



# WASHOE COUNTY

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## STAFF REPORT

BOARD MEETING DATE: May 19, 2026

**DATE:** May 8, 2026

**TO:** Board of County Commissioners

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**THROUGH:** Kate Thomas, County Manger

**SUBJECT:** Public hearing, discussion, and possible action on the Washoe County Tentative Budget for Fiscal Year 2027 (July 1, 2026 through June 30, 2027) pursuant to NRS 354.596-estimated appropriations [\$1,133,146,149], as well as possible changes to the Tentative Budget and adoption of it as the Final Budget for Fiscal Year 2027 pursuant to NRS 354.598-estimated appropriations [\$1,138,146,582]. The proposed budget incorporates Board priorities of funding for existing contractual obligations, supplies, utilities, personnel costs, capital improvements and operations, and maintaining the County's assets and infrastructure needs. The proposed budget also includes the following actions:

- 1) To approve the changes to position control for Fiscal Year 2027 indicated on Attachment A-including the reduction of 9.68 Net Full Time Equivalent (FTE), Reclassifications/Evaluations/Other Changes impacting up to 34.0 positions/incumbents and Title Only Changes impacting up to 13.0 positions/incumbents.

If necessary to accommodate any material changes desired by the Board as identified during the hearing on the Tentative Budget, this item may be continued to May 26, 2026, at 10:00 AM. (All Commission Districts). FOR POSSIBLE ACTION

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### SUMMARY

The purpose of this item is to conduct a hearing on the Tentative Budget for Fiscal Year 2027 (July 1, 2026 through June 30, 2027); consider approval of the Final Budget for FY 2027, which incorporates the updates following the County Manager's recommendations presented on April 14, 2026, and approve changes to position control for FY 2027 related to the FY 2027 Final Budget as outlined.

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

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

## **PREVIOUS ACTION**

**On May 12, 2026**, the Board of County Commissioners acknowledged the receipt of the Interim Financial Report for Washoe County Governmental Funds for the Nine Months Ended March 31, 2025 – Unaudited

**On April 14, 2026**, the Board of County Commissioners received and discussed the County Manager's recommendations for the Fiscal Year 2027 budget and directed the County Manager to return to the Board of County Commission with the certified Tentative and Final Budget for adoption at a public hearing on May 19, 2026.

**On March 17, 2026**, the Board of County Commissioners acknowledged the presentation of the Washoe County Financial Outlook for Fiscal Year 2027 and Budget. The overview includes a Mid-Year General Fund 2026 review, economic, revenue and expenditure trends, Board of County Commissioner strategic goals, known cost increases, unquantified/outstanding cost impacts, and a general outlook for Fiscal Year 2027 and Budget.

**On February 17, 2026**, the Board of County Commissioners acknowledged the receipt of the Interim Financial Report for Washoe County Governmental Funds for the Six Months Ended December 31, 2025 – Unaudited

**On January 27, 2026**, the Board of County Commissioners held a budget workshop. The purpose of the Budget Workshop is to provide the Board with information in preparation for the budget process. Topics of discussion include national and regional economic updates, review of county financials, review of updated five-year forecast, an overview of county services, and a strategic overlook. This item was discussion only.

**On January 20, 2026**, the Board of County Commissioners acknowledged the presentation of the Washoe County Financial Outlook for Fiscal Year 2027 and Budget. The overview included a review of the General Fund's financial results for Fiscal Year 2025, a Mid-Year 2026 review, and economic, revenue and expenditure trends, Board of County Commissioner strategic goals, known cost increases, unquantified/outstanding cost impacts, and a general outlook for Fiscal Year 2027 and Budget.

**On December 16, 2025**, the Board of County Commissioners acknowledged receipt of the Washoe County Annual Comprehensive Financial Report (ACFR), auditor's report, and report on internal control for the fiscal year ended June 30, 2025 as presented; approve the re-appropriation of [\$117,880,477.50] for the fiscal year 2026 budget, consisting of [\$68,481,627.22] for purchase order encumbrances committed in fiscal year 2025 and [\$49,398,850.28] for spending of restricted contributions and fees; and, authorize the Comptroller to proceed with distribution of the ACFR for public record, as required by law.

