



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: *June 20, 2023*

DATE: Wednesday, June 14, 2023

TO: Board of County Commissioners

FROM: Gabrielle Enfield, Community Reinvestment Manager
Office of the County Manager
genfield@washoecounty.gov

THROUGH: Kate Thomas, Assistant County Manager
kathomas@washoecounty.gov

SUBJECT: Recommendation to deobligate previously approved allocations of American Rescue Plan Act (ARPA) funds through the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) for projects that have been completed under budget, been cancelled, or no longer need the previously approved levels of funding. These include reducing the budgeted amount for the Reno Justice Court Remodel by \$500,000 due to project cancellation, and the following due to funds remaining at the completion of the project: Sparks Justice Court AV upgrade by \$4,611.27, Reno Justice Court Self-Help Center by \$16,356.15, Washoe County Sheriff's Office Deputy Positions by \$872,020.21 (funded by FY23 general fund support), Washoe County Sheriff's Office UVC Sanitizing Program by \$36,000, and the County Clerk's Administrative Position by \$52,842.80 (funded by FY23 general fund support).

Recommendation to approve transfer of collected 12% indirect on salary from eligible approved projects from July 1, 2022, through March 31, 2023, totaling \$255,681.56. These include Cares Campus Operations \$181,398.15; Public Defender Personnel \$26,481.75; Human Services Agency Personnel \$16,184.80; District Attorney Personnel \$6,657.01; Second Judicial District Court \$6,262.31; ARPA Admin Personnel \$18,697.54.

And, if approved, direction to the Comptroller's Office to make necessary net zero cross-fund and/or cross-functional budget appropriation transfers and unbudgeted transfers
Manager's Office. (All Commission Districts.) FOR POSSIBLE ACTION

AGENDA ITEM # _____

SUMMARY

The staff report is largely administrative in nature to allow for the Comptroller and Budget Departments to make the necessary cross-fund and/or cross-functional allocation adjustments and to inform the Board of projects that have been cancelled or completed under the previously approved allocation amount.

Lastly, the report transfers the collected 12% indirect on salary from eligible approved projects totaling \$255,681.56 to Community Reinvestment operations. These projects include Cares Campus Operations \$181,398.15, Public Defender Personnel \$26,481.75, Human Services Agency Personnel \$16,184.80, District Attorney Personnel \$6,657.01, Second Judicial District Court \$6,262.31, ARPA Admin Personnel \$18,697.54 and completing the necessary cross-fund and cross-functional transfers into the appropriate accounts.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability

PREVIOUS ACTION

On January 11, 2022, the Board approved an amendment to increase the Cares Campus Operations budget by \$6,110,532 for a total of \$7,971,644.00.

On December 14, 2021, the Board approved allocations for ARPA-SLFRF projects in the amount of \$40,201,764. Some of these projects included the Reno Justice Court Remodel for \$500,000, Sparks Justice Court AV Upgrade for \$138,638, the Reno Justice Court Self-Help Center for \$90,675, the Washoe County Sheriff's Office Deputy Positions for \$1,956,096, the Washoe County Sheriff's Office UVC Sanitizing Program for \$140,000, the County Clerk's Administrative Position for \$58,895, the District Court AV upgrade for \$1,285,000, the Public Defender Personnel \$26,481.75, the Human Services Agency Personnel \$16,184.80, the District Attorney Personnel \$6,657.01, the Second Judicial District Court \$6,262.31 and the ARPA Admin Personnel \$18,697.54. The Board also allowed the County Manager to approve new ARPA-funded projects under \$500,000.

On July 20, 2021, the Board accepted Coronavirus State and Local Fiscal Recovery Funds allocation from the United States Department of the Treasury in the amount of [\$91,587,038; no county match], authorized the County Manager to sign award documents and directed the Comptroller's Office to make the necessary budget amendments.

For all Board of County Commissioner actions related to the American Rescue Plan Act Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds between July 20, 2021 and through June 20, 2023, visit the [Washoe County ARPA webpage](#).

BACKGROUND

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund. Washoe County has been awarded a grant of \$91,587,038 in State and Local Fiscal Recovery Funds (SLFRF). The SLFRF provides a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Deobligation

Deobligation is the process of reducing the previously allocated award amount due to the project completion coming in under budget or cancellation of all or a portion of the project. This process includes final reporting from department leads indicating the project is complete and the level of funds that remain to be returned to the ARPA-SLFRF Recovery Funds Cost Center.

