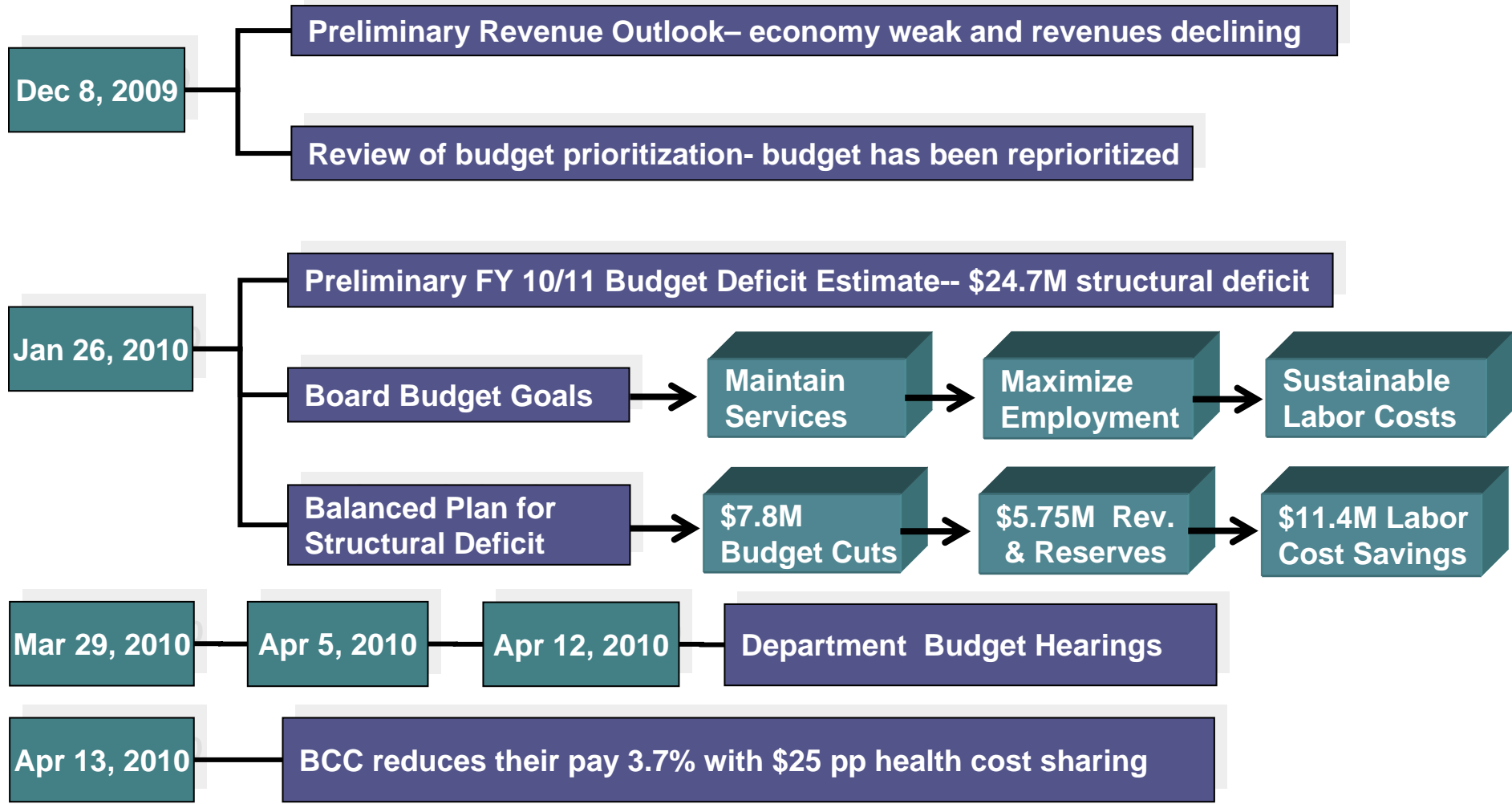


Washoe County Fiscal Year 2010/11 Recommended Final Budget

Board of County Commissioners
May 17, 2010

Developing the FY 2010/11 Budget



Developing the FY 2010/11 Budget



Strategic Measures

Maintaining Financial Stability

- Washoe County has taken strategic measures to maintain financial stability and plan for sustainability.
 - Cash Management Measures
 - Budget Management Measures
 - Health Insurance Cost Management Measures

Cash Management Measures

- Prudent and timely use of liability reserves in the Risk Management Fund to manage cash flow needs of operating funds.
- Removal of restricted funds from the General Fund– creating a clearer picture of operating costs and operating cash needs.

Budget Management Measures

- Conservative budgeting and conservative spending by departments creating budget savings for FY 09/10
 - Budget to actual for FY 09/10 at 97% (projected)
 - No mid year reductions needed
 - Return on investment for PERS buyouts being achieved- 130 buyouts generating \$8.25M in savings each year
- Creation of a dynamic financial planning model to help inform better budget choices for FY 10/11 and the future

Health Insurance Cost Management Measures

- Cost growth targets to help contain unsustainable health insurance cost increases
- Work of the Insurance Negotiating Committee to adjust plan design to lower costs
- Creation of the Other Post Employment Benefits (OPEB) Trust for Retiree Health Benefits