**On November 18, 2025**, the Board of County Commissioners acknowledged the receipt of the Interim Financial Report for Washoe County Governmental Funds for the Three Months Ended September 30, 2025 – Unaudited

**On October 28, 2025**, the Board of County Commissioners received a presentation on the unaudited FY 2025 year-end general fund budget-to-actual revenue and expenditures in addition to potential updates on the FY 2026 budget-to-actual revenue and expenditures.

**On July 22, 2025**, the Washoe County Finance Department held a public event for “Budget 101” and the “Washoe Checkbook”. The presentation outlined basic county budgeting and how to use the Washoe Checkbook, an online interactive tool for viewing revenue and expenditures across all county departments – which was launched in April 2025.

## **BACKGROUND**

### *Final County Budget*

NRS 354.596 requires a public hearing of the County’s Tentative Budget, which is required to be submitted to the State Department of Taxation by April 15 of each year. The Department of Taxation has examined the submitted Tentative Budget for compliance with law and has provided a written certificate of compliance.

Pursuant to NRS 354.598, at the date of the County’s Tentative Budget hearing, the Board of County Commissioners may also adopt a Final Budget. A final budget must be certified by a majority of the Board and submitted to the State by June 1 annually.

Included in this agenda packet is the Fiscal Year 2027 Tentative Budget submitted to the State in April and the Fiscal Year 2027 Final Budget document. There are minimal changes between the Fiscal Year 2027 Tentative and Final Budgets. Appropriations across all funds increased by \$5 million, or 0.4 percent. Material changes are outlined below:

### *General Fund*

- One new 1.0 full-time equivalent (FTE) to support the Sheriff’s Office Alternative to Incarceration program – case management.
  - Note that the General Fund still reflects a net decrease of 2.78 FTEs

### *Other Funds*

- The Parks Capital Fund now reflects an additional \$3.95 million of revenue and expenditure for various projects contingent upon grant/other funding.

The Washoe County Board of County Commissioners has a clear vision and is actively updating the Strategic Plan with long-term goals and shorter-term initiatives and benchmarks. The Board met in January 2026 for a public Budget Workshop and in April and May 2026 for Strategic Planning Workshops.

The current fiscal landscape warrants continued caution. The reality for FY 2027 is that there are similar challenges to recent years. The continuing trend of flattening revenue growth, including C-Tax and Property Tax (i.e., although both are still reflecting growth, the rate of growth is flattening), final ARPA spend down, and uncertainty with State/Federal grants, demands immediate consideration. These challenges are compounded by expenditures continuing to significantly outpace revenues. The adopted Fiscal Year 2026 budget included a five-year General Fund forecast reflecting unsustainable structural deficits (ongoing expenditures exceeding revenues).

In designing the Fiscal Year 2027 budget process, County leadership collectively expanded on the FY 2026 process, with a focus on a more efficient, collaborative, communicative, and strategic process to determine methods of executing the Board's vision with very finite resources. As part of that goal, the annual budget process was updated-including:

- Monthly financial updates to the Board
- Distributed and collated Strategic Planning feedback with responses from Elected Officials and Department Heads
- Convened the second annual all-department Budget Congress
- Held a follow-up all-department Budget Congress (Budget Congress 2.1)
- Continued individual briefings with Commissioners-including additional follow-up
- Continued process improvement based on best practices and stakeholder feedback.

Thanks to the organization's collective discipline and cooperation, we have been able to weather some significant fiscal challenges in the recent past. This includes various unplanned emergency responses (N. Valleys flooding, Davis Creek Fire, Hidden Valley flooding, etc.), the AT&T Sales Tax Refund, our COVID-19 response, the Incline Settlement payments, historically high inflationary impacts, historically high PERS contribution rate increases, implementation of classification and compensation updates (Korn Ferry), and multi-year collective bargaining agreements, etc. The impacts of these challenges were met without requiring budget reductions. This is quite an achievement, and we are grateful to all departments for their teamwork and innovation, but we still face a challenging outlook over the next five years.

Based on our various challenges, Fiscal Year 2027 continues to embody themes from prior years. This means there are no identified resources for additional personnel without permanent offsets. Success will require working together to identify and implement creative and innovative solutions based on a service inventory and using technology to help us be even more productive while maintaining our focus on our customers. For the second year, instead of submitting above-base budget requests as usual, departments participated in the Budget Congress and discussed the top concerns, ideas to help alleviate these concerns, and discussion about areas of assistance or support overcoming increasing service level expectations. The Fiscal Year 2027 base budget was updated as in prior years to account for known impacts (i.e., central services, personnel, BCC-approved contracts, etc.).

