



WASHOE COUNTY

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CM/ACM _____
Finance _____
DA _____
Risk Mgt. _____
HR _____
Other _____

STAFF REPORT BOARD MEETING DATE: April 27, 2010

DATE: April 21, 2010
TO: Board of County Commissioners
FROM: Katy Simon, County Manager
SUBJECT: Discussion and possible direction regarding Manager's recommended Department Operating Budget Reductions Plans in the General Fund for Fiscal Year 2010/11. (All Commission Districts)

SUMMARY

Fiscal Year 2010/11 will be the fourth consecutive year that Washoe County will take aggressive actions to cut budgets as revenues continue a dramatic decline. Since Fiscal Year 2008/09, when General Fund revenues peaked, County revenues have consistently fallen and are projected to decline another \$11 million to a historic low for Fiscal Year 2010/11. Most significant is the decline in property tax revenues by more than 7 percent as a result of the housing/mortgage crisis and the unrelenting decline in consolidated taxes¹, which have fallen for 35 consecutive months.

While revenues continue to decline, personnel costs continue to rise, compounding the challenge to balance the budget. For long-term financial security, the imbedded salary and benefit cost structure has to be changed. Without changes, revenues will not support the cost growth for merit increases, longevity pay increases, and health benefit costs— a condition that will likely persist into the near future. To date, under the Board's leadership and direction, the County has maintained financial stability by cutting costs on a service priority basis with more than \$100 million in reductions made in the last three fiscal years. However, creating a truly balanced budget for the future, a budget where current revenues support current expenses, requires a new approach. Continuing business as usual and trying to balance the budget by cutting services and staffing is not a solution; it is the prolonging of a structural problem.

Recognizing that the County faces a "new normal" and the boom cycles of days past will not likely return anytime soon, the Board took a new approach and established three goals to balance the Fiscal Year 2010/11 budget:

- Maintain Service Levels
- Maximize Employment
- Achieve Sustainable Labor Costs

¹ Consolidated taxes are made up of the following: Supplemental City-County Relief Sales Tax, Basic City-County Relief Sales Tax, Governmental Services Tax, Real Property Transfer Tax, Cigarette Tax, and Liquor Tax. The two sales taxes constitute about 80% of the total.

These three goals have guided and directed the plan to balance the budget for Fiscal Year 2010/11 in a way that creates long-term financial stability. To that end, the Board approved a three point strategy to balance the budget:

1. Streamline and prioritize services with operating budget reductions of \$7.8 million, which equals a total average reduction of 3 percent for departments' current operating budgets;
2. Redirect restricted revenues to the General Fund and prudently use reserves to increase revenues by \$5.75 million.
3. Achieve a more sustainable labor cost plan by proposing a reduction of \$11.4 million in current salaries and benefits savings along with reducing annual health benefit liability costs, all of which must be negotiated with employee associations pursuant to NRS 288; and

The total General Fund shortfall for next year is expected to be \$24.7 million, with a portion of the solution coming from each of the three parts of the strategy above. In March, the Board authorized the redirection of revenue. On April 13, the Board reduced its pay by 3.7 percent along with a \$25 per pay period health benefit contribution effective July 1, 2010. And today, the Board will consider applying the same pay reduction and health benefit cost share to Department and Division Heads effective July 1. Lastly, we are working hard with all the bargaining units on the third part--achieving sustainable personnel costs.

Today's recommendations focus on operating budget reductions. County departments were directed to cut operating budgets by \$7.8 million. These operating reductions were done on a service priority basis with the average reduction being 3 percent. Departments proposed a total of \$7.2 million in expenditure reductions and about \$1.1 million in new revenue opportunities for a combined impact of \$8.3 million.

The County Manager recommends all department budget reduction plans be adopted as presented to the Board during budget hearings with exception for the Alternative Public Defender and Public Guardian. Both departments had no option but to reduce staffing to meet the budget reduction target. Given the service and liability impacts of those staffing losses, staffing reductions are not recommended for these two departments. In total, the Manager recommends \$7.1 million in operating budget reductions and nearly \$1.1 million in new revenues for a total of \$8.2 million.