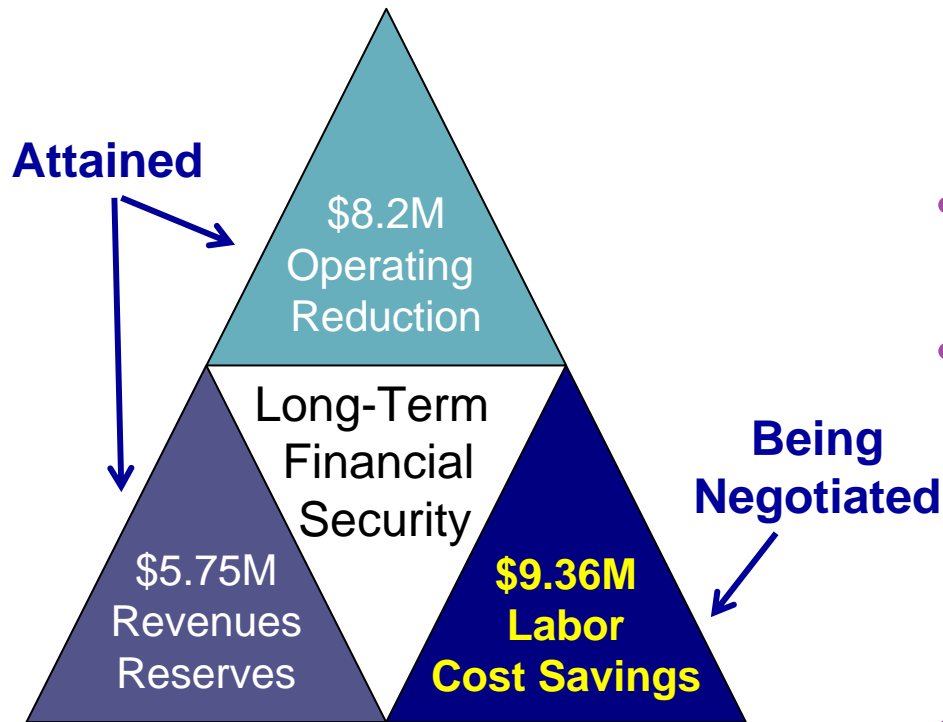
FY 10/11 Deficit Has Been Lowered

- Combined Work and Actions of Many
 - \$8.2M in operating reduction plans by departments
 - Redirection of \$5.75M in revenues and reserves by the Board
 - Lower growth in health insurance costs by Insurance Negotiating Committee
 - Conservative spending by Departments
- Have Lowered the FY 10/11 Deficit from \$24.7M to \$9.36M

Updated FY 2010/11 Deficit

	<u>Jan 26, 2010</u>	<u>May 17, 2010</u>
<u>SOURCES:</u> Beginning Fund Balance	\$30,623,975	\$21,883,882
Revenues and Transfers In	\$269,447,453	\$288,856,011
Total Sources	\$300,071,428	\$307,739,893
<u>USES:</u> Expenses	\$270,403,511	\$279,051,083
Contingency	\$1,500,000	\$1,500,000
Transfers Out	\$29,954,609	\$14,262,771
Ending Fund Balance 7.6%	\$22,941,194	\$22,291,853
Total Uses	\$324,799,014	\$317,105,707
SOURCES over (under) USES	\$(24,727,586)	\$(9,365,814)

Update Balanced Plan



**Three Point Plan to Close
FY 10/11 Deficit and Create
Long-Term Security**

- County must still realign its expenses with the rebased revenues.
- Structural Deficit still exists
- Board Goals
 - Maintain Services
 - Maximize Employment
 - Sustainable Labor Costs
- Balance Plan- two of three points attained
- Labor Cost Savings Being Negotiated

Labor Cost Savings Needed

- \$9.36M in Labor Cost Savings are still needed to balance the FY 10/11 Budget
- Labor Cost Savings Goals
 - Create a sustainable pay and benefits compensation plan
 - Reduce the cost for long-term liability associated with retiree health benefits

Labor Cost Savings Targets	
Current Compensation and Benefit Cost Savings	\$5.365M
Retiree Health Benefit Liability Cost Savings	\$4.000M
Totals	\$9.365M

Labor Cost Savings Plan to Attain

- Pursuant to NRS 288– savings are being negotiated with all employee associations
- Board direction is that all employees (represented and non-represented) are to be treated equally
- Each employee group (represented and non-represented) has been provided a savings target equal to that group's percent of total personnel costs
- Final Budget being recommended “anticipates” the savings needed by reducing salary and benefit budget authority
- Contingency budget reduction plans will need to be implemented should savings not be attained

Alternative General Fund Budget Reduction Targets of \$9.365M

General Fund Department	<i>Alt. Budget Reduction Plan Target if Labor Savings Not Attained</i>	General Fund Department	<i>Alt. Budget Reduction Plan Target if Labor Savings Not Attained</i>
Alt Sentencing Dept	25,986	Library Dept	424,192
Alternate Public Defender	84,220	Medical Examiner	72,401
Assessor	269,156	Public Administrator	44,897
Community Development	107,079	Public Defender	335,305
County Clerk	64,280	Public Guardian	70,196
County Commission	21,703	Public Works	545,212
County Manager	108,435	Regional Parks	202,823
County Recorder	92,614	Registrar of Voters	26,440
District Attorney	781,714	Reno Justice	210,127
District Court	649,936	Sheriff's Office	3,572,914
Finance Department	156,820	Social Services	187,805
Human Resources	83,781	Sparks Justice	99,874
Incline Constable	7,805	Tech Services	428,577
Incline Justice	16,292	Treasurer	83,208
Juvenile Services	580,274	Wadsworth Justice	11,748
		Grand Total	9,365,813

Overview of Recommended General Fund Budget for FY 2010/11

- The FY 10/11 Budget reflects a reprioritized and resized organization.
- Budgets have been rolled back nearly to FY 04/05 levels.
- Full time equivalent positions at the lowest point since the early 2000^s
- FTE per 1,000 population at the lowest point in years
- Expenditures per capita below \$700

Reprioritizing and Resizing Budgets

- Since the high point in FY 2008, the General Fund budget has been resized and reprioritized
- Reduction rates from FY 2008 to FY 2011 Recommended Budget reflect the prioritization:
 - > **Public Safety** -7% > **Jud/Health/Soc** -7%
 - > **Gen Gov** -33% > **Culture/Recreation** -39%

