

Board of County Commissioners
May 13, 2025



FY 2026 Budget Update

Background and Summary of Changes - Tentative to Final



Agenda

- Briefing
 - Augmentations
 - Contingency
 - Changes Tentative to Final
- Preview of the Final Budget Presentation
- Next Steps



Augmentations – What are they?

- **NRS 354.493 “Budget augmentation” defined.** “Budget augmentation” is a procedure for increasing appropriations of a fund with the express intent of employing previously unbudgeted resources of the fund for carrying out the increased appropriations.

When are they allowed?

- **NAC 354.410**
 - (a) An opening balance which is larger than anticipated;
 - (b) Revenues in excess of those budgeted;
 - (c) Revenues generated from previously unbudgeted sources; or
 - (d) An unappropriated ending balance of a fund for capital projects.



General Fund Contingency

- NRS 354.608 – Max 3% of expenditures (excludes transfers)
- Board Policy 12.5: The County budgets up to the maximum under NRS
- Board approves use of Contingency
- FY2025 budget is \$12.5 million or 3%
- FY2026 proposed is \$6.8 million or 1.5%
 - Vacancy savings creates less cushion in departmental budgets
 - Costs increasing – bids/RFPs coming in high
 - Unknown/unfunded legislative mandates
 - General market conditions uncertain
 - 1% would be approximately \$4.5 million (for reference – not recommended)



Changes and Impacts – Guidance Needed

- Library support to be budgeted centrally and allocated if/as needed
 - Exhaust Expansion Funds
 - LBOT approves usage as needed
 - \$1.3 million
- ARPA-funded positions move to the general fund/interest transferred to GF
 - 5 Public Defender positions
 - 2 Juvenile Services positions
 - 1 Court position
 - \$1.2 million annual cost/\$6 million interest (almost five years coverage)
- Contingency
 - Board Policy is to budget up to the statutory maximum of 3%
 - Current proposed budget of 1.5% or \$6.8 million
 - Discussion of 1% or \$4.5 million
- Interest income adjusted from \$5 million to \$7 million

Fiscal Year 2026 Budget Preview of Final Budget



High Level Preview of Final Recommended Budget

Washoe County Budget					
	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2026	Change from Prior Year	
	Final	Tentative	Final	\$	%
Total Budget Appropriations*					
Governmental Funds					
General Fund	\$ 522,087,064	\$ 547,515,380	\$ 549,296,292	\$ 27,209,228	5%
Special Revenue Funds	\$ 334,370,052	\$ 319,393,972	\$ 324,466,280	\$ (9,903,772)	-3%
Capital Project Funds	\$ 152,549,046	\$ 44,235,408	\$ 48,873,241	\$ (103,675,805)	-68%
Debt Service Funds	\$ 14,273,749	\$ 13,251,261	\$ 13,251,261	\$ (1,022,488)	-7%
Total Governmental Funds	\$ 1,023,279,911	\$ 924,396,021	\$ 935,887,074	\$ (87,392,837)	-9%
Proprietary Funds					
Enterprise Funds	33,565,657	31,965,349	32,054,659	\$ (1,510,998)	-5%
Internal Service Funds	101,023,158	108,047,286	108,047,286	\$ 7,024,128	7%
Total Proprietary Funds	134,588,815	140,012,635	140,101,945	\$ 5,513,130	4.1%
Total Appropriations - All Funds	1,157,868,726	1,064,408,656	1,075,989,019	(81,879,707)	-7%

*Total appropriations include expenditures, contingencies and transfers out

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

FY26 budget re-appropriation is estimated at \$80 million. The budget will be re-appropriated (increased) during the year-end process and included with acceptance of the annual audit.



