



# WASHOE COUNTY

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CM/ACM \_\_\_\_\_  
Finance \_\_\_\_\_  
DA \_\_\_\_\_  
Risk Mgt \_\_\_\_\_  
HR \_\_\_\_\_  
Other \_\_\_\_\_

## STAFF REPORT BOARD MEETING DATE: March 3, 2009

**DATE:** March 2, 2009  
**TO:** Board of County Commissioners  
**FROM:** Darin Conforti, Budget Manager  
**THROUGH:** John Sherman, Finance Director  
**SUBJECT:** Update on Budget Policy Committee (All Commission Districts)

### SUMMARY

The Budget Policy Committee has held two meetings since being established by the Board on February 10, 2009. This staff report updates the Board on the work of the Committee to date.

County Priority supported by this item: Improve efficiency and financial stability of Washoe County.

### PREVIOUS ACTION

January 27, 2009, the Board directed staff to bring back to the Board the establishment of a Budget Policy Committee.

February 10, 2009, the Board established the Budget Policy Committee and directed staff to bring back the committee membership for confirmation.

February 24, 2009, the Board approved retroactive confirmation of appointments to Budget Policy Committee and acknowledged staff report on FY 2009/10 Budget Update.

### BACKGROUND

The Budget Policy Committee was established to develop budget principles and guidelines. In its two meetings, the Committee has articulated potential budget principles. In addition, the Committee has begun to discuss budget balancing strategies that align with principles, and criteria for evaluating which strategies should be pursued.

On March 17, 2009, the Committee will present its initial report to the Board. The intended deliverable of the Committee is a summary report on budget principles/guidelines, budget balancing strategies, and criteria. Attached are preliminary drafts of the work done to date by the Committee.

**FISCAL IMPACT**

There is no fiscal impact related to this update on the Budget Policy Committee.

**RECOMMENDATION**

Should the Board agree with staff's report, it is recommended the Board acknowledge the update on the Budget Policy Committee

**POSSIBLE MOTION**

Move to acknowledge the update on the Budget Policy Committee.

Attachments (2)

Preliminary Summary of Ideas on Budget Principles

Categories of Budget Balancing Strategies and Criteria for Evaluating



Preliminary Summary of Ideas on Budget Principles

Proposed Principle	Committee Ideas from 2/20/09 and 2/27/09	Budget Balancing Strategy	Specific Service/Dept Application	Evaluation Criteria	Estimated Budget Impact
	<p>Live within our means                      Save for a rainy day                      Take care of infrastructure – avoiding maintenance costs more later</p>				
	<b>Results Driven and Quantitatively Informed</b>				
	Test impacts and consequences				
	Must be measurable “Demand Accountability”				
	<b>Make Strategically Informed Choices</b>				
	Separate tactical (\$47 mil right now) vs. strategic (out year decisions)				
	Some tactical decisions may meet short-term objectives but do long-term strategic harm				
	This too shall pass ... and focus strategically				
	Don't abandon strategic planning – Re-calibrate				
	Assess cost-benefits of all decisions/options (ie liability, etc)				
	<b>Budget Decision Should Consider and Promote Quality of Life</b>				
	What is the best we can do for the whole?				
	Some decisions = quality of life				
	<b>Budget Choices Should be Made at Lowest Level but Informed by High Level Policy Direction, Principles, and Guidance</b>				
	Providers or services should manage their budgets consistent with policy direction.				
	Budget funding decision should not be made at				

Preliminary Summary of Ideas on Budget Principles

Proposed Principle	Committee Ideas from 2/20/09 and 2/27/09	Budget Balancing Strategy	Specific Service/Dept Application	Evaluation Criteria	Estimated Budget Impact
Realistic, Pragmatic, and Priority Driven	<p>the micro level but at the program and policy level.</p> <p>Cannot be all things to all people</p>				
Creative, Entrepreneurial, and Promote the Talents of Employees and Citizens to Provide Services	<p>Challenge all present business models – ie out sourcing, being efficient</p> <p>Engage unemployed citizens in volunteering assisting with service delivery</p> <p>Encourage, expand volunteerism as a resource to County services</p> <p>Nothing is off the table</p> <p>Challenge ourselves to be competitive</p> <p>If County is provider, why isn't it provided by private sector</p> <p>If it is offered by private sector, why is County doing it, or determine which is more competitive and why?</p>				
Budget Choices Must Consider and Reward Operational Efficiency	<p>Maximize level of service for value</p> <p>Efficiency based choices</p> <p>Streamlining processes ie bring judge to inmates vs. transporting inmates to judge.</p> <p>Encourage consolidation of government services – internal, external, etc.</p> <p>Audits – what have studies recommended</p>				

Preliminary Summary of Ideas on Budget Principles

Proposed Principle	Committee Ideas from 2/20/09 and 2/27/09	Budget Balancing Strategy	Specific Service/Dept Application	Evaluation Criteria	Estimated Budget Impact
	Fresh look at efficiencies				
<b>Funding Decisions Should be Made at the Program Level</b>					
	Program based budget decisions Programs should be evaluated for results Don't fund what doesn't work or isn't any longer needed  Risk based assessment of programs (performance and compliance with mandates)				
<b>Resources Should Be Maximized Not Just Within Departments but Across Departments and Jurisdictions</b>					
	Look for shared service opportunities  Look for opportunities to partner and collaborate Reduce and/or eliminate redundant and duplication in processes, personnel, equipment, and facilities				
<b>Employees are the Most Valuable Resource in Providing Services to the Public</b>					

**BUDGET POLICY COMMITTEE  
3/4/2009**

**CATEGORIES OF BUDGET BALANCING STRATEGIES  
AND  
CRITERIA FOR EVALUATING**

Budget principles will inform and guide the strategies that are pursued to balance the budget. Listed below are some potential budget balancing strategies.

Categories

The following broad categories are potential types of budget balancing strategies:

- Outsourcing
- Legislative Changes to Mandates
- Internal/External Consolidation of Services
- Improve Operational Efficiency
- Restructure Pay and Classification Benefits
- Evaluation of Program Effectiveness
- Entrepreneurial Opportunities
- Shared Services
- Asset/Property Management
- In-Sourcing
- Service Level Reductions

Criteria

Decisions on which budget balancing strategies should be pursued should be made strategically based on evaluation criteria. Some potential evaluation criteria are listed below:

- Impact on Mandates
- Dollar Impact
- Complexity
- Board of County Commissioner authority to implement
- Time to implement
- Impact to Public service
- Impact to Employees
- Impact to Stakeholder agencies and on the System (each other)
- Current Program Performance
- Duplication

These criteria would be applied using a two-dimensional scale of positive impact, negative impact, and high, medium, and low impact.