General Fund Department Priority Groups Adopted Budgets FY 2005 to FY2011

Priority	FY 2005 Adopted	FY 2006 Adopted	FY 2007 Adopted	FY 2008 Adopted	FY 2009 Adopted	FY 2010 Adopted	FY 2011 Recommend
Public Safety	\$70,056,962	\$76,513,865	\$82,510,811	\$90,501,186	\$91,402,796	\$89,506,639	\$84,078,472
Jud./Health/ Soc.	\$66,350,317	\$71,362,380	\$78,570,275	\$81,524,432	\$84,078,372	\$78,629,960	\$76,106,076
Gen Gov.	\$72,971,051	\$81,903,163	\$86,988,684	\$91,669,815	\$83,699,071	\$68,317,379	\$61,229,572
Culture/Rec.	\$17,999,571	\$21,481,930	\$22,765,175	\$23,185,428	\$19,780,503	\$14,241,821	\$14,102,235
Totals	\$227,377,901	\$251,261,338	\$270,834,947	\$286,880,862	\$278,960,743	\$250,695,798	\$235,516,355

Budget Reprioritization

General Fund Department Priority Groups Percent of Total Adopted Budgets FY 2005 to FY2011							
Priority	FY 2005 Adopted	FY 2006 Adopted	FY 2007 Adopted	FY 2008 Adopted	FY 2009 Adopted	FY 2010 Adopted	FY 2011 Recommend
Public Safety	30.8%	30.5%	30.5%	31.5%	32.8%	35.7%	35.7%
Judicial/ Health/ Social Serv.	29.2%	28.4%	29.0%	28.4%	30.1%	31.4%	32.3%
Gen Gov.	32.1%	32.6%	32.1%	32.0%	30.0%	27.2%	26.0%
Culture/ Recreation	7.9%	8.5%	8.4%	8.1%	7.1%	5.7%	6.0%
Totals	100%	100%	100%	100%	100%	100%	100%

Online Budget Survey

On average, 80% of responses not willing to pay more for services.

Allocation of \$1 to Selected Services

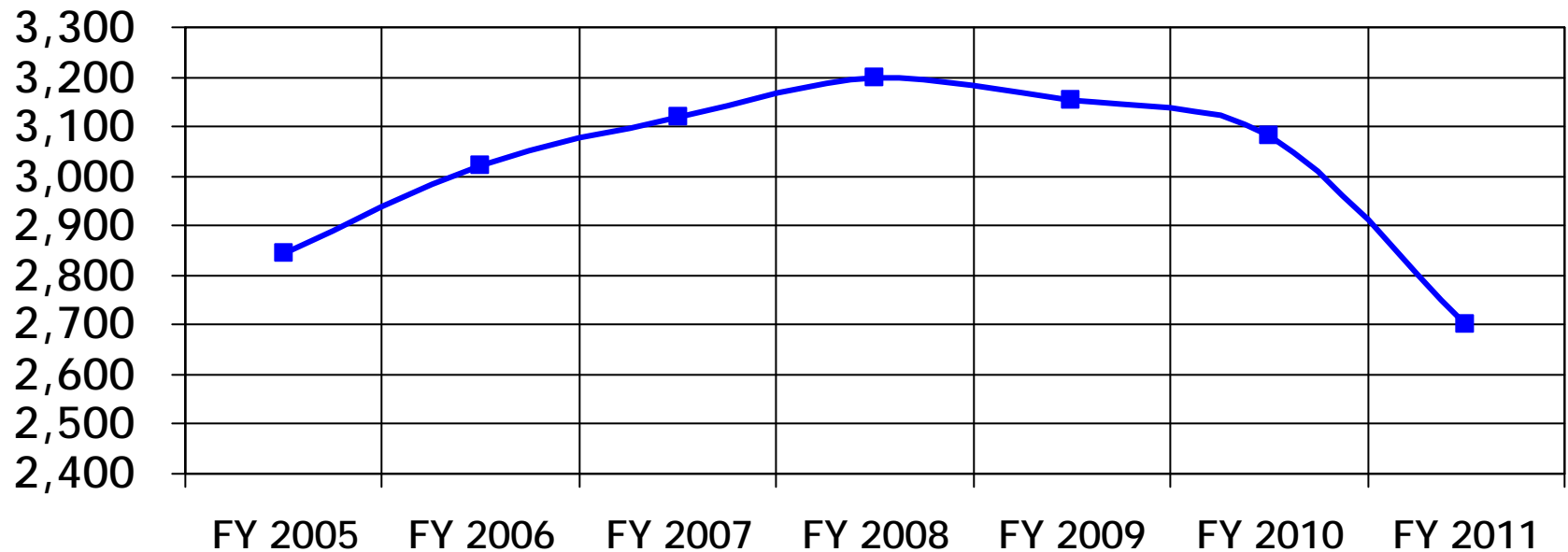


■ Prosecuting Crimes and Jail (21.55)	■ Child Protective Services (13.49)	■ Law enforcement (13.27)
■ Courts (11.42)	■ Public Libraries (6.24)	■ Streets and Roads (5.80)
■ Juvenile Detention Programs (5.01)	■ Air Quality and Water Quality (4.96)	■ Social Services (4.74)
■ Public Health (3.02)	■ Senior Services (2.70)	■ Regional Parks and Open Space (2.58)
■ Animal Services (2.29)	■ Land Use Planning and Building Safety (1.62)	■ Water and Natural Resource Planning (1.29)

- About 600 Respondents Informal and not statistically valid
- A data point to help understand priorities