One of the Board's goals is to maximize employment. It is an extreme challenge to cut operating budgets by 3 percent without laying-off employees when 75 to 90 percent of department budgets are personnel. Best efforts and innovative thinking by all departments have minimized layoffs. However, for some department budgets there were no other options but to cut funding for positions with employees in them. This unfortunate situation has been limited to only two departments: Senior Services and the County Manager with each needing to layoff one employee to balance the budget.² In addition, reduction plans will impact current vacant positions that were anticipated to be filled. As part of the recommended reductions, 38 additional vacant positions will be eliminated in the Fiscal Year 2010/11 to help balance the budget. Lastly, three

² The two layoffs do not include the Courts which are separate branch of government with control over their staffing levels within Board appropriated funding. The District Court's budget reduction plan restructures staffing by reclassifying 10 positions to lower cost positions. Six employees will be laid off from their current classification and can compete for one of the restructured positions.

positions are recommended to have hours reduced or transferred to restricted funding sources in order to lower costs.

The \$7.1 million in operating budget reductions are in addition to the \$100 million in reductions taken in the three previous years. Furthermore, budget reductions have resulted in nearly 500 fewer funded positions to serve the public. The recommended reductions will result in an additional 40 fewer positions for Fiscal Year 2010/11. Continuing to cut budgets at this level will impact services to the public, but consistent with the goal to maintain service levels there will not be wide scale service disruption from these additional cuts. Departments are managing through reductions by retrenching to core and mandated services. While all departments will continue best efforts to provide excellent public services, due to necessity and limited resources efforts are prioritized to ensure mandates are met and core services provided to the public.

County Priority supported by this item:

Achieve Sustainable Resources including the outcomes:

- Stable and predictable financial management
- Defined public expectation of the purpose and core functions of County government.
- Sustainable resources linked to the needs of the public (public safety, health, cultural, recreational)

PREVIOUS ACTIONS

December 8, 2009	Fiscal Year 2010/11 Budget Discussion including Preliminary Revenue Outlook and Direction to Staff
January 26, 2010	Board direction of Balance Plan to address Fiscal Year 2010/11 budget deficit of \$24.7 million
March 23, 2010	Board direction to redirect \$3.25 million in revenues back to the General Fund beginning Fiscal Year 2010/11
March 29, 2010	Department Budget Hearings on Fiscal Year 2010/11 budget plans including \$7.8 million in reductions to operating budgets
April 5, 2010	Department Budget Hearings on Fiscal Year 2010/11 budget plans including \$7.8 million in reductions to operating budgets
April 12, 2010	Department Budget Hearings on Fiscal Year 2010/11 budget plans including \$7.8 million in reductions to operating budgets
April 13, 2010	Board direction to develop and bring back on April 27, an alternative budget reduction plan should the \$11.4 million in labor cost savings not be attained Board deferred its Fiscal Year 2010/11 salary increase, reduced Commissioner salaries by 3.7% effective July 1, 2010, along making a \$25 per pay period contribution to health benefit costs.

BACKGROUND

Historic Revenue Declines

Property tax revenue and consolidated tax revenue make up most of the General Fund revenue at nearly 80 percent of total. Property tax revenues peaked at \$161.4 million in fiscal year 2008/09. The next fiscal year, Washoe County experienced a property tax revenue decline at minus 1.2%; and in fiscal year 2010/11, property tax revenues will reflect the full impact of the mortgage and housing crisis and decline by 7.3% to \$147.7 million. More alarming has been the precipitous fall in consolidated tax revenues, which are mostly sales taxes. Consolidated taxes peaked in fiscal year 2005/06 at \$103 million. Since then, consolidated tax revenue has fallen every year; and for fiscal year 2010/11 consolidated tax revenue is projected to fall an additional 2% down to \$66 million. That is a loss of nearly \$40 million in revenue from the peak. Exhibit 1 shows the decline in General Fund revenues.

Exhibit 1:

**Washoe County General Fund Revenues
Fiscal Year 1999 to Fiscal Year 2011 Budgeted**

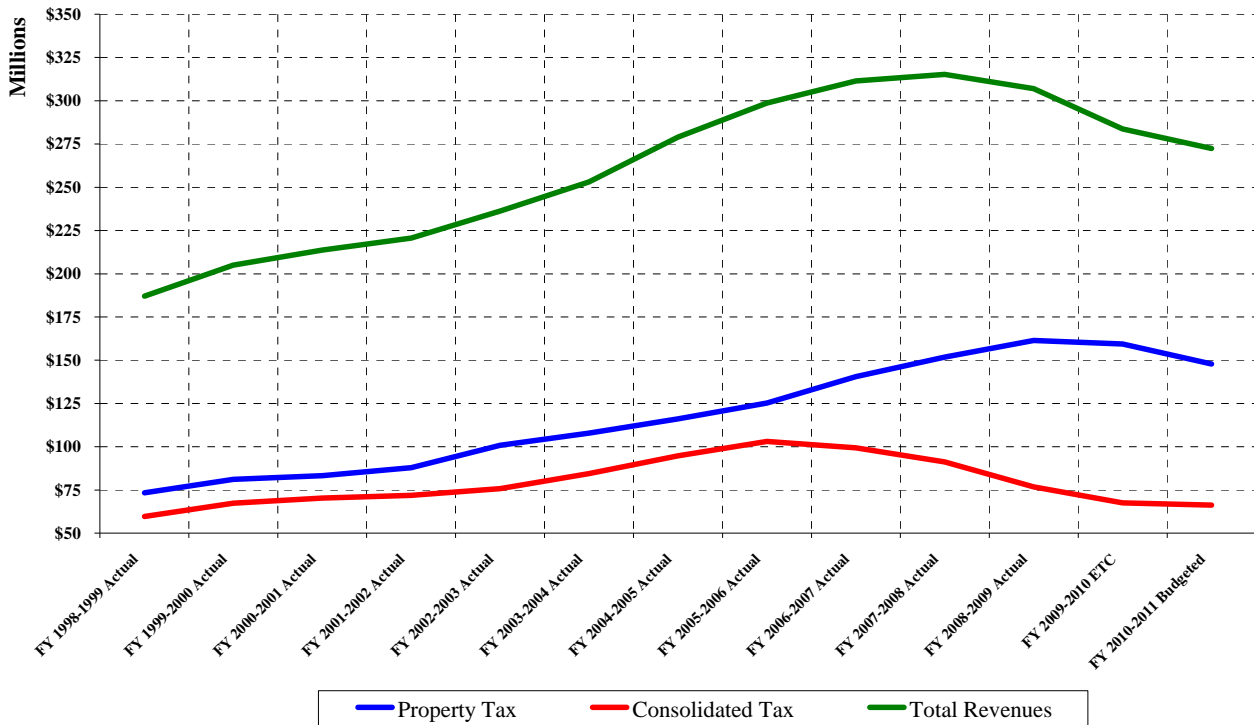
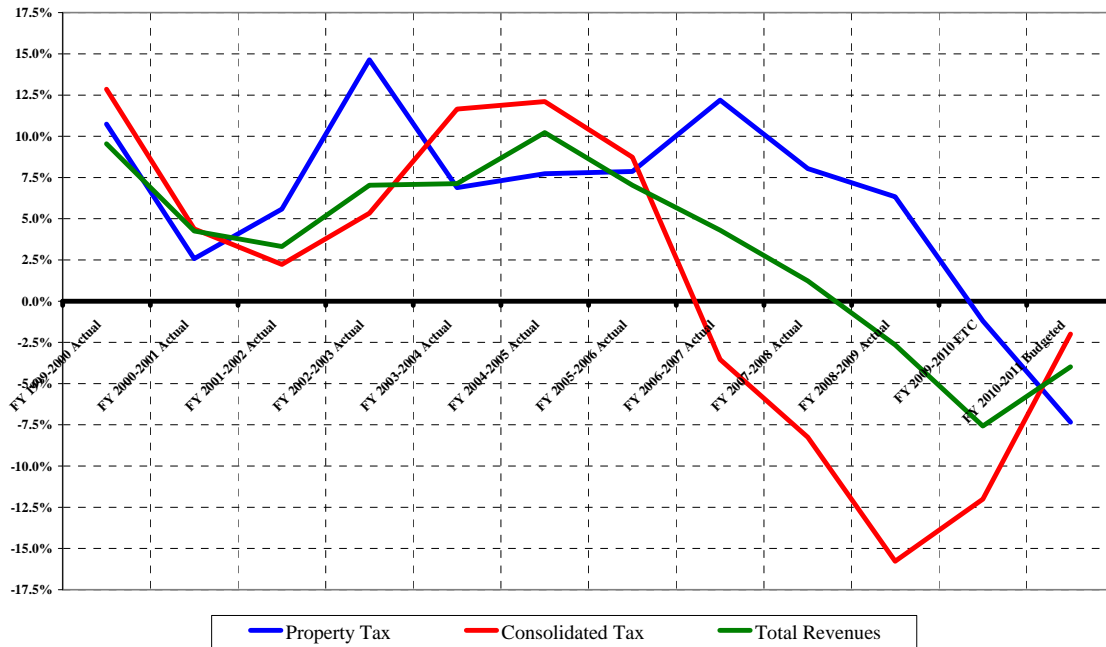


Exhibit 2 illustrates the annual percent change in General Fund revenues.