Due to the familiar and ongoing picture of increasing costs outpacing increasing revenues, the County Manager's Fiscal Year 2027 Recommended Budget reflects a vigilant and restrained approach for service delivery, which emphasizes careful monitoring, risk mitigation, and measured action. It also adheres to the BCC strategic vision focus areas as well as the County's continued goals over the last several years of:

- Maintain Services
  - Make progress on Fundamental Service Review
- Commitment to Our Employees: Keep Employees Working
  - No layoffs/furloughs
- Use Reserves Wisely
  - Stabilize expenditure growth to bring into alignment with revenues.

- Stabilization will ensure sufficient working cash to pay the bills and preserve fund balance for compliance with the Board’s policy and Nevada Revised statute.

**FISCAL IMPACT**

Total Fiscal Year 2027 (FY 2027) appropriations (expenditures/expenses, contingencies and transfers out) for 22 Governmental and 6 Proprietary funds are \$1.14 billion, see charts below.

Fiscal Year 2027 appropriations represent a \$62.2 million, or 6%, increase compared to the Fiscal Year 2026 (FY 2026) final budget. However, due to a change in the budget process, it’s estimated that capital project funds will have mid-year FY 2027 budget appropriation increases of ~\$88 million compared to the Final budget of \$52 million (i.e., a total of ~\$140 million) – see note and chart(s) below.

Washoe County Budget					
	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2027	Change from Prior Year	
Total Budget Appropriations*	Final	Tentative	Final	\$	%
<b>Governmental Funds</b>					
General Fund	\$ 549,296,292	\$ 588,374,936	\$ 588,697,883	\$ 39,401,592	7%
Special Revenue Funds	\$ 324,466,280	\$ 328,250,653	\$ 328,223,340	\$ 3,757,060	1%
Capital Project Funds	\$ 48,873,241	\$ 47,554,028	\$ 51,961,931	\$ 3,088,690	6%
Debt Service Funds	\$ 13,251,261	\$ 12,015,282	\$ 12,015,349	\$ (1,235,912)	-9%
<b>Total Governmental Funds</b>	<b>\$ 935,887,074</b>	<b>\$ 976,194,899</b>	<b>\$ 980,898,503</b>	<b>\$ 45,011,429</b>	<b>5%</b>
<b>Proprietary Funds</b>					
Enterprise Funds	32,054,659	37,061,374	37,358,204	\$ 5,303,545	17%
Internal Service Funds	108,047,286	119,889,876	119,889,876	\$ 11,842,589	11%
<b>Total Proprietary Funds</b>	<b>140,101,945</b>	<b>156,951,250</b>	<b>157,248,079</b>	<b>\$ 17,146,134</b>	<b>12%</b>
<b>Total Appropriations - All Funds</b>	<b>1,075,989,019</b>	<b>1,133,146,149</b>	<b>1,138,146,582</b>	<b>62,157,563</b>	<b>6%</b>

\*Total appropriations include expenditures, contingencies and transfers out

\*\* Capital Project Funds' budgets do not reflect carry forward projects from prior years

FY27 budget re-appropriation is estimated at \$88 million. The budget will be re-appropriated (increased) during the year-end process and included with acceptance of the annual audit.

<b>Governmental Funds</b>						
Fund Type	Salaries & Benefits	Services & Supplies	Capital Outlay	Contingency	Operating Transfers Out	Total Appropriations
General Fund	381,341,088	100,765,169	485,707	9,645,000	96,460,919	588,697,883
Special Revenue Funds	138,862,492	137,400,309	10,567,033	-	41,393,507	328,223,340
Capital Project Funds	157,188	16,376,043	33,028,700	-	2,400,000	51,961,931
Debt Service Funds	-	12,015,349	-	-	-	12,015,349
<b>Total</b>	<b>520,360,768</b>	<b>266,556,869</b>	<b>44,081,440</b>	<b>9,645,000</b>	<b>140,254,426</b>	<b>980,898,503</b>
<b>Proprietary Funds</b>						
Fund Type	Operating Expenses	Non-Operating Expenses	Operating Transfers Out	Total Appropriations		
Enterprise Funds	36,336,150	750,085	271,969	37,358,204		
Internal Service Funds	119,889,876	-	-	119,889,876		
<b>Total</b>	<b>156,226,025</b>	<b>750,085</b>	<b>271,969</b>	<b>157,248,079</b>		
<b>Total Appropriations</b>						<b>1,138,146,582</b>

Overall Revenue Trends

The regional economy continues to see growth, but at a slower rate than in recent years. As economic growth slows, the County’s revenue growth is also expected to slow, and resources will not support all needs and Fiscal Year 2027 budget requests.

