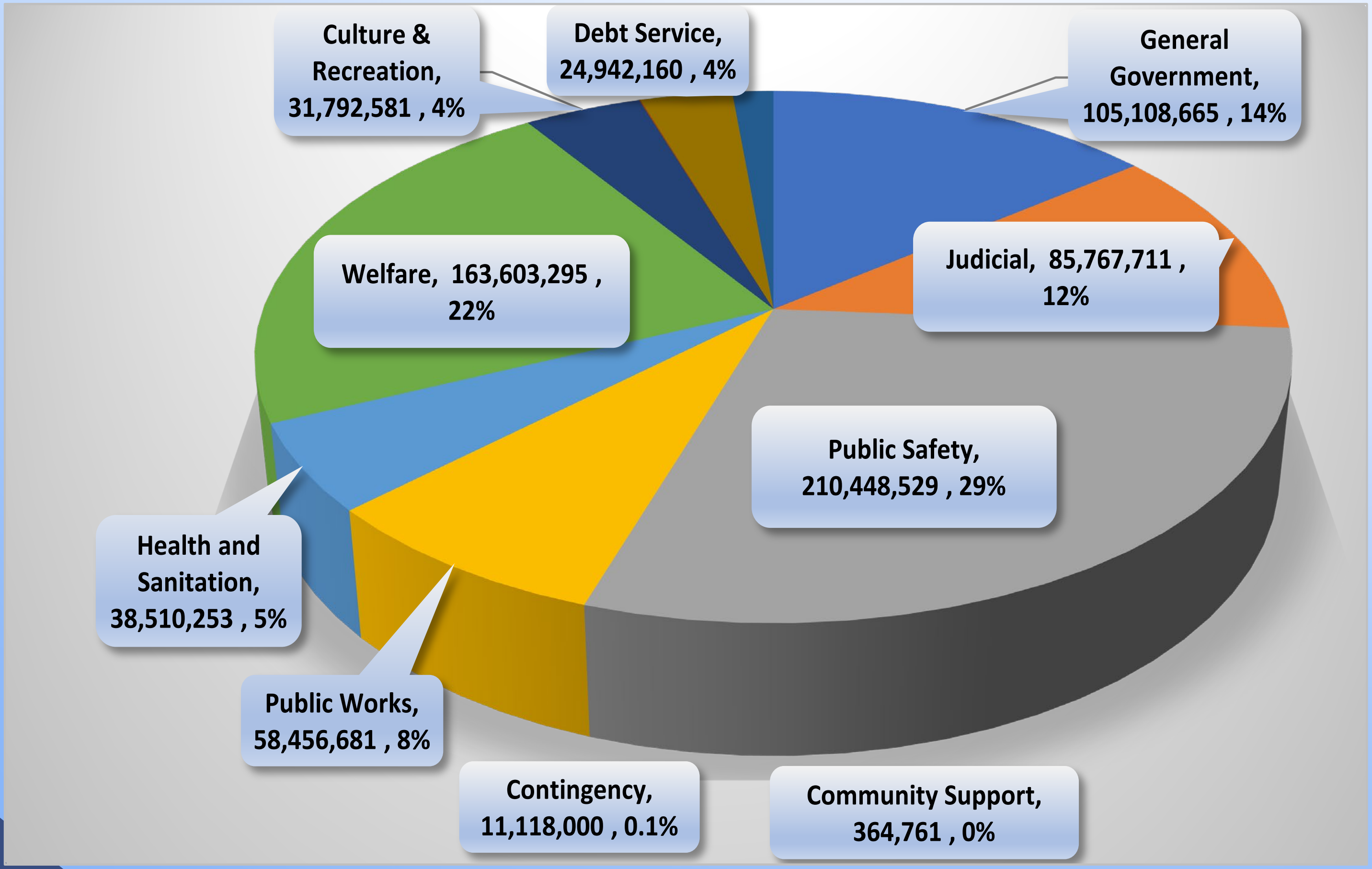
Fiscal Year 2022 - Maintain and Sustain Financial Stability

Highlights: Recommended Budget (All Funds)

- Ongoing pandemic response and recovery costs
- Expansion of regional homelessness services
- Expansion of library services
- Property Tax Refunds: legal obligation
- Additional 35 FTE's
- Commissioner Support
- Legislative Session: unfunded mandates, State funding reductions?
- Restore Reserves: Stabilization and Risk Management Fund
- Restore Capital Improvement Program Funding
- Restore Contingency Budget

