



# WASHOE COUNTY

Integrity Communication Service  
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## STAFF REPORT

BOARD MEETING DATE: *February 10, 2026*

**DATE:** January 26, 2026

**TO:** Board of County Commissioners

**FROM:** Lori Cooke, Division Director - Budget  
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**THROUGH:** Kate Thomas, County Manager

**SUBJECT:** Recommendation to 1.) Acknowledge the Publication of Notice of Intent to Augment Budgets and approval of the attached Resolution # R26-0000016 to augment the Fiscal Year 2026 General Fund budget, pursuant to Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code (NAC) 354.410, in the amount of [\$17,000,000] to appropriate an opening fund balance larger than anticipated, to support the Washoe County Behavioral Health Remodel Project. The augmentation will increase transfer and expenditure authority for the Washoe County Behavioral Health Facility project located at 1248 East 9<sup>th</sup> Street, Reno, which involves the comprehensive renovation and improvements of an existing 47,000 square foot building to provide a range of behavioral health services, with a specialized focus on children and adolescents. The augmentation serves as a bridge gap measure due to the timing of the project and the anticipated funding sources and; 2.) if approved, any and all other future funding sources for this project, including, but not limited to, private or individual donations, grants, future unplanned revenues, etc., will first be used to replenish the General Fund up to the total amount of funding transferred and; 3.) direct Finance to make the appropriate budget amendments and cross-fund and cross-functional appropriation transfers. (All Commission Districts.) FOR POSSIBLE ACTION

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### SUMMARY

Acknowledgement of the Publication of Notice of Intent to Augment Budgets and approval of the attached Resolution # R26-0000016 to augment the Fiscal Year 2026 General Fund budget, pursuant to Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code (NAC) 354.410, in the amount of [\$17,000,000] to appropriate an opening fund balance larger than anticipated, to support the Washoe County Behavioral Health Remodel Project. The Washoe County Behavioral Health Facility project located at 1248 East 9<sup>th</sup> Street, Reno, involves the comprehensive renovation and improvements of an existing

AGENDA ITEM # \_\_\_\_\_

47,000 square foot building to provide a range of behavioral health services, with a specialized focus on children and adolescents

**Washoe County Strategic Objective supported by this item:** Fiscal Sustainability, Vulnerable Populations

### **PREVIOUS ACTION**

On February 10, 2026, a separate, following staff report from the Community Services Department is requesting Board of County Commissioners approval of Guaranteed Maximum Price #2 (GMP) construction agreement with Plenium Builders, for the Washoe County Behavioral Health Remodel Project (Project), [not to exceed \$20,325,158]. Approval of this augmentation is required to approve GMP 2.

On August 19, 2025 – The Board authorized Plenium Builders, Inc. as the project Construction Manager at Risk (CMAR) and approved the Guaranteed Maximum Price #1 Construction Agreement for the Washoe County Behavioral Health Remodel Project, not to exceed \$6,422,445.

On August 19, 2025 – The Board approved an Agreement for Services between Washoe County and H&K Architects for the Washoe County Behavioral Health (WCBH) Facility project in the amount of \$1,090,000 for final architectural and engineering design services necessary to complete the project. These services included architecture, civil, mechanical, electrical, and structural engineering design and construction administration support for bidding, project delivery and close-out.

On October 14, 2025 – The Board approved the de-obligation of previously approved SLFRF allocations and approved increased allocation to the Washoe Behavioral Health Center (formerly West Hills) Facility Upgrades in the amount of \$637,899.47.

On October 28, 2025 – The Board approved additional SLFRF allocation to the Washoe Behavioral Health Center Facility Upgrades in the amount of \$197,017.96.

On May 20, 2025, the Board of County Commissioners (Board) approved the final Fiscal Year 2026 budget.

On April 8, 2025, the Board approved an Agreement for Services with H&K Architects in the amount of \$675,000 for initial architectural and engineering design services for the Washoe County Behavioral Health Facility. This agreement encompasses architecture, civil, mechanical, electrical, and structural engineering design, as well as consultation with a specialty behavioral health advisor.

On January 31, 2025, the Purchasing and Contracts manager approved a professional services agreement with Plenium Builders in the amount of \$62,548 for CMAR Pre-Construction services.

On January 28, 2025, the Board received a presentation on the status of the project and provided input on several options provided by staff.

On December 17, 2024, the Board approved the allocation of State and Local Fiscal Recovery Funds to support the remodel of the Washoe Behavioral Center, in the amount of \$3,218,285.

On July 1, 2024, the Purchasing and Contracts manager approved a professional services agreement with H&K Architects in the amount of \$299,800 for Initial Programming and Feasibility study.

On March 23, 2024, the Board approved a Coronavirus State and Local Fiscal Recovery Funds subgrant award from the State of Nevada, for the West Hills Facility Rehabilitation, in the amount of \$14,500,000, no county match.