Overall, FY 2027 revenues for governmental funds are estimated at \$805 million, which is a \$51 million increase (6.8%) over FY 2026 budgeted revenues of \$754 million. Note that the adopted revenues of most funds do not include supplemental funding (i.e., grants, donations, etc.) or restricted funds that are carried forward from the prior year. Those estimates are included with the FY 2026 estimates to complete and will be reconciled in FY 2027 based on FY 2026 year-end actuals and closeout.

Property tax is the largest revenue source in the General Fund, representing approximately 52% of all ongoing/recurring revenues. For FY 2027, total property taxes are projected by the State Department of Taxation to increase 5.2%, from \$334.1 million in FY 2026 to \$351.5 million in FY 2027. The increase above the 3.0% cap on existing residential and 8.0% on non-residential (general) in FY 2027 is mostly attributable to new development.

The county’s total levied property tax rate remains at \$1.3917 per \$100 of assessed valuation. This rate has been the same since Fiscal Year 2005 (23 years). The statutory maximum rate is \$3.66 per \$100 of assessed valuation. Most areas of the county are at the \$3.66 maximum due to the overlapping rates of different non-county entities (i.e., City of Reno, City of Sparks, Truckee Meadows Fire Protection District, Washoe County School District, General Improvement Districts, etc.).

One of the County’s most volatile sources of revenue is Consolidated Tax (C-Tax). As it is comprised mainly of sales taxes, C-Tax is the first major source of revenue to show signs of softening as the economy slows. The County’s C-Tax receipts have been slowing over the past two years. In addition, due to the modernization of technology systems at the State of Nevada Department of Taxation, the information we have available is not comparable for

annual trends. For example, the November 2024 distribution, received in February 2025, was approximately half of the anticipated amount. The final FY 2025 C-Tax distribution was received in September 2025, making year-to-date comparisons based on prior year distributions extremely challenging. The County has responded by revising its Fiscal Year 2026 year-end forecast for C-Tax from the originally budgeted increase of 2.5% to an estimated increase of 4.5% over the prior fiscal year. In addition, the Fiscal Year 2027 Budget assumes a 3.0% increase in Consolidated Tax (C-Tax) with annual increases expected in the five-year forecast of 2.5% in Fiscal Years 2028 through 2031.

#### Overall Expenditure/Expense Trends

Personnel is one of the county's largest costs. Fiscal Year 2027 personnel costs are budgeted to increase 3.8% compared to FY 2026 final budget. The increase is largely attributed to continuation of the FY 2024 implementation of a comprehensive classification and compensation study, in addition to the historic PERS contribution rate increases in FY 2024 and FY 2026. New positions are not being recommended, and General Fund salary savings of approximately 3% percent are budgeted.

As identified above, total appropriations (expenditures/expenses, contingencies & transfers out) are budgeted to increase 6%, comprising of increases of 5% in governmental funds and an increase of 12% in proprietary funds.

Fiscal Year 2027 continues many similar themes from Fiscal Years 2023 through 2026, including caring for the County's most vulnerable. Notable highlights for the FY 2027 Recommended Budget include:

- General Fund - budgeted salary savings of three percent (3.0%) - representing savings based on *normal* turnover
- No net new positions
  - Note there may be reallocations between departments
- Reclassifications that result in higher pay grades only approved with a validated permanent funding offset
- Remaining ARPA-funded positions will be funded with already accrued ARPA interest beginning in FY 2027
- Due to urgent funding issues and community public health needs, an increase of the General Fund transfer to Northern Nevada Public Health (see additional information below)
- Due to urgent funding constraints and infrastructure needs, an increase of the General Fund transfer to the Roads Fund (see additional information below)
- Library – FY 2027 recommended budget is reflected entirely in the General Fund
- No General Fund budget carryforward for encumbrances (Purchase Orders)
  - No “automatic” carry forward for any fund

Other notable Fiscal Year 2027 General Fund items include:

