

Washoe County Budget Policy Committee

FRIDAY

9:00 A.M.

FEBRUARY 20, 2009

PRESENT:

David Humke, Chairman County Commission
Bob Larkin, County Commissioner
Mike Haley, Washoe County Sheriff
Bill Berrum, Washoe County Treasurer
Doug Doolittle, Director Regional Parks and Open Space
Carla Fells, Employee Association Representative
Dennis Carry, Employee Association Representative
Rand Tanner, Organizational Effectiveness Committee
Dave Funk, Organizational Effectiveness Committee

ABSENT:

Rosemary Menard, Director Water Resources

The Washoe County Budget Policy Board convened at 9:00 a.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with County Commission Chairman Humke presiding.

AGENDA ITEM 1 – Public Comment. Comment heard under this item will be limited to two minutes per person and may pertain to matters both on and off the Commission agenda. All public comment for this meeting will be heard during this item. Comments are to be made to the Commission as a whole.

There was no response to the call for public comment.

AGENDA ITEM 2 – Washoe County Budget Policy: Review of staff report, background information and discussion of mission, purpose, deliverables, timeframes, and possible direction to staff.

Commissioner Humke reviewed the membership of the Budget Policy Committee, mission, purpose, and deliverables. He stated the committee would have informal rules of decorum and be facilitated by Katy Simon, Washoe County Manager.

Katy Simon explained the composition of the committee was determined by Board of County Commissioners on February 10, 2009, agenda item # 22. Two members were to be selected by the Bargaining Associations. Other employee associations want it noted for the record that they do not agree with the process used by the associations to determine employee association representatives.

Katy Simon asked each member to introduce themselves and talk about what they bring to the committee.

Mike Haley, Washoe County Sheriff, suggested the Committee look at potential consequences of actions. He brings a willingness to look at any alternatives and think outside the box.

Bill Berrum, Washoe County Treasurer, suggested focusing on policy, keeping in mind best interest of the taxpayers and the entire County.

Carla Fells, WCEA Representative, said County employees she has spoken to are concerned about services to citizens and are dedicated to providing programs and delivery of services.

Dave Funk, President and Director of Nevada Security Bank, served on OEC for 6 years, 3 years as chairman, said businesses are also going thru this process at this time, protect people and programs, and set policies.

Rand Tanner, stock broker for Morgan Stanley, suggested protecting assets of the County and the citizens, it's important to take care of citizens today and in the future and the Committee is here to find a process to help officials make decisions.

Dennis Carry, Washoe County Sheriff Detective, WCSDA representative, suggested a balance between policy and representation of the employees. He is looking at the impacts of decisions on others and efficiencies.

Doug Doolittle, Director Regional Parks and Open Space, suggested an entrepreneurial approach to delivery of services, looking at impact to citizens, the implications for other agencies.

Chairman Humke said County Commissioners have a role as Executive and Legislative in Washoe County. Committee needs to keep in mind the Judicial Branch that is not represented.

Commissioner Larkin said we are dealing now with unforeseen conditions. The Federal stimulus package won't show results for 18 – 24 months. We need to be smart, be strategic. Everything is on the table, no sacred cows – everything must be scrutinized. Look at stability of local government – what's best for us. Avoid silos, and the need to have strategic plan in place. 10 years ago – determining priorities, look at scalability of government, how we want our local government to function. Will be forced to give things up but we cannot fracture ourselves in the process. We need to make decisions – if we don't, state and feds will tell us.

Gene Brockman, member of Charting Our Course, OEC Alternate, 2nd term in IVGID, 35 years with major national corporation. Incline relies heavily on user fees.

Katy Simon reviewed February 17, 2009 presentation to Assembly Taxation Committee.

John Sherman, Finance Director, discussed the fiscal outlook for Washoe County.

Commissioner Humke said we need to protect the revenue we have. Government is going to change at the Federal and State levels.

Commissioner Larkin asked John Sherman what level a \$47 million reduction in revenues compares to.

John Sherman stated revenue compared to 2004 levels.

Sheriff Haley suggested that grants will be generated to increase revenue.