Exhibit 2:

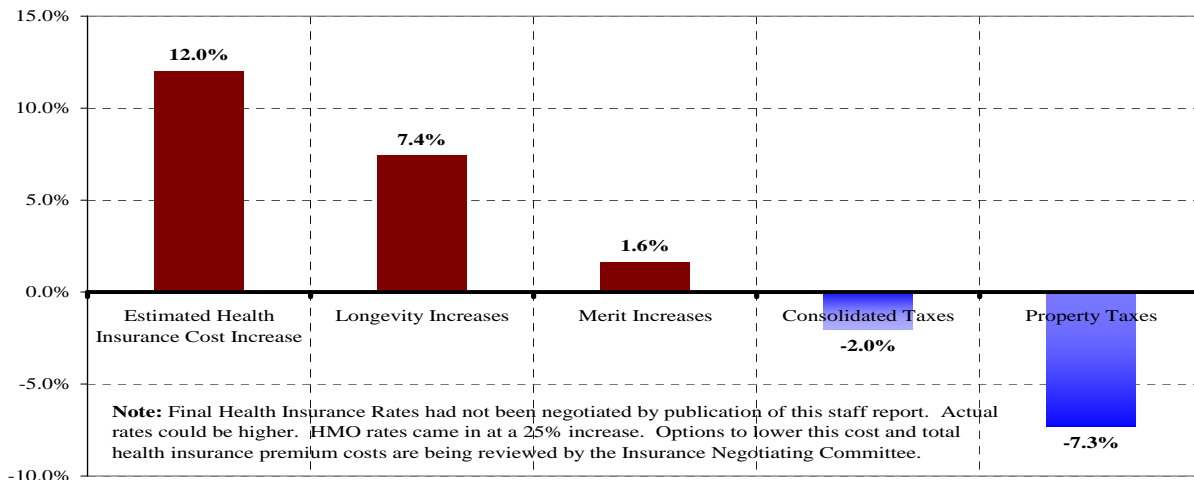
**Washoe County General Fund Revenues Annual Percent Change
Fiscal Year 1999 to Fiscal Year 2011 Budgeted**



While revenues continue to decline, personnel costs continue to rise, compounding the challenge to balance the budget. For long-term financial security, the imbedded salary and benefit cost structure has to be changed. Without changes, revenues will not support the cost growth for merit increases, longevity pay, and health benefits—a condition that will likely persist into the near future. Exhibit 3 shows the structural imbalance for Fiscal Year 2010/11.

Exhibit 3:

**Comparison Percent Change of Major Expense Increases to Major Revenue Declines
Fiscal Year 2010/11 General Fund**



To date, under the Board's leadership and direction, the County has maintained financial stability in the face of the economic crisis by cutting costs on a service priority basis, with more than \$100 million in reductions made in the last three fiscal years. However, creating a truly balanced budget for the future, a budget where current revenues support current expenses, requires a new approach. Continuing business as usual and trying to balance the budget by cutting services and staffing is not a solution; it is the prolonging of a structural problem.

Budget Goals for the New Normal

Recognizing that the County faces a "new normal" and the boom revenues of days past will not likely return anytime soon, the Board took a new approach and established three clear cut goals to balance the Fiscal Year 2010/11 budget:

- **Maintain Service Levels**

Prior reductions have substantially cut service levels to the public. Further reductions would in some service areas cripple the delivery of services needed and wanted by the public. Therefore, in balancing the budget the County has to do the best that is possible and affordable to not further reduce service levels for the public. After all, we should be mindful that while revenues have fallen and service reductions have been unavoidable, the taxpayers of Washoe County are still paying taxes and still expect services from their government.