The deobligations include reducing the budgeted amount of the Reno Justice Court Remodel by \$500,000 due to project cancellation, the Sparks Justice Court AV upgrade by \$4,611.27 due to completion under budget, the Reno Justice Court Self-Help Center by \$16,356.15 due to completion under budget, the Washoe County Sheriff’s Office Deputy Positions by \$872,020.21 due to general fund support in FY23, the Washoe County Sheriff’s Office UVC Sanitating Program by \$36,000 due to completion under budget, and the County Clerk’s Administrative Position by \$52,842,80 due to FY23 general fund support.

Indirect Costs

According to the State and Local Fiscal Recovery Funds Compliance and Reporting Guidance, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs if they are accorded consistent treatment per 2 CFR 200.403. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the SLFRF award such as the cost of facilities or administrative functions like a director’s office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to either direct and indirect cost categories, or to other programs.

Washoe County’s indirect costs are collected at a rate of 12% on the base salary of grant funded positions provided by ARPA-SLFRF.

FY23 Q1-Q3 12% Indirect

Project	Indirect Eligible Salary Total	12% Indirect
Cares Campus Operations	\$1,511,651.23	\$181,398.15
Public Defender Personnel	\$220,681.25	\$26,481.75
HSA Personnel	\$134,873.35	\$16,184.80
District Attorney Personnel	\$55,475.08	\$6,657.01
Second Judicial District Court	\$52,185.91	\$6,262.31
ARPA Admin Personnel	\$155,812.85	\$18,697.54

FISCAL IMPACT

Should the board approve the projects as submitted, the FY24 SLFRF COVID-19 Recovery Fund (Fund 270, Fund Center 270-8) and Capital Improvement Fund – SLFRF Projects (Fund 402, Fund Center 402-10) budgets will be adjusted with the following cross-fund and/or cross-functional net-zero appropriation transfers. Additionally, an unbudgeted transfer of \$255,681.56 will be processed as outlined below:

Budget Appropriation Transfers:

Reno Justice Court

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Revenue:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	431100-Federal Grants	\$500,000.00
Other Restricted Fund (270)/ Judicial	IO 19122 RJC – Courtroom Remodel	431100-Federal Grants	(\$500,000.00)
Expenditures/Transfers:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	710500-Other Expense	\$500,000.00
Other Restricted Fund (270)/Judicial	IO 19122 RJC – Courtroom Remodel	814092-Transfer to Public Works Construction	(\$500,000.00)
Capital Improvement Fund (402)/Judicial	PW920366 – RJC Courtroom A Remodel	781080-Construction Contracts	(\$500,000.00)
Capital Improvement Fund (402)/Judicial	PW920366 – RJC Courtroom A Remodel	622270-Transfer from Other Restricted	(\$500,000.00)

Sparks Justice Court AV Upgrade

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Revenue:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	431100-Federal Grants	\$4,611.27
Other Restricted Fund (270)/ Judicial	IO 19111- SJC-AV Upgrade	431100-Federal Grants	(\$4,611.27)
Expenditures/Transfers:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	710500-Other Expense	\$4,611.27
Other Restricted Fund (270)/ Judicial	IO 19111- SJC-AV	814092-Transfer to Public Works Construction	(\$4,611.27)
Capital Improvement Fund (402)/Judicial	PW 920363- SJC AV Upgrade - SLFRF	781080-Construction Contracts	(\$4,611.27)
Capital Improvement Fund (402)/Judicial	PW 920363- SJC AV Upgrade - SLFRF	622270-Transfer From Other Restricted	(\$4,611.27)

Reno Justice Court Self Help Center

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Revenue:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	431100-Federal Grants	\$16,356.15
Other Restricted Fund (270)/Judicial	IO 11934 RJC – Self Help	431100-Federal Grants	(\$16,356.15)
Expenditures/Transfers:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	710500-Other Expense	\$16,356.15
Other Restricted Fund (270)/Judicial	IO 11934 RJC – Self Help	710500-Other Expense	(\$16,356.15)

Washoe County Sheriff’s Office Deputy Personnel

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Revenue:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	431100-Federal Grants	\$906,994.20
Other Restricted Fund (270)/Public Safety	IO 11955 – WCSO - Personnel	431100-Federal Grants	(\$906,994.20)
Expenditures/Transfers:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	710500-Other Expense	\$906,994.20
Other Restricted Fund (270)/Public Safety	IO 11955 – WCSO - Personnel	710500- Other Expense	(\$906,994.20)

