



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: November 18, 2025

DATE: October 28, 2025

TO: Board of County Commissioners

FROM: Dave Solaro, Assistant County Manager

THROUGH: Kate Thomas, Interim County Manager

SUBJECT: Discussion and direction to staff on a request from the Washoe County Library Board of Trustees, after many hours of deliberation and discussion at publicly agendized, noticed, and executed meetings, for a fiscal year 2027 (July 1, 2026 – June 30, 2027) base budget equal to the combined current fiscal year 2026 budgets [General Fund \$14,374,168 and Library Expansion Fund \$3,299,910) adjusted as appropriate to account for future contractual obligations as the baseline budget within the General Fund of Washoe County for purposes of supporting library services in our community. (All Commission Districts).

SUMMARY

Staff is requesting that the Board of County Commissioners provide direction on a request from the Washoe County Library Board of Trustees, after many hours of deliberation and discussion at publicly agendized, noticed, and executed meetings, for a fiscal year 2027 (July 1, 2026 – June 30, 2027) base budget equal to the combined current fiscal year 2026 budgets, adjusted as appropriate to account for future contractual obligations as the baseline budget within the General Fund of Washoe County for purposes of supporting library services in our community. This report is presented in response to the Board's prior direction for a collaborative, transparent, and evidence-based approach to budget planning, following the expiration of the dedication of a two-cent ad valorem tax override for library expansion, facility improvements, and enhanced services necessitating the transition to General Fund support for library operations. As stated below in the Background section, the Board of County Commissioners and the Library Board of Trustees have separately engaged in public meetings and planning sessions to ensure that the recommended budget aligns with community needs, fiscal realities, and statutory requirements.

Staff has prepared this report to clarify that the request from the Library Board of Trustees is consistent with County budget policy, which requires base budgets to be calculated with adjustments for merit, cost of living, and benefit increases, and to be reviewed annually in the context of available resources and Board priorities. The requested action will provide a stable foundation for library operations in fiscal year

AGENDA ITEM # _____

2027, support ongoing community access to library resources, and allow for continued compliance with Nevada Revised Statutes and County financial policies.

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

PREVIOUS ACTION

The Washoe County Library Board of Trustees (LBOT) have engaged in a series of public meetings and service delivery review sessions regarding the library system's operational and budgetary needs for fiscal year 2027.

At the October 15, 2025, Board of Trustees meeting, the Trustees recommended to the Board of County Commissioners fund the library system for FY27 based on the current fiscal year 2026 budget adjusted as appropriate to account for contractual obligations and recommend that staff pursue an above base budget request to be processed through the regular budget cycle to increase the collection budget to be 10% of the final expenditures budget.

At the Special Meeting of the Board of Trustees on October 1, 2025, the Trustees provided direction to the Office of the County Manager to provide actual budget numbers to the proposed Option A Staff Option, and Hybrid library schedules to be presented to the Trustees at the regular meeting of October 15, 2025.

At the September 17, 2025, Board of Trustees meeting, the Trustees provided direction to the Office of the County Manager to begin creation of staffing models around a proposed schedule identified as Option A, with the direction to discuss impacts with Branch Managers and provide the staff model for further discussion at a special meeting to be held October 1, 2025.

At the August 20, 2025, Board of Trustee meeting, the Trustees provided direction to the Office of the County Manager to hold a special meeting on October 1, 2025, as well as committed to provide information individually to the Assistant County Manager for compilation of options to the Trustees at the September 17, 2025, meeting.

On May 20, 2025, the Board of County Commissioners held a public hearing to consider and adopt the Final Budget for Fiscal Year 2026, pursuant to NRS 354.596 and NRS 354.598. During this meeting, Assistant County Manager David Solaro and Budget Manager Lori Cooke presented the recommended budget, which included a flat budget for the Washoe County Library System. The Board was informed that the remaining Library Expansion Fund balance would be spent in FY 2026, with additional General Fund resources of approximately \$1.3 million allocated to maintain the library's overall funding at a flat level, offsetting the expiration of the dedicated Library Expansion Fund tax. The Board also provided direction to work collaboratively with the Library Board of Trustees to develop an updated service delivery model and financial needs assessment by October 1, 2025, to inform the FY 2027 budget process. The Board approved the Final Budget for FY 2026, including the library funding structure.