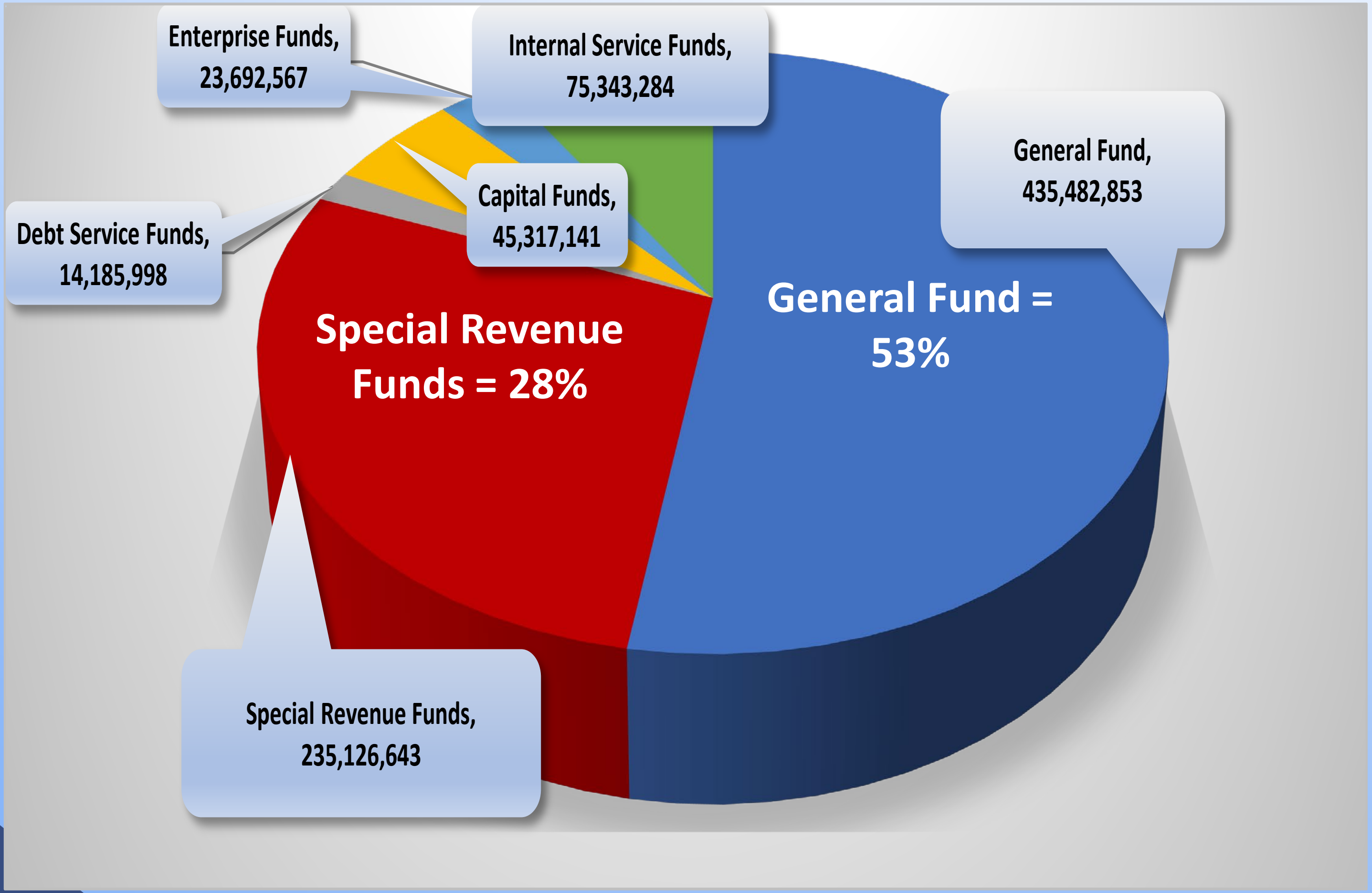
Washoe County FY 2022 Recommended Budget by Function