Washoe County UVC Sanitation Program

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Revenue:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	431100-Federal Grants	\$36,000.00
Other Restricted Fund (270)/Public Safety	IO 19113 – WCSO UVC Sanitation	431100-Federal Grants	(\$36,000.00)
Expenditures/Transfers:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	710500-Other Expense	\$36,000.00
Other Restricted Fund (270)/Public Safety	IO 19113 – WCSO UVC Sanitation	814092-Transfer to Public Works Construction	(\$36,000.00)
Capital Improvement Fund (402)/ Public Safety	PW 920414 – WCSO UV Lights	622270 – TF Other Restricted	(\$36,000.00)
Capital Improvement Fund (402)/Public Safety	PW 920414 – WCSO UV Lights	781004 -Equipment Capital	(\$36,000.00)

County Clerk’s Office Administrative Personnel

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Revenue:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	431100-Federal Grants	\$52,102.05
Other Restricted Fund (270)/Gen Gov	IO 11959 Clerk-Personnel	431100-Federal Grants	(\$52,102.05)
Expenditures/Transfers:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	710500-Other Expense	\$52,102.05
Other Restricted Fund (270)/Gen Gov	IO 11959 Clerk-Personnel	710500-Other Expense	(\$52,102.05)

ARPA-SLFRF Indirect on Personnel Q1-Q3

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Expenditures/Transfers			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF - General Government	710500-Other Expense	\$255,681.56
Other Restricted Fund (270)/ Welfare	IO11949 HHS-Cares Campus Operations	701412-Salary Adjustment	(\$181,398.15)
Other Restricted Fund (270)/Judicial	11933PD-Personnel	701412-Salary Adjustment	(\$26,481.75)
Other Restricted Fund (270)/Welfare	11946 HSA-Personnel	701412-Salary Adjustment	(\$16,184.80)
Other Restricted Fund (270)/Judicial	11948 DA-Personnel	701412-Salary Adjustment	(\$6,657.01)
Other Restricted Fund (270)/Judicial	19117 SJDC-AV Upgrade	701412-Salary Adjustment	(\$6,262.31)
Other Restricted Fund (270)/Gen Gov	11904 OCM-SLFRF-Admin	701412-Salary Adjustment	(\$18,697.54)

Unbudgeted Transfer:

Fund/Function	Cost Object & Description	G/L Account & Description	Increase/ (Decrease)
Revenue:			
Other Restricted Fund (270)/Gen Gov	CC 270800 – SLFRF – General Government	431100-Federal Grants	(\$255,681.56)
General Fund (100)/Gen Gov	IO 12146 -ARPA Indirect Rev	431105 – Indirect Revenue	\$255,681.56

RECOMMENDATION

Recommendation to deobligate previously approved allocations of American Rescue Plan Act (ARPA) funds through the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) for projects that have been completed under budget, been cancelled, or no longer need the previously approved levels of funding. These include reducing the budgeted amount for the Reno Justice Court Remodel by \$500,000 due to project cancellation, and the following due to funds remaining at the completion of the project: Sparks Justice Court AV upgrade by \$4,611.27, Reno Justice Court Self-Help Center by \$16,356.15, Washoe County Sheriff's Office Deputy Positions by \$872,020.21 (funded by FY23 general fund support), Washoe County Sheriff's Office UVC Sanitizing Program by \$36,000, and the County Clerk's Administrative Position by \$52,842.80 (funded by FY23 general fund support).

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And, if approved, direction to the Comptroller's Office to make necessary net zero cross-fund and/or cross-functional budget appropriation transfers and unbudgeted transfers Manager's Office. (All Commission Districts.) FOR POSSIBLE ACTION

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "move to deobligate previously approved allocations of American Rescue Plan Act (ARPA) funds through the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) for projects that have been completed under budget, been cancelled, or no longer need the previously approved levels of funding. These include reducing the budgeted amount for the Reno Justice Court Remodel by \$500,000 due to project cancellation, and the following due to funds remaining at the completion of the project: Sparks Justice Court AV upgrade by \$4,611.27, Reno Justice Court Self-Help Center by \$16,356.15, Washoe County Sheriff's Office Deputy Positions by \$872,020.21 (funded by FY23 general fund support), Washoe County Sheriff's Office UVC Sanitizing Program by \$36,000, and the County Clerk's Administrative Position by \$52,842.80 (funded by FY23 general fund support).

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