High Level Preview of Final Recommended Budget

General Fund Changes

FY 2025 Estimate to Complete

- Contingency estimate adjusted to reflect BCC approvals and estimated needs through year-end
- Pooled Interest increased based on year-to-date performance

FY 2026 Final Recommend

- ARPA Positions in the General Fund with one-time \$6M ARPA interest transfer that will provide funding in future years (i.e., “pre-funded” for ~ 5 years)
- Reallocation of \$1.3M circulation budget from Library department to centralized budget
- Special District Funds increased back to \$100,000 per district
- Pooled Interest increased based on anticipated cash balance(s)



Fiscal Year 2026 Budget Preview of Final Budget

Washoe County FY 2026 General Fund Recommended Budget (Final)					
Sources and Uses	FY 2025 Estimated	FY 2026 Tentative	FY 2026 Final	FY26 Final vs. FY25 Year-End Estimate % Var.	FY26 Final vs. FY25 Year-End Estimate \$ Var.
Revenues and Other Sources:					
Taxes	260,606,144	285,086,625	285,086,625	9.4%	24,480,481
Licenses and permits	14,935,691	14,995,691	14,995,691	0.4%	60,000
Consolidated taxes - Actual	158,901,100	162,079,122	162,079,122	2.0%	3,178,022
SCCRT AB104	19,927,024	20,126,294	20,126,294	1.0%	199,270
Other intergovernmental	9,396,342	10,939,052	10,939,052	16.4%	1,542,710
Charges for services	27,805,602	30,519,218	30,519,218	9.8%	2,713,616
Fine and forfeitures	7,958,708	6,768,382	6,768,382	-15.0%	(1,190,326)
Miscellaneous	12,384,305	7,879,305	9,379,305	-24.3%	(3,005,000)
Total revenues	511,914,916	538,393,689	539,893,689	5.5%	27,978,773
Other sources, transfers in	746,168	854,057	943,367	26.4%	197,199
Other sources, transfers in - one-time			6,000,000		
TOTAL SOURCES	512,661,084	539,247,746	546,837,056	6.7%	34,175,972

Washoe County FY 2026 General Fund Recommended Budget (Final)					
Sources and Uses	FY 2025 Estimated	FY 2026 Tentative	FY 2026 Final	FY26 Final vs. FY25 Year-End Estimate % Var.	FY26 Final vs. FY25 Year-End Estimate \$ Var.
Expenditures and Other Uses:					
Salaries and wages	222,240,320	233,676,457	234,388,088		
Vacancy Savings	(1,324,956)	(7,065,669)	(7,073,962)		
Subtotal	220,915,364	226,610,788	227,314,126	2.9%	6,398,762
Employee benefits	124,999,297	140,308,903	140,695,145		
Vacancy Savings	(743,844)	(4,249,562)	(4,247,629)		
Subtotal	124,255,453	136,059,341	136,447,516	9.8%	12,192,063
Services and supplies	90,310,320	91,805,371	92,494,771	2.4%	2,184,451
Capital outlay	1,732,636	479,507	479,507	-72.3%	(1,253,129)
Total expenditures	437,213,773	454,955,008	456,735,920	4.5%	19,522,147
Transfers out	78,382,987	85,760,372	85,760,372	9.4%	7,377,385
Contingency	10,000,000	6,800,000	6,800,000	-32.0%	(3,200,000)
TOTAL USES	525,596,760	547,515,380	549,296,292	4.5%	23,699,532
Net Change in Fund Balance	(12,935,676)	(8,267,634)	(2,459,236)	-81.0%	10,476,440
Beginning Fund Balance	154,152,738	136,013,217	141,217,062		
Ending Fund Balance	141,217,062	127,745,583	138,757,826		
Unassigned Ending Fund Balance	\$ 136,467,062	\$ 122,995,583	\$ 129,207,826		
Unassigned Ending Fund Balance %	26.6%	22.8%	23.8%		
*as % of Expense & Transfers less Capital					

Note that the FY 2026 Recommended Final Budget deficit reflects \$6 million of one-time resources that will continue to be spent down over at least the next five years. Without the one-time transfer, the deficit would reflect similarly to the Tentative Budget



Next Steps

- May 20th public hearing and budget adoption
- June 1st or before budget filing with Department of Taxation
- July 1st or before tax rates adopted
- Date TBD Budget 101
- August 1st or before
 - Five-year capital improvement plan
 - Debt management policy

Thank You & Questions