Total Appropriations by Function – All Funds



Washoe County FY 2022 Recommended Budget by Fund Type

Total Appropriations by Fund Type – All Funds



General Fund

General Fund FY 2022 Recommended Budget

Washoe County FY 2022 Recommended General Fund Budget					
				FY22 vs. FY21 Year-End Estimate	
Sources and Uses	FY 2020 Actual	FY 2021 Year-End Estimate	FY 2022 Recommended Budget	% Var.	$ Var.
Revenues and Other Sources:					
Taxes	180,524,330	191,601,430	**203,478,752**	6.2%	11,877,322
Licenses and permits	9,771,369	9,480,533	10,045,793	6.0%	565,260
Consolidated taxes	121,149,884	**126,016,700**	**131,687,450**	4.5%	5,670,750
Other intergovernmental	23,965,680	21,985,179	22,724,169	3.4%	738,990
Charges for services	21,062,563	21,679,021	22,101,745	1.9%	422,724
Fine and forfeitures	6,110,868	5,951,282	6,146,782	3.3%	195,500
Miscellaneous	8,784,236	4,014,031	4,288,037	6.8%	274,006
Total revenues	371,368,930	380,728,176	400,472,728	5.2%	19,744,552
Other sources, transfers in	4,354,527	1,147,030	499,000	-56.5%	(648,030)
TOTAL SOURCES	**375,723,457**	**381,875,206**	**400,971,728**	**5.0%**	**19,096,522**
Expenditures and Other Uses:					
Salaries and wages	158,783,029	163,263,811	173,570,550	6.3%	10,306,739
Employee benefits	75,389,674	78,065,672	84,156,037	7.8%	6,090,364
OPEB contributions	14,813,058	12,365,870	8,006,498	-35.3%	(4,359,372)
Services and supplies	63,560,749	61,313,798	64,819,432	5.7%	3,505,634
Settlement Payments	-	-	**40,000,000**		40,000,000
Capital outlay	558,525	779,816	835,048	7.1%	55,232
Total expenditures	313,105,035	315,788,967	371,387,565	17.6%	55,598,597
Transfers out	42,171,914	**43,835,323**	**52,977,288**	20.9%	**9,141,965**
Contingency	-	750,000	**11,118,000**	1382.4%	**10,368,000**
TOTAL USES	**355,276,949**	**360,374,290**	**435,482,853**	**20.8%**	**75,108,562**
Net Change in Fund Balance	**20,446,507**	**21,500,916**	**(34,511,125)**		

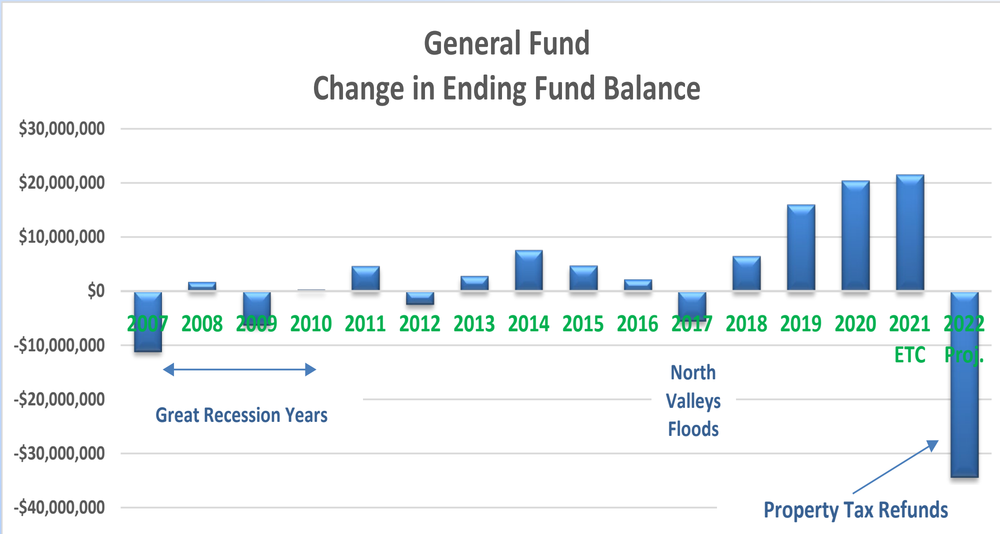
FY 2021 YR End Est. includes:

- Stabilization Reserve $3M
- Risk Mgmt. Fund $3M
- $1.4M transfer to CIP for unbudgeted projects