Darin Conforti, Budget Manager, said the magnitude of reductions no longer allow us to continue to do the budget reductions in the way we have done for the last three years. We need to establish principles we want to build the future on, that will navigate us through the change that is being forced upon us. He stated the web page would be used to provide documents to committee and public. He explained statutory timelines for putting the budget together are imposed by the State. Tentative must be submitted by April 15. We must hold a public hearing on the final budget on May 18. We must adopt final budget by June 1. A draft of principles from the committee to go to the BCC by March 17 to be used in a parallel process by departments to develop budget reduction plans that will be necessary to balance the budget for FY09/10. He reviewed examples of other jurisdictions' policies and budget principles.

Katy Simon asked what are some of key themes, phrases, and words that we might consider for incorporating into principles that the committee would establish.

Commissioner Larkin asked that this info be taken by staff and brought back to the committee with some of the applications staff has observed for the Committee to discuss.

Katy Simon envisioned the process the committee start with the brainstorming and staff would bring back possible principles for the committee to review and finalize and also some of the categories of budget reduction strategies that are on the table here and elsewhere. Then we would examine with the committee how would those principles be applied to the review of those various strategies. Today's meeting will generate some principles, themes, phrases, ideas. Next meeting review some draft principles, look at the categories of budget reduction strategies, generate more ideas from committees, share those ideas with departments as they are formulating their budgets for next year. Third meeting finalize those principles and categories, talk about criteria for decision making. Fourth meeting finalize those criteria.

Mr. Funk stated besides the principles must be a dollar represented. In his opinion the pessimistic budget will be more significant than that. He explained assessed property values will decline as the result of adjustable rate mortgages, peak pricing in 2005, and homeowners who are mortgaged for 140% of the current value of the home. He feels a \$47 million shortfall is very optimistic.

Katy Simon facilitated a brainstorming session for ideas for principles (see attachment).

AGENDA ITEM 3 – Committee Organization and Future Meeting Schedule.

Meeting dates for future meetings were agreed on by the committee.

Friday, February 27, 1:00 p.m.

Wednesday, March 4, 9:00 a.m.

Wednesday, March 11, 9:00 a.m.

It was agreed that the agenda for the next meeting would include draft principles and categories of budget criteria for evaluation.

Attachment

Principles Budget Policy Committee Meeting February 20, 2009

- Need to put money to ideas
 - Shortfall may be much worse
 - Maximum flexibility
 - o Up and down economic times
 - Core services that are mandated
 - What do we absolutely have to do
 - Courts need to give us guidance on what we will be required to do
 - Test impacts and consequences
 - Liability
 - Separate tactical (\$47 mil right now) vs. strategic (out year decisions)
 - Must be measurable "Demand Accountability"
 - o Outcomes
 - Challenge, mandates
 - o What's the result for not following?
 - o Renegotiate mandates?
 - Assess cost-benefits of all decisions/options (ie liability, etc)
 - Meet mandates at minimum levels?
 - Some decisions = quality of life
 - o Must reflect what community wants
- TMT – look at all impacts – ie libraries in neighborhoods at risk
- Use data where available to help inform decisions, examine impacts.
 - Balance quality of life with survival
 - Reflect what community needs
 - Take care of infrastructure – avoiding maintenance costs more later
 - Cannot be all things to all people
 - o People are in survival mode.
 - Some tactical decisions may meet short-term objectives but do long-term strategic harm
 - Be able to suspend mandates under temp-circumstances – FLEXIBLE MANDATES
 - What is the best we can do for the whole?
 - Live within our means
 - Save for a rainy day
 - This too shall pass ... and focus strategically
 - Engage unemployed citizens in volunteering assisting with service delivery
 - Don't abandon strategic planning – Re-calibrate
 - Challenge all present business models – ie out sourcing, being efficient
 - Challenge ourselves to be competitive
 - RFP's
 - Scalability

- If County is provider, why isn't it provided by private sector If it is offered by private sector, why is County doing it, or determine which is more competitive and why?
- Maximize level of service for value
- "Have to haves"
- Streamlining processes ie bring judge to inmates vs. transporting inmates to judge.
- Encourage, expand volunteerism as a resource to County services
 - o Retirees, etc
 - o Newly unemployed
- What if???
- Implications, research, objective accountability
- Encourage consolidation of government services – internal, external, etc.
- Efficient, frugal preservation of infrastructure
- Nothing is off the table
- Audits – what have studies recommended?
- Fresh look at efficiencies
- Pay me now or pay me later