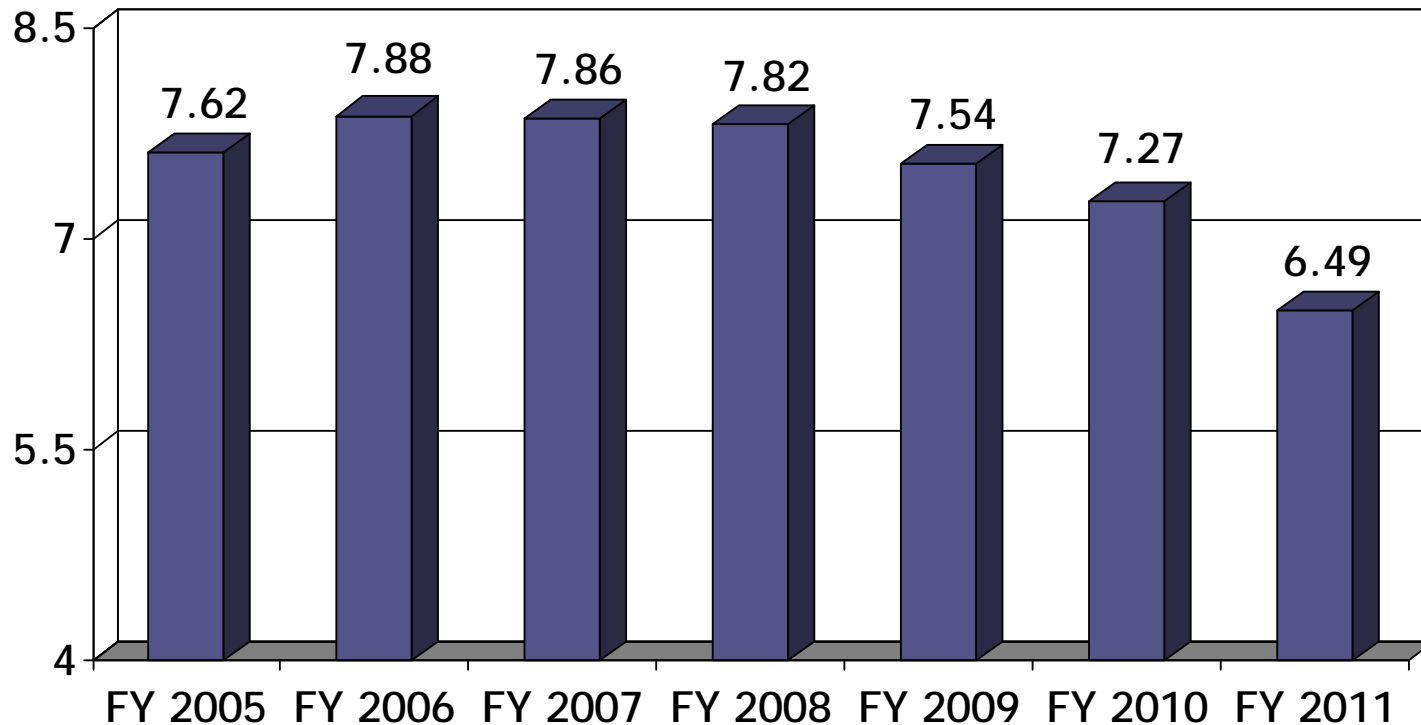
Full Time Equivalent Positions

Total Authorized Full Time Equivalent Positions (FTE) for Washoe County



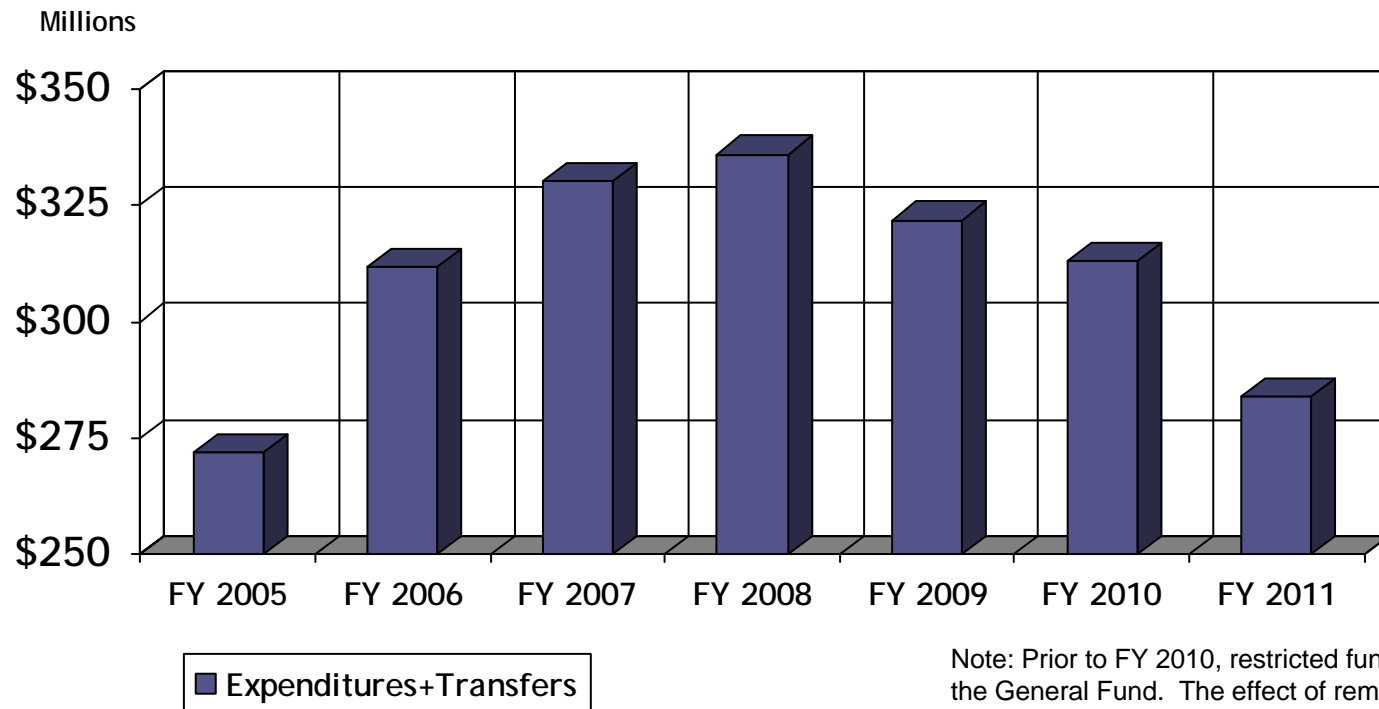
FTEs per 1,000 Population

Washoe County General Fund FTE's per 1,000 Population



Recommended Budget Comparison to Prior Adopted Budgets

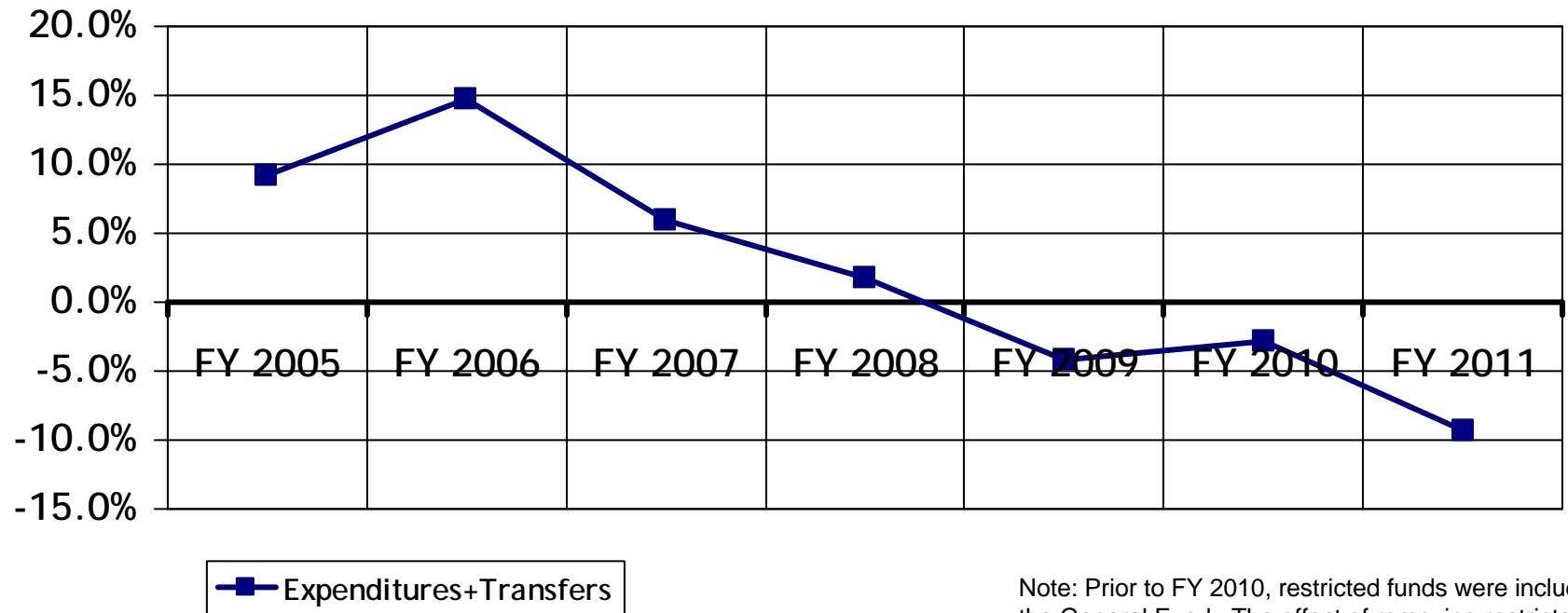
Comparison of Adopted Budgets General Fund FY 2005 to FY 2011 (Nominal \$)