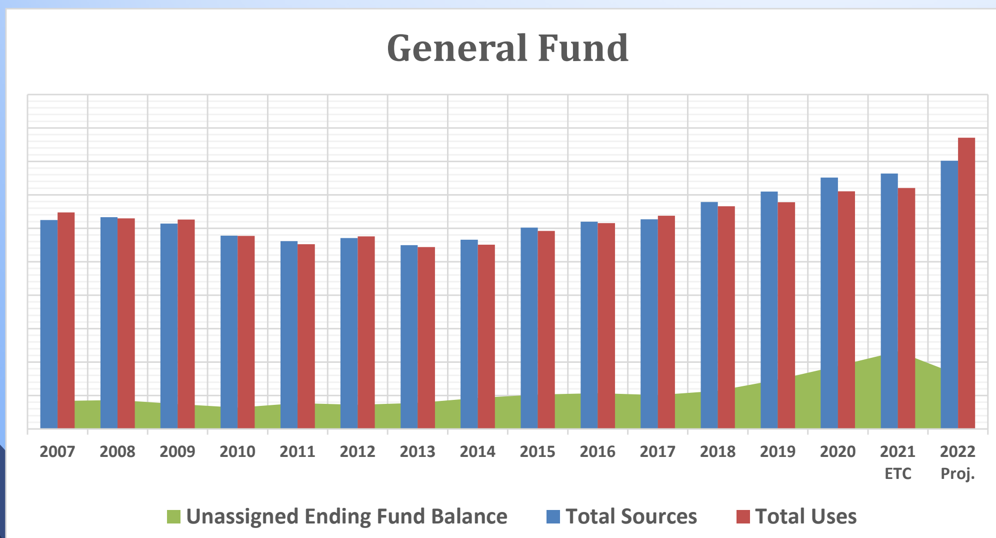
FY 2022 Budget includes:

- Use of fund balance $34M
- New Homeless serv. $6M
- Property Tax refunds $40M
- Contingency Budget $11M
- 18 Additional FTE’s

General Fund FY 2022 Recommended Budget



Use of Fund Balance = $34.5M

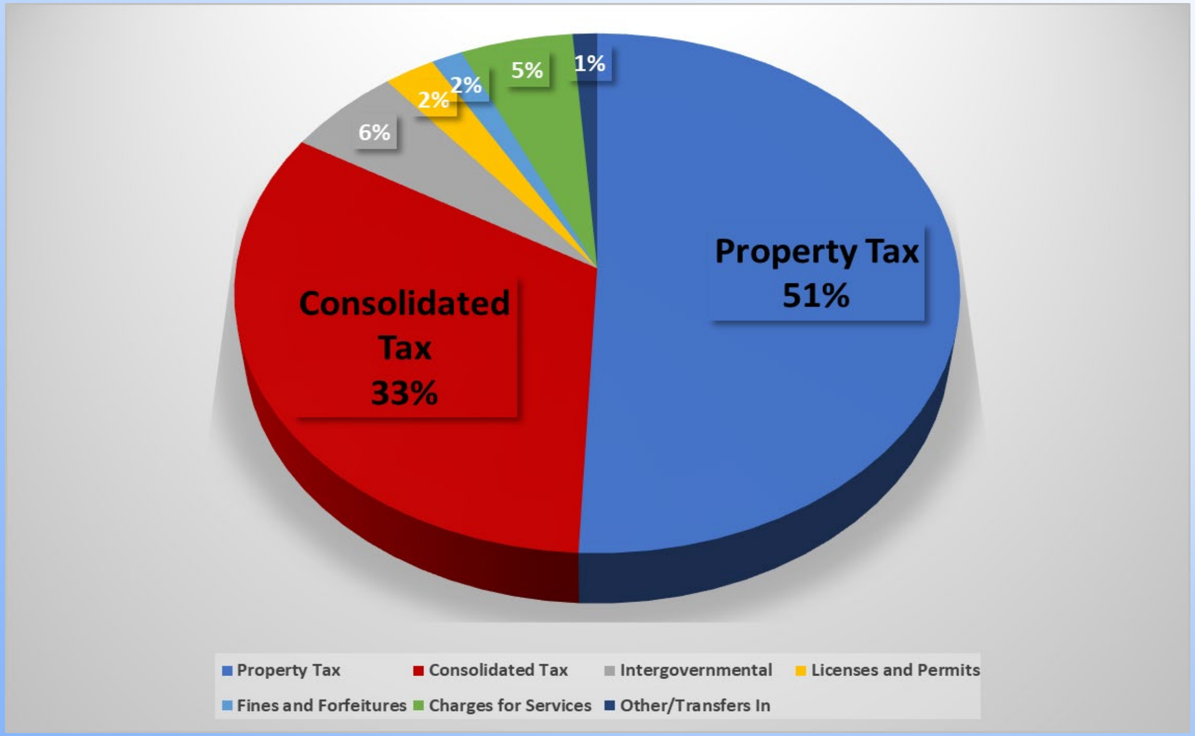


Unassigned Ending Fund Balance = $72.6M, 16.7%
(44.2 days operating cash)