- General Fund Transfers Out of \$96.4 million, supporting:
  - Indigent Fund - \$26.3 million
  - Homelessness Fund - \$21.7 million
  - Transfer to Capital Projects - \$14.4 million (\$400k = one-time)
  - Health District - \$11.5 million
  - Roads Fund - \$10.6 million

- Debt Service Fund - \$5.1 million
  - Senior Services Fund - \$3.4 million
  - Golf Fund - \$3.0 million (\$3 million = one-time)
  - Regional CAD/RMS - \$344 thousand
- Contingency of \$9.6 million, or ~2%

### General Fund

The General Fund is the largest and primary operating fund of the County and encompasses many functions/operations such as public safety for the Sheriff, juvenile services, medical examiner, public guardian and the Public Administrator; judicial functions such as the District Court, the four justice courts in Washoe County, the District Attorney and public defense; general government and finance functions such as the Board of County Commissioners, County Clerk, County Recorder, County Treasurer, County Assessor, County manager's office, human resources, technology services, and registrar of voters; regional library services; regional parks and recreation; human (social) services; and other functions. The General comprises approximately 52% of total budget appropriations.

While the last few fiscal years' financial results provided non-recurring resources to pay for one-time needs, such as property tax refunds per a legal settlement, and needed asset maintenance and capital improvements, challenges remain. Many priorities were considered in developing the Fiscal Year 2027 Recommended Budget. These priorities included funding for existing: contractual obligations, supplies, utilities, personnel costs, and maintaining the County's assets and infrastructure needs.

### Revenue(s)

Total FY 2027 General Fund revenues are forecasted to increase from \$552.5 million to \$580.6 million, or \$28 million, 5.1%, compared to FY 2026 estimates. However, this increase includes one-time revenues of \$10 million that have been accounted for in the General Fund forecasts.

As discussed above, the C-Tax has shown increased growth to date in FY 2026 and it is estimated to grow 3.0% in FY 2027, compared to FY 2026 estimated of \$170.3 million, to \$175.4 million. C-Tax represents 32% of the County's General Fund ongoing/recurrent revenues.

Property taxes remain by far the largest single source of revenue for the General Fund, roughly 52% of all General Fund ongoing/recurrent revenues. General Fund ad-valorem taxes are estimated to increase \$14.7 million, or 5.2 percent.

### Expenditure(s)

Total budgeted expenditures, not including contingency or transfers out, for FY 2027 are \$482.6 million. This is a \$25.1 million, or 5.5%, increase over FY 2026 estimated expenditures of \$457.5 million. This also reflects an increase of \$25.9 million, or 5.7%, compared to the adopted FY 2026 budget.

Salaries and benefits remain the largest category of expenditures and total \$381.3 million, or 79% of expenditures not including operating transfers out. General Fund personnel expenditures are budgeted to increase \$17.6 million, or 4.8%, compared to the adopted FY 2026 budget. The increase in FY 2027 General Fund personnel expenditures reflects continuation of

the FY 2024 implementation of a comprehensive classification and compensation study, the historical FY 2024 and FY 2026 PERS rate increases, finalized Collective Bargaining Agreements, and FY 2027 budgeted salary savings of three percent. Services and Supplies show an increase of \$8.3 million, or 8.9%, compared to the adopted FY 2026 budget, due almost exclusively to inflationary expenditure increases.

Approximately \$4.5 million, or 18%, of the total expenditure increases represent fully moving expenditures previously funded and budgeted in the expired Library Expansion Fund. Note that the associated ad valorem tax rate (\$0.02) was reallocated to the General Fund operating rate in FY 2026. Fiscal Year 2027 is the first year that the entire budget associated with the Library Expansion Fund is included in the General Fund.

Other notable Fiscal Year 2027 General Fund items have been discussed above.

#### Fund Balance

The General Fund FY 2027 ending fund balance is budgeted at \$150.8 million, or 25.6% of total expenditures and transfers out. However, after accounting for the General Fund stabilization reserve of \$4 million, and other restrictions and commitments, the actual unassigned ending fund balance is estimated to be \$143.7 million, or 24.8% of General Fund expenditures and transfers out. The current Board policy is to maintain an unassigned General Fund balance of 10% to 17 percent.