Note: Prior to FY 2010, restricted funds were included in the General Fund. The effect of removing restricted funds slightly alters the comparison to prior years, but not materially.

Recommended Budget Comparison to Prior Adopted Budgets

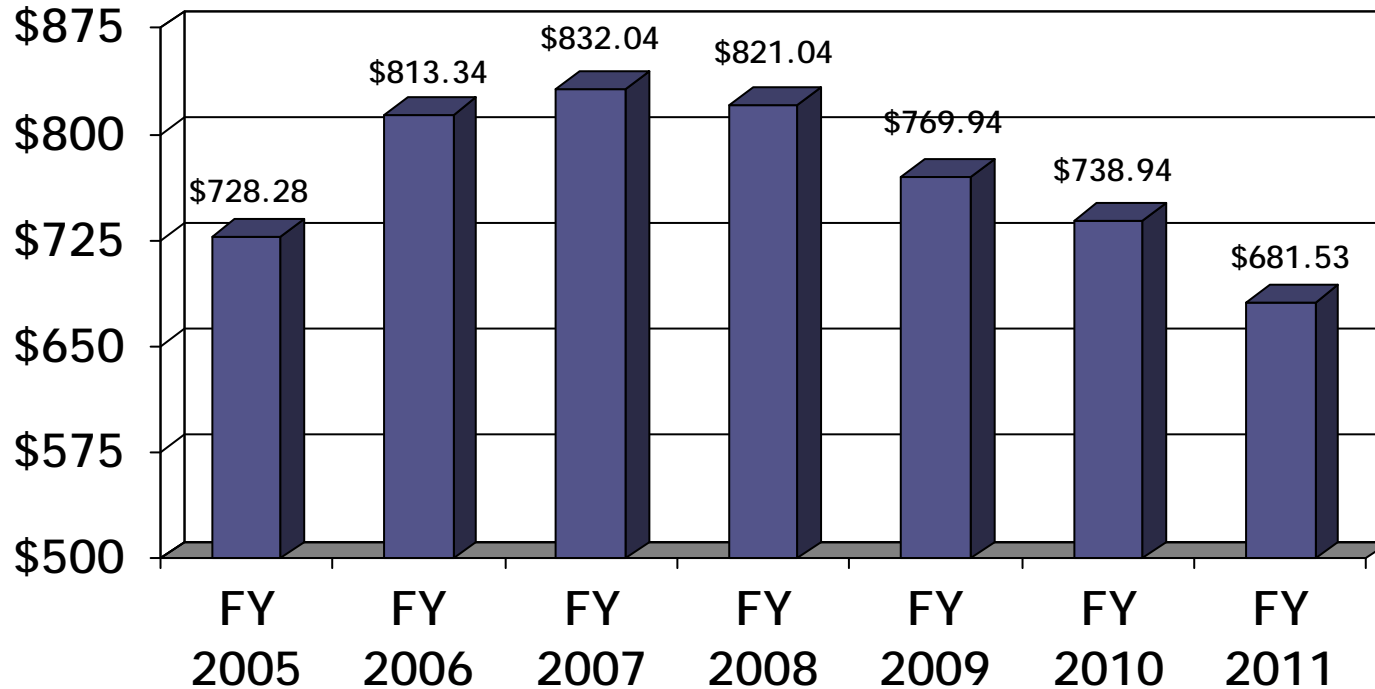
Annual Percent Change in Adopted Budget
General Fund FY 2005 to FY 2011 (Nominal \$\$)



Note: Prior to FY 2010, restricted funds were included in the General Fund. The effect of removing restricted funds slightly alters the comparison to prior years, but not materially.