BCC Policy: 10% - 17%

General Fund FY 2022 Recommended Budget - Sources

General Fund Sources by Type



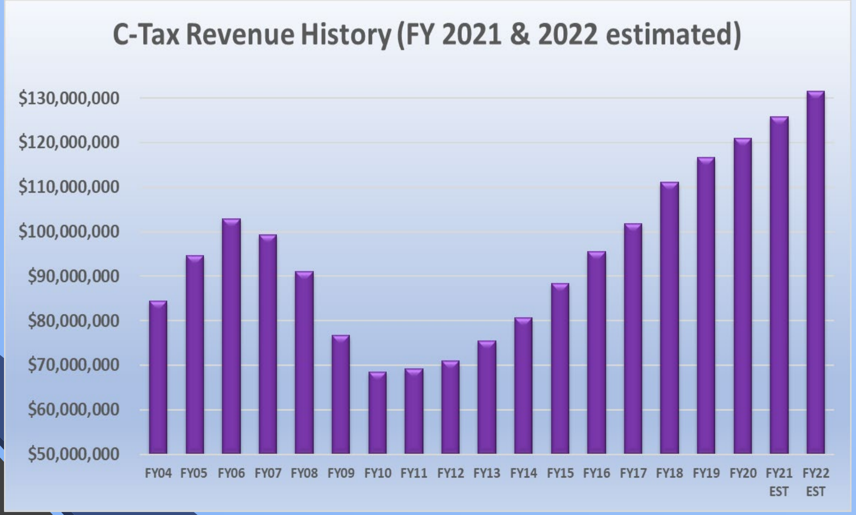
- Total Sources = $401M, 18.0% increase
- 84% of revenues = Property Tax and Consolidated Tax
- Property Tax = $203M
- C-Tax = $131M

General Fund Major Revenues

Property Tax:

- FY22 Forecast = +6.2%
  - Tax caps limit growth to: ~3.7%
  - New construction not subject to abatement in first year will add: ~2.5%
- Estimated property taxes abated FY 2022 = $38.7 million (GF), cumulative abatement since FY 2006 over $311 million (GF); $382 million (all funds)

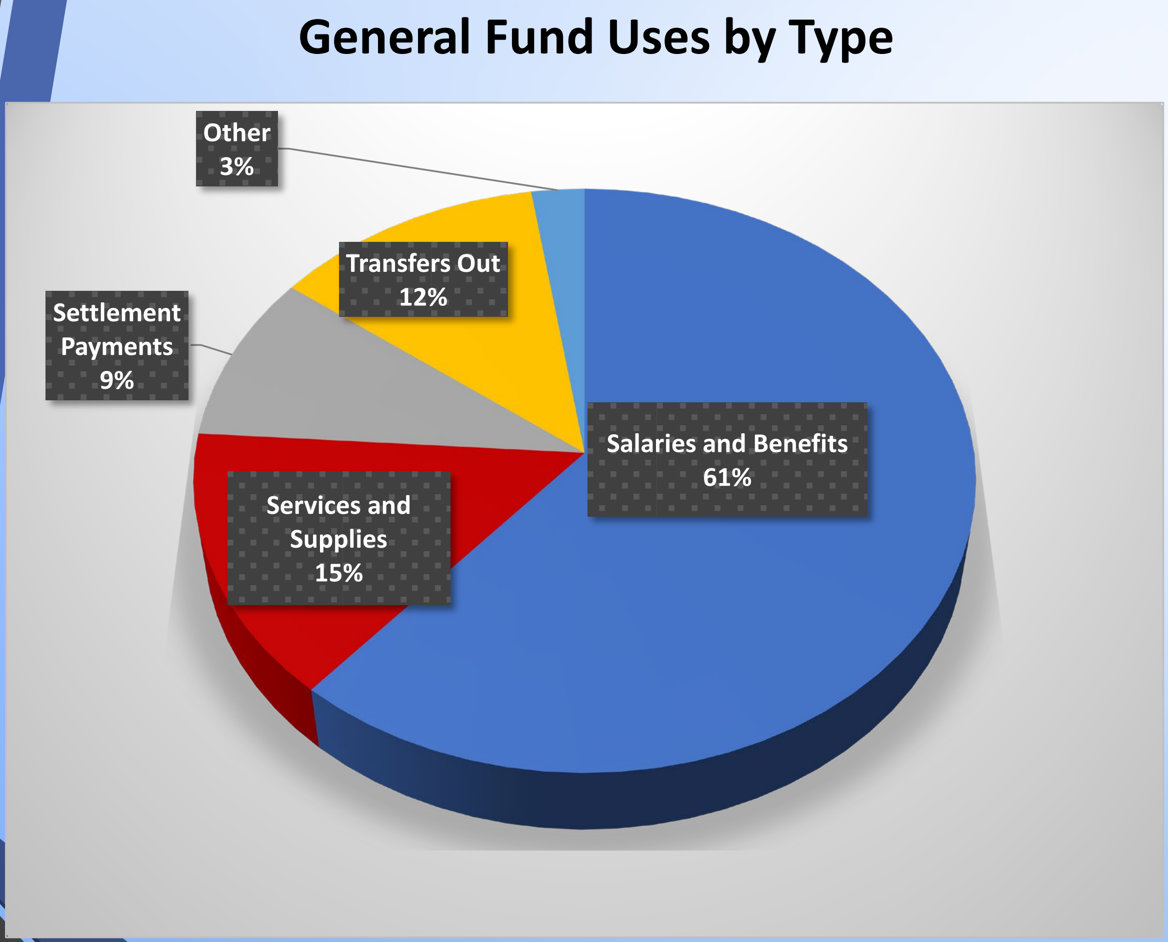
Abatement is the difference between the amount of taxes due based on the assessed value versus what is actually paid by property owners, due to property tax cap