The General Fund's structural deficit can be explained simply by combining three factors:

1. Property tax is ~52% of General Fund revenues; a General Fund P-Tax increase of 5.2% results in an effective rate of increase, as an offset to expenditures, of 2.7 percent.
2. C-Tax, which is ~31% of General Fund revenues; a C-Tax increase of 3.0% results in an effective rate of increase of 1.0%, and
3. The combined revenue increase of ~ 3.7% is utilized to fund total uses, which are rising at a higher rate than 3.7 percent.

Increases above 3.7% result in a structural deficit.

The Fiscal Year 2027 Final Budget reflects total sources and uses for the General Fund balanced with an anticipated decrease in fund balance of \$5.7 million. This net use is a combination of anticipated revenue of \$10 million received for grants/donations to "pay back" the General Fund \$17 million FY 2026 transfer, a one-time \$1.7 million transfer for ARPA interest – used in future years for staffing costs, offset with the contingency budget of \$9.6 million, and one time transfers out of \$3.4 million. The County will continue to prepare and monitor a five-year forecast of the General Fund to identify possible structural deficits based on the cumulative impact of forecasted revenues and expenditures to ensure long-term fiscal sustainability.

Please see the General Fund Fiscal Year 2027 Final Budget, Sources and Uses, on the following page.

Washoe County FY 2027 General Fund Final Budget							
Sources and Uses	FY 2025 Actual	FY 2026 Final	FY 2026 Estimated	FY 2027 Tentative	FY 2027 Final	FY27 Final vs. FY26 Year-End Estimate	
						% Var.	\$ Var.
<b>Revenues and Other Sources:</b>							
Taxes	259,935,878	285,086,625	285,086,625	299,830,766	299,830,766	5.2%	14,744,141
Licenses and permits	14,490,574	14,995,691	14,128,370	14,353,370	14,353,370	1.6%	225,000
Consolidated taxes - Actual	162,944,143	162,079,122	170,276,630	175,384,929	175,384,929	3.0%	5,108,299
SCCRT AB104	20,506,418	20,126,294	20,710,879	21,332,205	21,332,205	3.0%	621,326
Other intergovernmental	9,009,766	10,939,052	10,934,532	10,925,177	10,925,177	-0.1%	(9,355)
Charges for services	27,944,315	30,519,218	29,337,203	29,849,230	29,849,230	1.7%	512,027
Fine and forfeitures	7,495,633	6,768,382	7,068,382	7,068,382	7,418,382	5.0%	350,000
Miscellaneous	21,519,700	9,379,305	14,965,165	11,402,070	11,472,205	-23.3%	(3,492,959)
Miscellaneous - One Time	-	-	-	10,000,000	10,000,000		10,000,000
<b>Total revenues</b>	<b>523,846,426</b>	<b>539,893,689</b>	<b>552,507,785</b>	<b>580,146,129</b>	<b>580,566,264</b>	<b>5.1%</b>	<b>28,058,479</b>
Other sources, transfers in	1,027,284	943,367	943,367	861,945	861,945	-8.6%	(81,422)
Other sources, transfers in - one-time		6,000,000	6,000,000	1,700,000	1,700,000	-71.7%	(4,300,000)
Other sources, debt issued (GASB 87)	22,133,906						
<b>TOTAL SOURCES</b>	<b>547,007,615</b>	<b>546,837,056</b>	<b>559,451,152</b>	<b>582,708,074</b>	<b>583,128,209</b>	<b>4.2%</b>	<b>23,677,057</b>
<b>Uses:</b>							
<b>Expenditures and Other Uses:</b>							
Salaries and wages	225,380,196	234,388,088	227,106,349	247,384,071	247,517,340	9.0%	20,410,991
Vacancy Savings		(7,073,962)	(162,422)	(7,429,904)	(7,429,904)	4474.4%	(7,267,482)
<i>Subtotal</i>	225,380,196	227,314,126	226,943,927	239,954,167	240,087,436	5.8%	13,143,509
Employee benefits	123,523,337	140,695,145	137,394,539	145,484,679	145,611,270	6.0%	8,216,731
Vacancy Savings		(4,247,629)	(1,031,156)	(4,357,617)	(4,357,617)	322.6%	(3,326,461)
<i>Subtotal</i>	123,523,337	136,447,516	136,363,383	141,127,062	141,253,653	3.6%	4,890,270
Services and supplies	76,708,040	92,494,771	93,659,339	100,672,082	100,765,169	7.6%	7,105,830
Settlement payments (one-time)	1,656						
Capital outlay	1,184,372	479,507	520,716	515,707	485,707	-6.7%	(35,009)
Capital outlay (GASB 87)	22,133,906						
Debt Service (GASB 87)	7,268,272						
<b>Total expenditures</b>	<b>456,199,780</b>	<b>456,735,920</b>	<b>457,487,365</b>	<b>482,269,018</b>	<b>482,591,964</b>	<b>5.5%</b>	<b>25,104,599</b>
Transfers out	81,411,659	85,760,372	85,782,372	93,060,919	93,060,919	8.5%	7,278,547
Transfers out (one-time)	-		17,000,000	3,400,000	3,400,000	-80.0%	(13,600,000)
Contingency	-	6,800,000	6,372,064	9,645,000	9,645,000	51.4%	3,272,936
<b>TOTAL USES</b>	<b>537,611,438</b>	<b>549,296,292</b>	<b>566,641,801</b>	<b>588,374,937</b>	<b>588,697,883</b>	<b>3.9%</b>	<b>22,056,082</b>
<b>Net Change in Fund Balance</b>	<b>9,396,177</b>	<b>(2,459,236)</b>	<b>(7,190,649)</b>	<b>(5,666,863)</b>	<b>(5,569,674)</b>	<b>-22.5%</b>	<b>1,620,975</b>
Beginning Fund Balance	154,152,738	141,217,062	163,548,915	156,358,267	156,358,267		
Ending Fund Balance	163,548,915	138,757,826	156,358,267	150,691,404	150,788,593		
<b>Unassigned Ending Fund Balance</b>	<b>\$157,738,255</b>	<b>\$129,207,826</b>	<b>\$146,927,202</b>	<b>\$143,638,940</b>	<b>\$143,736,129</b>		
<b>Unassigned Ending Fund Balance%</b>	<b>30.7%</b>	<b>23.8%</b>	<b>26.2%</b>	<b>24.8%</b>	<b>24.8%</b>		
*as % of Expense & Transfers less Capital							