Expenditures Per Capita

Washoe County General Fund Expenditures per Capita (Nominal \$\$)



General Fund

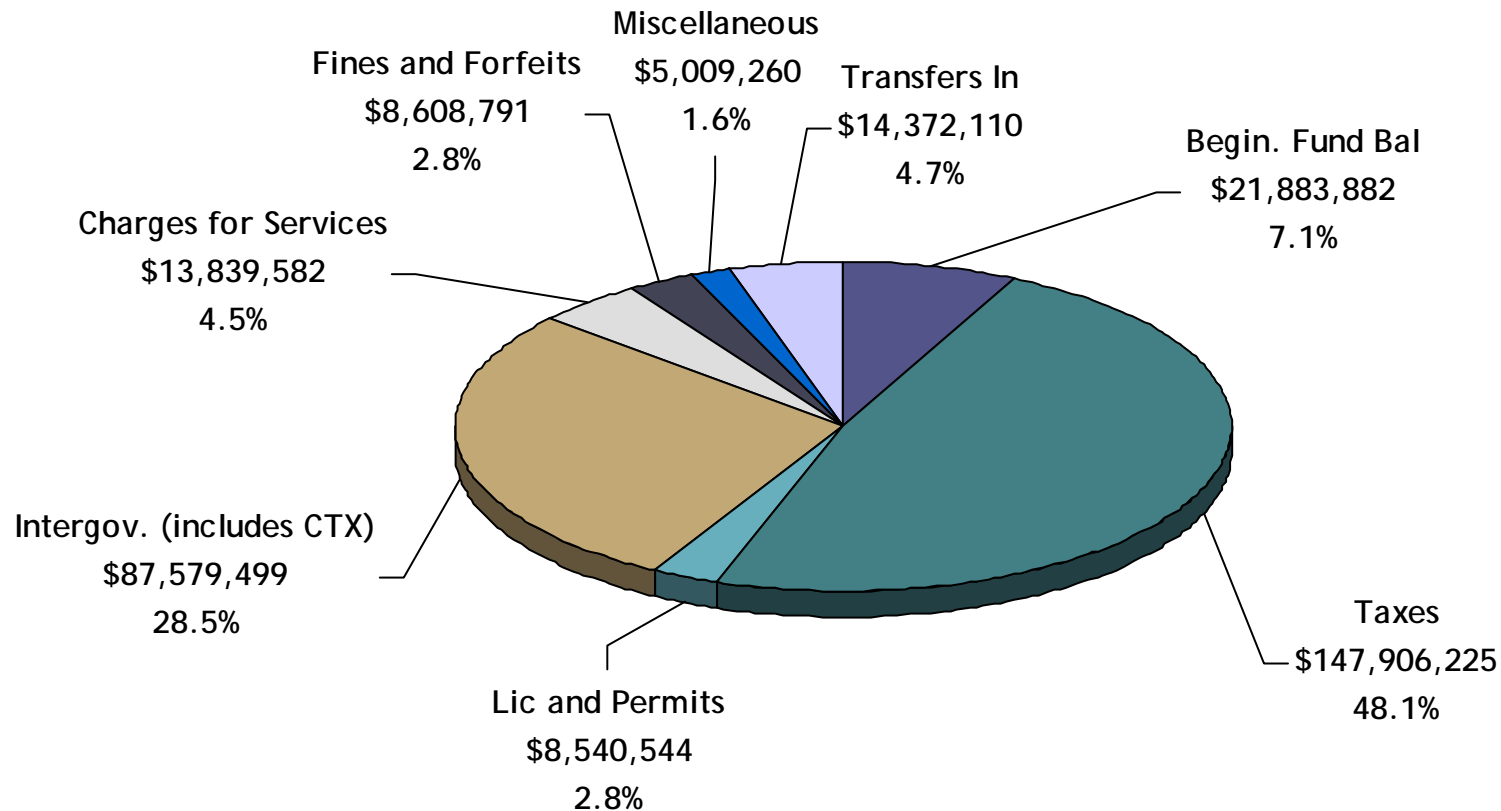
FY 10/11 Recommended Budget

Sources	
Taxes	\$147,906,225
Licenses and permits	8,540,544
Intergovernmental	87,579,499
Charges for services	13,839,582
Fines and forfeitures	7,134,355
Miscellaneous	5,009,260
SUBTOTAL REVENUE	271,483,901
Transfers In	14,372,110
Beginning fund balance	21,883,882
TOTAL SOURCES	\$ 307,739,893

Uses	
General Government	\$65,215,627
Judicial	49,378,684
Public Safety	101,538,348
Public Works	13,851,260
Welfare	16,440,662
Culture and Recreation	13,431,217
Community Support	411,466
Health and Sanitation	750,955
Intergovernmental	8,667,051
SUBTOTAL FUNCTIONS	269,685,269
Contingency	1,500,000
Operating Transfers	14,262,771
Ending Fund Balance	22,291,853
TOTAL USES	\$307,739,893

FY 2010/11 General Fund Recommended Sources

General Fund Recommended Sources
FY 2010/11 (\$307,739,893)