At the April 22, 2025, meeting, Chief Financial Officer Abbe Yacoben provided an update on the FY 2026 budget, including a discussion of the transition from the Library Expansion Fund to General Fund support for library operations. The Board discussed the need for a collaborative approach to address the library's operational model and budget, with several commissioners emphasizing the importance of transparency, regular updates,

and the involvement of the Library Board of Trustees in the budget review process. No formal action was taken specific to the library budget at this meeting, but staff were directed to continue working with the LBOT and to present further updates at subsequent meetings.

On April 15, 2025, the Board received the County Manager's recommended budget for FY 2026, which included the proposal to utilize the remaining Library Expansion Fund balance and supplement it with General Fund resources to maintain a flat library budget. The Board discussed the implications of the failed ballot initiative to renew the library tax override, the legal requirements for use of the Library Expansion Fund, and the need for the LBOT to review and recommend a service delivery model that aligns with available funding. The Board directed staff to return with additional detail and to prepare the Tentative and Final Budget for adoption at the public hearing on May 20, 2025.

BACKGROUND

The Washoe County Library System operates as a regional public library service, providing access to information, educational resources, and community programming through a network of 12 locations, including partnership libraries and specialized outreach services. The system's mission is to connect people with information, ideas, and experiences to support an engaged and enriched community, one person at a time. The Library Board of Trustees, appointed by the Board of County Commissioners (BCC) pursuant to NRS 379.020, is responsible for governance, policy setting, and oversight of the library system, including the appointment and evaluation of the Library Director, approval of policies, and monitoring of finances and system effectiveness. Trustees are selected based on criteria such as demonstrated use and appreciation of libraries, relevant experience, community involvement, and residency within Washoe County.

For the past 30 years, the Washoe County Library System has been funded through a combination of General Fund appropriations and a dedicated Library Expansion Fund, which was established following voter approval in 1994 of a 30-year, two-cent ad valorem tax override for library expansion, facility improvements, and enhanced services. The Library Expansion Fund was created by Board resolution in 2000 to ensure transparency and accountability in the use of these dedicated revenues which were restricted to purposes such as debt service on library facilities, expanded hours, and collection development. The tax override was set to expire in 2024, and the Board of County Commissioners placed a renewal question on the November 2024 general election ballot to continue this dedicated funding stream. Washoe County voters did not approve the ballot measure which would dedicate the two-cent tax for an additional 30-year period. The two-cent property tax is still levied; however, the use is at the discretion of the Board of County Commissioners.

The expiration of the Library Expansion Fund tax and the transition to sole reliance on the General Fund for library operations represent a fundamental shift in the library's fiscal structure. The Library Board of Trustees have responded by engaging in a series of public meetings and service delivery reviews to determine operational priorities, and sustainable staffing models. The 2022–2025 Library Strategic Plan, which articulates the library's mission and vision, has served as the baseline for these discussions and for the development of future service level recommendations.

The library system's strategic alignment with County objectives is reflected in its support for the Board's long-term goals, including fiscal sustainability, service to vulnerable populations, and innovative service delivery. The library's role as an essential community resource is further underscored by its outreach to underserved populations, partnerships with local organizations, and commitment to equity and access. The Board of County Commissioners has recognized the importance of maintaining essential library services, even during periods of fiscal constraint, and has requested staff to prioritize collaboration, transparency, and evidence-based planning in the development of budget recommendations.

The fiscal year 2026 Library combined adopted budget is approximately \$17,674,078 which includes personnel, central service/overhead, services and supplies, and a current titles budget. As the majority of the costs associated with the library budget are personnel related (approximately 83%) for the services that are provided across the 12 separate branches, the Library Board of Trustees initially focused on the policy direction related to which branches would be open on which days and for how long. Many iterations of library locations, days, and hours of service were created that generally followed the direction of the Trustees to:

- Providing programs that are most impactful and in the correct locations for the community.
- Offering more hours after traditional work hours (8am to 5pm Monday -Friday) to ensure those working traditional hours have access.
- Not every branch needs to offer the same level of service.

It is important to understand that the Trustees also provided direction that the library system should be more than just a place for borrowing books; it should also function as a community hub for social interaction, lifelong learning, and access to digital resources and technology and continue to offer programs within our libraries that provide value to the distinct neighborhoods where the programs are provided. This means that not all libraries will provide the same programs. While determining cost models for the libraries based on providing programming vs. not providing programming, it has been determined that the library must develop a staffing strategy that includes staff who are available to perform many library tasks but also focus on the programming. In other words, to offer programming in the library, regardless of the programming, it requires additional staff.