On November 28, 2023, the Board approved the allocation of an additional \$60,000 of SLFRF to cover acquisition closing costs for the purchase of 1240 E. Ninth Street, formerly West Hills Hospital.

On December 20, 2022, the Board approved the allocation of SLFRF to support the purchase of 1240 E. Ninth Street, formerly West Hills Hospital, in the amount of \$4,800,000.

### **BACKGROUND**

The Fiscal Year 2026 budget does not include sufficient transfer or expenditure budget appropriation authority to fund or approve the Guaranteed Maximum Price #2 Construction Agreement with Plenum Builders, Inc., the authorized Construction Manager at Risk (CMAR), for the Washoe County Behavioral Health Remodel Project (Project). This augmentation would increase General Fund (F100) transfer authority and associated Capital Improvement Fund (F402) capital expenditure authority by \$17,000,000 in both transfers and expenditures to support this project.

It is intended that the General Fund augmentation and associated transfers are bridge-gap measures to keep forward progress and momentum on the project and save money by reducing overall construction costs. Further, all other future funding sources, including, but not limited to, private and/or individual donations, grants, future unplanned revenues, etc., will first be used to replenish the General Fund up to total amount of support transferred.

Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code 354.410 set forth 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, the General Fund has a Fiscal Year 2026 opening balance that is larger than anticipated.

### **FISCAL IMPACT**

If approved, the Fiscal Year 2026 augmentation will result in an increase in appropriations for General Fund of \$17,000,000, which will be appropriated as a transfer to the Capital Improvements Fund in the following accounts:

<b>Cost Object</b>	<b>G/L Account</b>	<b>Amount</b>
<b>General Fund - Increase Transfers Out:</b>		
CC 188500 – General Fund Transfer (F100)	814092-Transfer to Capital Improvement Fund	\$17,000,000
<b>Total General Fund Impact</b>	<b>Source: Opening Fund Balance</b>	<b>\$17,000,000</b>
<b>Capital Improvement Fund</b>		
<b>Increase Transfers In/Expenditures:</b>		
CC 920699 – Health & Sanitation (F402)	621001 – Transfer from General Fund	\$17,000,000
CC 920699 – Health & Sanitation (F402)	781080 – Construction Contracts	\$17,000,000
<b>Total Capital Improvement Fund Impact</b>		<b>\$-0-</b>
<b>Total Net Impact</b>	<b>Source: General Fund Opening Fund Balance</b>	<b>\$17,000,000</b>

Note that the budget will be updated as identified above, but actual transfers from the General Fund to the Capital Improvements Fund will only happen as necessary. However, the entire \$17,000,000 transfer shall be made by June 30, 2026.

**RECOMMENDATION**

It is recommended that the Board 1.) Acknowledge the Publication of Notice of Intent to Augment Budgets and approval of the attached Resolution # R26-0000016 to augment the Fiscal Year 2026 General Fund budget, pursuant to Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code (NAC) 354.410, in the amount of [\$17,000,000] to appropriate an opening fund balance larger than anticipated, to support the Washoe County Behavioral Health Remodel Project. The augmentation will increase transfer and expenditure authority for the Washoe County Behavioral Health Facility project located at 1248 East 9<sup>th</sup> Street, Reno, which involves the comprehensive renovation and improvements of an existing 47,000 square foot building to provide a range of behavioral health services, with a specialized focus on children and adolescents. The augmentation serves as a bridge gap measure due to the timing of the project and the anticipated funding sources and; 2.) if approved, any and all other future funding sources for this project, including, but not limited to, private or individual donations, grants, future unplanned revenues, etc., will first be used to replenish the General Fund up to the total amount of funding transferred and; 3.) direct Finance to make the appropriate budget amendments and cross-fund and cross-functional appropriation transfers.

**POSSIBLE MOTION**

Should the Board agree with Staff's recommendation, a possible motion would be:  
*“Move to 1.) Acknowledge the Publication of Notice of Intent to Augment Budgets and approval of the attached Resolution # R26-0000016 to augment the Fiscal Year 2026 General Fund budget, pursuant to Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code (NAC) 354.410, in the amount of [\$17,000,000] to appropriate an opening fund balance larger than anticipated, to support the Washoe County Behavioral Health Remodel Project. The augmentation will increase transfer and expenditure authority for the Washoe County Behavioral Health Facility project located at 1248 East 9<sup>th</sup> Street, Reno, which involves the comprehensive renovation and improvements of an existing 47,000 square foot building to provide a range of behavioral health services, with a specialized focus on children and adolescents. The augmentation serves as a bridge gap measure due to the timing of the project and the anticipated funding sources and; 2.) if approved, any and all other future funding sources for this project, including, but not limited to, private or individual donations, grants, future unplanned revenues, etc., will first be used to replenish the General Fund up to the total amount of funding transferred and; 3.) direct Finance to make the appropriate budget amendments and cross-fund and cross-functional appropriation transfers.*