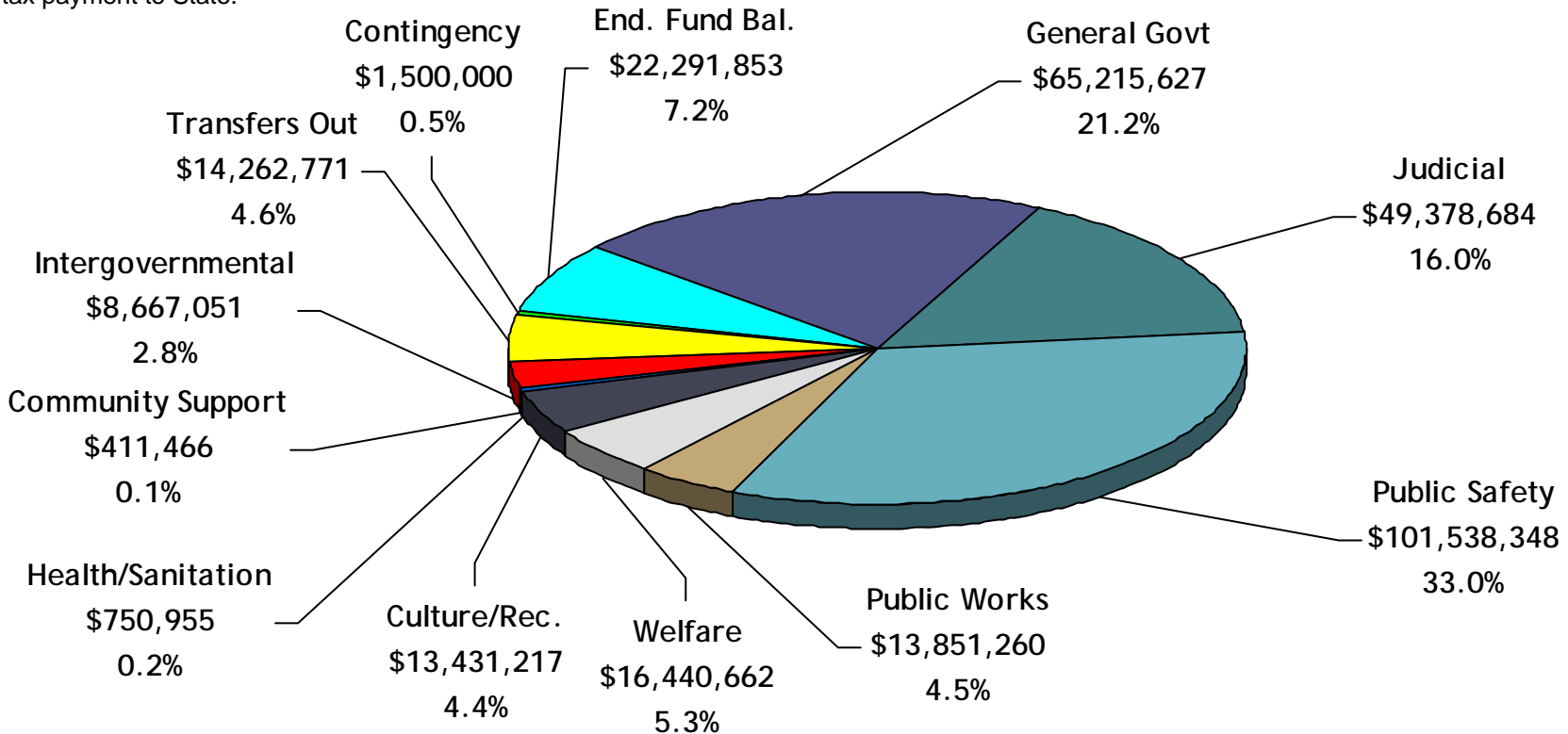


FY 2010/11 General Fund Recommended Uses by Function

General Fund Recommended Uses by Function
FY 2010/11 (\$307,739,893)

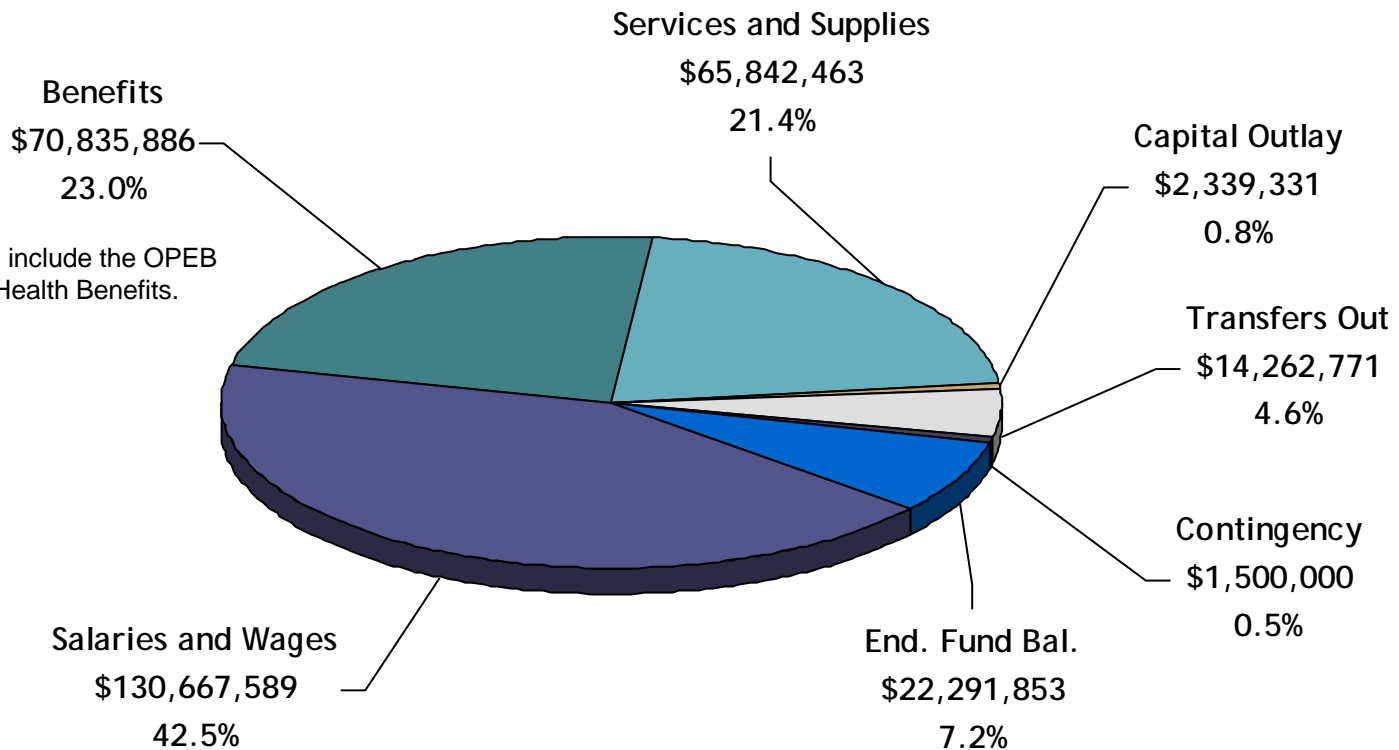
Note: General Government expenditures include the OPEB Trust payment for Retiree Health Benefits.