As the Library hires a new Director in early 2026 and embarks on updating their Strategic Plan the type of programming and needs of the community will be identified through the strategic planning process. This exercise did not determine the programming to be provided, instead it identified that the current/existing budget is necessary to provide programming and to operate the library system. Additionally, the Trustees' recommendation does not single out the library system or provide favor to the system through the upcoming budget process for fiscal year 2027 (FY 2027).

The County's budget process is governed by Nevada Revised Statutes, particularly NRS Chapter 354, which requires the preparation, public notice, and adoption of annual budgets, as well as compliance with state-mandated timelines and procedures. NRS 354.596 requires submission of a tentative budget to the State Department of Taxation by April 15 each year, with a public hearing and adoption of the final budget by June 1. The Department of Taxation certifies compliance with statutory requirements, and any

adjustments to the adopted budget must follow NRS/NAC procedures. The County's budgetary control is maintained at the function level, and all appropriations lapse at year-end unless encumbered or lawfully augmented.

FISCAL IMPACT

The transition to a completely General Fund-supported base budget for the Washoe County Library System in FY 2027 is a direct result of the expiration and failure of WC-1 to extend the Library Expansion Fund tax. The fiscal impact of this transition must be considered within the broader context of the County's overall financial strategy, statutory requirements, and ongoing fiscal constraints.

The source of funds for the recommended library base budget in FY 2027 will be the Washoe County General Fund, which is the County's primary operating fund and supports a wide range of services, including public safety, judicial functions, social services, and regional library services. The General Fund is primarily supported by property tax revenues, which are projected to increase in the near term due to new development and the reallocation of the expiring Library Expansion Fund tax rate, as well as by consolidated sales tax (C-Tax) and other sources. However, the County's five-year financial forecast indicates that expenditure growth is expected to continue outpacing revenue growth, resulting in ongoing structural deficits and a gradual decline in unassigned fund balance as a percentage of appropriations through FY 2030, even with no above-base increases or new positions across departments.

Within this fiscal environment, the recommended approach to library funding is to establish a base budget in the General Fund that reflects the combined prior-year allocations for library operations, with adjustments for known contractual obligations such as merit, cost-of-living, and benefit increases, as required by County financial policy. This approach is consistent with the County's established budget process, which requires annual review and adjustment of departmental base budgets in accordance with available resources, Board priorities, and statutory mandates. Any requests for funding above the base level, such as for expanded collections or new programs, must be separately justified and considered through the annual budget cycle, subject to available resources and Board approval.

The fiscal impact of this transition is not limited to the library system alone. The reallocation of the Library Expansion Fund tax rate to the General Fund increases the pool of discretionary resources available for all County services, but it also places additional pressure on the General Fund to absorb costs previously supported by a dedicated revenue stream. As a result, the County must continue to monitor fund balance levels. The County's ability to fund above-base requests or to respond to unforeseen fiscal challenges will depend on the maintenance of these reserves and the ongoing alignment of expenditures with recurring revenues.

The fiscal impact of the recommended action is to establish a stable, policy-compliant baseline for library funding within the General Fund, while recognizing that future adjustments will be subject to the County's overall fiscal outlook, statutory requirements, and Board direction. This approach supports the continued delivery of essential library services to the community, while maintaining the County's commitment to fiscal

sustainability and prudent financial management.

RECOMMENDATION

Staff recommends the Board approve the request from the Washoe County Library Board of Trustees, for a fiscal year 2027 (July 1, 2026 – June 30, 2027) base budget equal to the combined current fiscal year 2026 budgets [General Fund \$14,374,168 and Library Expansion Fund \$3,299,910] adjusted as appropriate to account for future contractual obligations as the baseline budget within the General Fund of Washoe County for purposes of supporting library services in our community.

POSSIBLE MOTION

Should the Board agree with the staff's recommendation, a possible motion would be:

"Move to direct staff to prepare the Fiscal Year 2027 (July 1, 2026 – June 30, 2027) base budget for the Washoe County Library System within the General Fund, equal to the combined current Fiscal Year 2026 budgets for the General Fund and Library Expansion Fund, adjusted as appropriate to account for future contractual obligations, as the baseline budget for purposes of supporting library services in our community." ,