C-Tax:

- FY22 Forecast = +4.5%

General Fund FY 2022 Recommended Budget - Uses



- Total Uses = $435M, up 20.8%
- Personnel costs = $265M, up 4.7%
- Services and Supplies = $65M, up 5.5%
- Settlement Payments = $40M

General Fund FY 2022 Recommended Budget - New Positions

Function	Department-Program	Net FTE Change
General Government:	Human Resources Manager's/Commissioner Support Total General Govt.	1.00 2.00 3.00
Judicial:	Public Defender Total Judicial	1.00 1.00
Public Safety:	Medical Examiner Sheriff-Crime Lab Total Public Safety	2.00 2.00 4.00
Culture & Recreation:	Library Total Culture & Recreation	8.00 8.00
Public Works:	CSD-Facilities Total Public Works	2.00 2.00
Total General Fund		**18.00**

General Fund FY 2022 Recommended Budget - Reclassifications

Function	Department	# of Incumbents
Culture & Recreation	Community Services	2.00
General Government:	Manager's Office Recorder's Office Total General Govt.	2.00 1.00 3.00
Judicial:	District Attorney	1.00
Public Safety:	Alternative Sentencing Title Change-4 Juvenile Services Public Guardian Sheriff's Office Total Public Safety	6.00 2.00 1.00 2.00 11.00
Public Works:	Community Services	3.00
Total General Fund		**20.00**

Reclassifications:

20 Incumbents

No additional funding; costs absorbed in adopted budget

General Fund FY 2022 Recommended Budget - Transfers Out

FY 2022 Recommended General Fund Transfers Out	
Transfers Out to Fund:	
Health District	$ 9,516,856
Indigent Services	$ 21,120,906
Homelessness Fund	$ 6,412,095
Senior Services	$ 1,406,782
Child Protective Services	$ 447,237
Road Maintenance	$ 1,084,553
Debt Service	$ 5,988,859
Capital Improvement	$ 7,000,000
Total General Fund Transfers Out	**$ 52,977,288**

Total Transfers Out $52.98 million

$14 million increase over FY 2021:

- $7M Capital Improvement Fund ($-0- in FY21)
- $6.4M Homelessness Fund (New)
- $910K Indigent Fund

Highlighted Other Funds

Homelessness Fund (New)

Washoe County FY 2022 Recommended Homelessness Fund Budget	
Sources and Uses	**FY 2022 Recommended Budget**
Revenues and Other Sources:	
Taxes	-
Licenses and permits	-
Other intergovernmental	300,000
Charges for services	497,000
Fine and forfeitures	-
Miscellaneous	180,000
Total revenues	977,000
Other sources, transfers in	
Transfer from General Fund	6,412,095
Transfer from Indigent Fund	8,608,805
Transfer from Marijuana Fund *Used to support Sheriff's Initiative	500,000
Total Other Sources	15,520,900
TOTAL SOURCES	**16,497,900**
Expenditures and Other Uses:	
Salaries and wages	3,755,814
Employee benefits	1,826,264
OPEB contributions	55,471
Services and supplies	10,208,364
Capital outlay	300,000
Total expenditures	16,145,913
Transfers out	-
Contingency	-
TOTAL USES	**16,145,913**
Net Change in Fund Balance	**351,987**

Programs:

- General Administration
- Sheriff Homelessness Initiative
- Crossroads
- Cares Campus Shelter
- Care Campus Safe Camp
- Continuum of Care
- Housing Administration
- Human Services:
  - Administration
  - Our Place
  - Women’s Program
  - Temporary Assistance for Displaced Seniors (TADS)

Positions/FTEs: Total = 44.50

- New Programs 7.00
- Human Services 30.50
- Crossroads 2.00
- Sheriff’s Initiative 5.00