Proprietary Funds

Proprietary funds for Washoe County consist of three enterprise funds (Building and Safety, Golf Course, and the Utilities Fund) and three internal service funds (Equipment Services,

Health Benefits and Risk Management). Overall, operating and non-operating revenues, and transfers in for proprietary funds total \$165.3 million, while operating, non-operating expenses and transfers total \$158.9 million. The increase in net income of \$8.1 million is due to the net impact of planned FY 2027 expenses in the Health Benefits, Risk Management, Golf, and Building & Safety Funds offset with net income in the Utilities and Equipment Services Funds.

### Conclusion

Washoe County will continue to maintain strong fund balances for Fiscal Year 2027 and is committed to providing quality customer service for its residents. The County successfully managed the debt portfolio and maintained the AA+/Stable rating upgrade from S&P Global in April 2023. The Final Fiscal Year 2026-2027 budget reflects a balanced approach to ensure long-term viability through careful fiscal planning.

### **RECOMMENDATION**

It is recommended that the Board adopt the Final Budget for Fiscal Year 2027 pursuant to NRS 354.598-estimated appropriations [\$1,138,146,582]. The proposed budget incorporates Board priorities of funding for existing contractual obligations, supplies, utilities, personnel costs, capital improvements and operations, and maintaining the County's assets and infrastructure needs. The proposed budget also includes the following actions:

- 1) To approve the changes to position control for Fiscal Year 2027 indicated on Attachment A-including the reduction of 9.68 Net Full Time Equivalents (FTE), Reclassifications/Evaluations/Other Changes impacting up to 34.0 positions/incumbents and Title Only Changes impacting up to 13.0 positions/incumbents.

### **POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be "*move to adopt and certify the Final Budget for Fiscal Year 2027 pursuant to NRS 354.598-estimated appropriations [\$1,138,146,582]. The proposed budget incorporates Board priorities of funding for existing contractual obligations, supplies, utilities, personnel costs, capital improvements and operations, and maintaining the County's assets and infrastructure needs. The proposed budget also includes the following actions:*

- 1) *To approve the changes to position control for Fiscal Year 2027 indicated on Attachment A-including the reduction of 9.68 Net Full Time Equivalents (FTE), Reclassifications/Evaluations/Other Changes impacting up to 34.0 positions/incumbents and Title Only Changes impacting up to 13.0 positions/incumbents.*"