Note: Intergovernmental contains the 4 cent property tax payment to State.



FY 2010/11 General Fund Recommended Uses by Category

General Fund Recommended Uses by Function
FY 2010/11 (\$307,739,893)



Proposed FY 2010/11 Property Tax Rates

A New \$100,000 House



Total County Rate 1.3917
Cost \$487.10

No Change in the tax rate-
Washoe County is at the
overlapping legal limit of \$3.64

What the Property Tax Pays For

<i>USE</i>	<i>RATE</i>	<i>ANNUAL COST</i>	
<i>Washoe County Operations</i>	<i>.9461</i>	<i>331.14</i>	
<i>Child Protective Services (BCC)</i>	<i>.0050</i>	<i>1.75</i>	
<i>Cooperative Extension</i>	<i>.0100</i>	<i>3.50</i>	Legislative Overrides
<i>Detention Center</i>	<i>.0774</i>	<i>27.09</i>	
<i>Indigent Insurance Program</i>	<i>.0150</i>	<i>5.25</i>	
<i>China Springs</i>	<i>.0088</i>	<i>3.08</i>	
<i>Family Court</i>	<i>.0192</i>	<i>6.72</i>	
<i>Indigent Tax Levy Fund</i>	<i>.0750</i>	<i>26.25</i>	
<i>Capital Projects Fund (diverted to State)</i>	<i>.0500</i>	<i>17.50</i>	
<i>AB 104 (shared w/ other entities)</i>	<i>.0272</i>	<i>9.52</i>	
<i>Library Expansion Fund</i>	<i>.0200</i>	<i>7.00</i>	Voter Overrides
<i>Animal Services Fund</i>	<i>.0300</i>	<i>10.50</i>	
<i>Child Protective Services Fund</i>	<i>.0400</i>	<i>14.00</i>	
<i>Senior Services Fund</i>	<i>.0100</i>	<i>3.50</i>	
<i>Debt Service Fund</i>	<i>.0580</i>	<i>20.30</i>	
<i>Sub-total Washoe County</i>	<i>1.3917</i>	<i>487.10</i>	
<i>State of Nevada</i>	<i>.1700</i>	<i>59.50</i>	
<i>Washoe School District</i>	<i>1.1385</i>	<i>398.48</i>	

Totals 2.7002 \$945.08

Summary for Other Funds

- Washoe County's recommended budget for all funds totals about \$700 million
- The General Fund comprises about 45% of the total budget
- Other funds include special revenue funds, internal service funds, and enterprise funds. In total there are 23 governmental funds and 6 proprietary funds

Summary for Other Funds

- There are 8 special revenue funds financed by voter approved property tax overrides or legislatively authorized property tax rates. These funds are not yet experiencing the same effects of the structural deficit seen in the General Fund. But, the early indicators are present of future financial changes for all but the Animal Services fund. Funds that will be monitored include:
 - Senior Services
 - Library Expansion Fund
 - Child Protective Services
 - Debt Service
 - Indigent Tax Levy
 - Building and Safety

Sources and Uses for All Funds ¹

Sources	
Taxes	\$189,437,474
Licenses and permits	9,784,544
Intergovernmental	137,562,598
Charges for services	114,394,103
Fines and forfeitures	10,591,363
Miscellaneous	22,470,713
SUBTOTAL REVENUE	484,240,795
Transfers/Other Sources	64,138,087
Beginning fund balance ³	155,632,246
TOTAL SOURCES	\$ 704,011,128

Notes:

1. This sources and uses statement for all funds is for illustration purposes only and does not accurately reflect the government-wide financial statement of activities.
2. Debt service does not include the principal portion of the debt payments in the proprietary funds.
3. Fund balances are the total for governmental funds only.

Uses	
General Government	\$141,457,432
Judicial	61,292,632
Public Safety	140,482,931
Public Works	21,088,260
Welfare	72,956,574
Culture and Recreation	51,410,721
Community Support	411,466
Health and Sanitation	58,152,901
Intergovernmental	16,812,591
Debt Service ²	33,754,828
SUBTOTAL FUNCTIONS	597,820,336
Contingency	1,500,000
Operating Transfers	64,038,087
Ending Fund Balance ³	54,007,723
TOTAL USES	\$717,366,146

Funding for Mission Critical Services

- Prosecuting Crimes and Jail
- Child Protective Services
- Law enforcement
- Courts (criminal and civil)
- Public Libraries
- Streets and Roads
- Juvenile Detention Programs
- Air Quality and Water Quality
- Social Services
- Public Health
- Senior Services
- Regional Parks and Open Space
- Animal Services
- Water and Natural Resource Planning

Thank You

- Questions and Discussion