Other Funds FY 2022 Recommended Budget - New Positions and Reclassifications

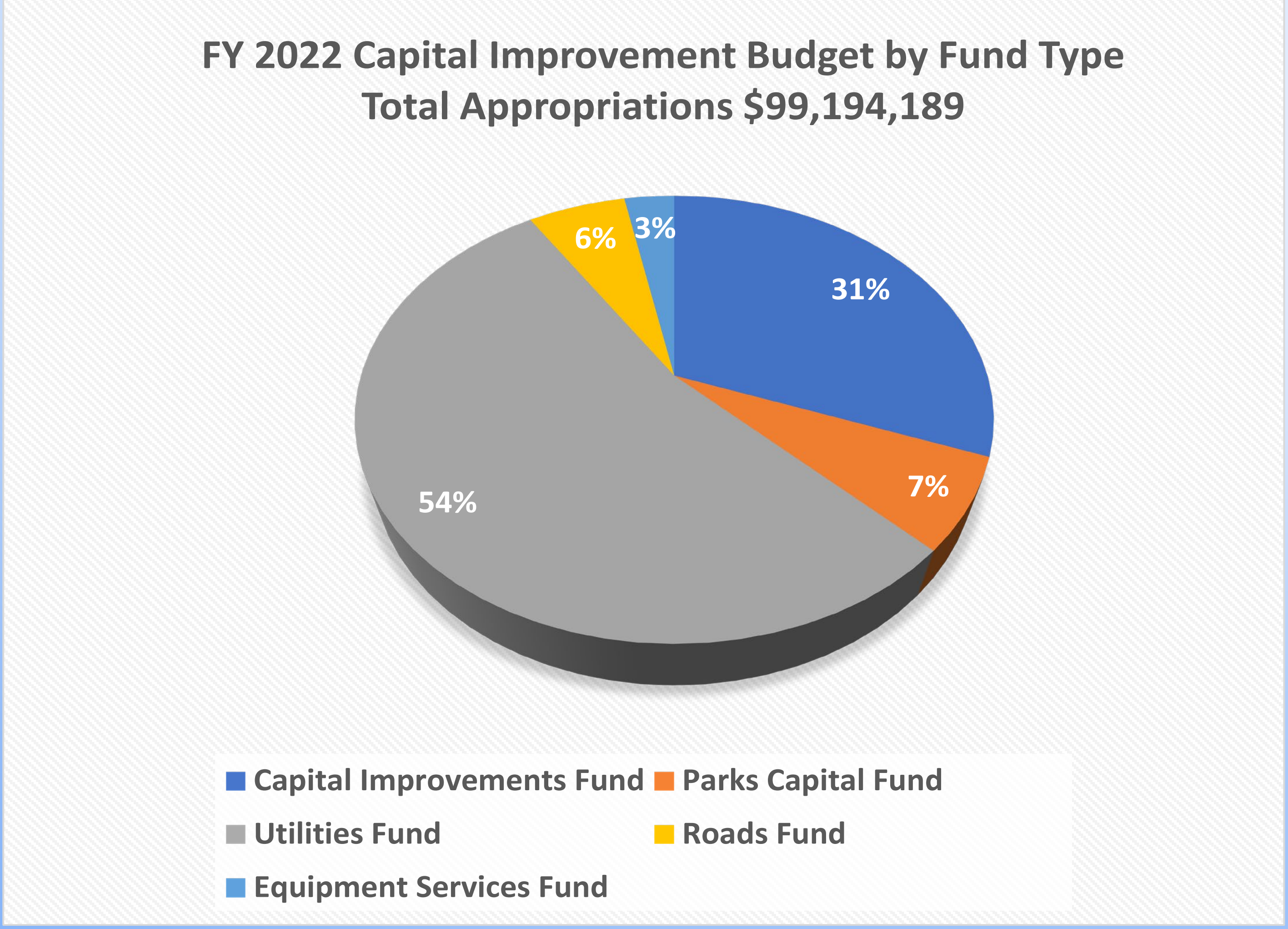
New Positions -Function	Department	Net FTE Change
Welfare	Child Protective Services	1.00
Welfare	Homelessness Fund	9.00
Culture & Recreation	Library Expansion Fund	7.00
Total Other Funds		**17.00**

Reclassifications - Function	Department	# of Incumbents
General Government:	Equipment Services	1.00
Welfare:	Human Services (Senior Svcs.)	1.00
Total Other Funds		2.00

Reclassifications:

- 2 Incumbents

FY 2022 Recommended Budget - Capital Improvements



FY 2022 Recommended Budget - Capital Improvement Fund

FY 2022 Recommended Projects - Capital Improvements Fund	COST
Children Advocacy Center Roof Replacement	415,000
**Karpel Software (FY21 General Fund Transfer)	1,000,000
220 S. Center Street Parking Security	433,643
Red Rock VFD Facilities	160,000
**911 Parr HU3_HU4 Infirmary Food Slot Replacement	362,000
Kids Kottage 1 Roof Replacement	295,000
Downtown Reno Library Elevator Replacement	850,000
**Reno Justice Court Hearing Room/Resource Center	200,000
**Incline Village Above Ground Fuel Tank	500,000
Pedestrian Safety Improvements	200,000
Tech Services-County Network Firewalls	160,240
Tech Services-County Security Camera System Replacement	355,000
Tech Services-Wi-Fi System Upgrades	239,825
Tech Services-Door Access Control System Replacement	247,375
**Sheriff-Records & Case Mgt_Computer Aided Dispatch System	2,500,000
P25 Radios (ongoing)	700,000
Regional Communications-Fox Mountain Infrastructure Upgrades	350,000
Regional Communications-Marble Bluff Infrastructure Upgrades	555,000
5% Undesignated Budget (new projects)	291,554
Other Non-General Fund Sources that support projects noted as **	(3,692,000)
Total FY22 NET Capital Improvements Fund	**6,122,637**

Capital Improvement Fund:

- FY 2022 Projects **net total** $6,122,637
- General Fund Transfer to CIP $7M
- Projects - based on CIP Committee re-prioritization of deferred and new projects

****FY 2022 Total CIP Project Expenses = $30,475,308, including carry-over projects from prior years**

FY 2022 Recommended Budget - Capital Improvements: Parks , Utilities, Roads, and Equipment Services Funds – All Projects

FY 2022 Recommended Projects - Parks Capital Fund	COST
Galena Schoolhouse-Interior Renovations (carry-over)	405,000
South Valleys Regional Park-Master Plan Development (carry-over)	900,000
Ellens Park Playground Renovation (carry-over)	304,125
Whites Creek Playground Improvements (carry-over)	49,063
Sun Valley Regional Park- Bike Park Improvements (carry-over)	100,000
Truckee River Bike Path Land (carry-over)	60,000
Ballardini Loop Trails WC-1 (carry-over)	326,232
Thomas Creek Trail Re-Route Bridge (carry-over)	4,809
WC-1 Lake Tahoe Bike Phase 4 (carry-over)	285,000
Rancho Playground Improvements (carry-over)	550,000
Bowers Mansion Seismic Retrofit Ph III (carry-over)	372,800
WC-1 Riverbend Trails Phase 2 (carry-over)	129,590
Ballardini Water Rights WC-1 (carry-over)	58,742
Bowers Pool Replaster (carry-over)	275,000
Rancho Wetlands/UNR (carry-over)	287,887
Pennington-Bowers Pool Facility Improvements (carry-over)	213,334
Thomas Creek to Ballardini Connector Trail (carry-over)	40,000
NDF Parks & Open Space Weed Management (carry-over)	100,000
Incline/Crystal Bay Miscellaneous Projects	1,275,300
Lemmon Valley Ballfield Improvements	450,000
North Valleys Regional Dog Park	300,000
Reigonal Archery Facility NEPA	100,000
Total FY22 Parks Capital Fund	**$ 6,586,881**

FY 2022 Recommended Projects - Utilities Fund	COST
Reclaimed Water System Maintenance Projects	200,000
Steamboat Lift Station Replacement and 2nd Force Main	2,300,000
Cold Springs WRF Projects	500,000
Effluent Water Projects - Existing Water Resource Management	1,500,000
Pleasant Valley Interceptor - Reach 3 Conveyance Project	7,200,000
STMWRF 2020 Expansion	33,400,000
Effluent Distribution Expansion - Programmatic	6,100,000
N. Spanish Springs Flood Detention Fac. Fencing/Security Imprvmts	1,300,000
Cold Springs WRF Projects	700,000
Total FY22 Utilities Fund	**$ 53,200,000**

FY 2022 Recommended Projects - Roads and Equipment Services	COST
Roads Capital	$ 5,906,000
Equipment Services Capital (Heavy & Light Fleet)	$ 3,026,000

Washoe County FY 2022 Recommended Budget

Next Steps:

- May 18, 2021: Public Hearing and Adoption of the FY 2022 Final Budget
  - Including necessary FY 2021 financial actions
- June 1, 2021: Submit FY 2022 Final Budget to State

Washoe County FY 2022 Recommended Budget

Questions/Discussion