- **Maximize Employment**

Washoe County Government is the third largest employer in the County. Jobs are the foundation of the economy and needed for economic recovery. If Washoe County is going to help the recovery, it must take actions that preserve jobs to meet its goal of maintaining service levels. Layoffs are not an effective way to balance the budget for the long-term, and will prolong the recession and prolong the budget crisis.

- **Achieve Sustainable Labor Costs**

Like any other service delivery business, the largest single cost to run local government is employee wages and benefits. If Washoe County is going to maintain service levels and maximize employment to the best of our ability and affordability while budgets must be cut, then the County must take a wholesale look at employee pay and benefits. Pay and benefits need to be affordable in the "new normal" of property tax cap laws and no near-term prospects of another real estate boom that drove up sales and property taxes. It is not a question whether Washoe County employees are overpaid. They are not. Washoe County's compensation policy sets the top of our salary range at the mid-point of comparable positions for other public and private sector employers. However, the challenge remains that the fundamental point with any compensation plan is that there must be the revenue to support the paycheck. On this point, the Board has clearly directed that Washoe County must have a wage and benefit package that lives within our means.

These three goals have guided and directed the plan to balance the budget for Fiscal Year 2010/11 in a way that creates long-term financial stability. To that end, the Board approved a three point strategy to balance the budget:

1. Streamline and prioritize services with operating budget reductions of \$7.8 million, which equals a total average reduction of 3 percent for department current operating budgets;

2. Achieve a sustainable labor cost plan by proposing a reduction of \$11.4 million in current salaries and benefits savings along with reducing annual long-term health benefit liability costs, which must be negotiated with employee associations pursuant to NRS 288; and
3. Redirect restricted revenues to the General Fund and prudently use reserves to increase revenues by \$5.75 million.

Prioritized Operating Budget Reductions

Consistent with the goal to maintain services and in full recognition that department budgets have been reduced dramatically over the last three years, the Board directed departments to reduce operating budgets by \$7.8 million to help close the estimated \$24.7 million deficit for Fiscal Year 2010/11. This is an average reduction of about 3 percent. The County has used a service priority basis for reducing budgets three previous times. That prioritization has cut public safety budgets the least and culture and recreation budgets the most. Fiscal Year 2010/11 operating budget reductions were also done on a prioritized basis, but with less differentiation between the priority groups than prior years. Exhibit 4 shows the prior reduction percentages taken by the priority groups with the reduction percents for Fiscal Year 2010/11.

Exhibit 4:

Priority Group	FY 2008/09	FY 2008/09	FY 2009/10	FY 2010/11
	Beginning	Mid-Year		
Public Safety	2.50%	1.25%	6.00%	2.00%
Judicial/Health/Social Services	5.00%	2.55%	12.00%	3.00%
General Government	10.00%	5.55%	28.00%	4.00%
Culture and Recreation	15.00%	7.50%	36.00%	5.00%

Budget hearings with the Board were held on March 29, April 5, and April 12. Departments and the Judiciary proposed a total of \$7.2 million expenditure reductions and about \$1.1 million in new revenue opportunities combining for a total bottom line impact of \$8.3 million.

County Manager Recommended Operating Reductions

Each department’s budget reduction plan has been reviewed to develop the Manager’s final recommendations. Recommendations have taken into consideration testimony and comments provided during the budget hearings, and consistency with Board Budget Goals and Budget Principles. Based on that review, the County Manager recommends all department budget reduction plans be adopted as presented during budget hearings with exception for the Alternative Public Defender and Public Guardian. Both departments had no option but to reduce staffing to meet the budget reduction target. Given the service and liability impacts of those staffing losses, staffing reductions are not recommended for these two departments. In total, the Manager recommendations are \$7.1 million in operating budget reductions and about \$1.1 million in new revenues for a total of \$8.2 million.

Exhibit 5 provides a summary of department reductions and County Manager recommendations.

Exhibit 5:

**Summary of Operating Budget Reductions and County Manager Recommendations for
Fiscal Year 2010/11**

Department	Percent Cut	Target Reduction Amount	Proposed Plan Total	County Manager Recommended Reduction
Alternate Public Defender	3.0%	\$ 57,000	\$ 57,000	\$ 7,000
Alternative Sentencing	3.0%	\$ 21,000	\$ 21,354	\$ 21,354
Assessor	4.0%	\$ 238,000	\$ 238,000	\$ 238,000
Board of County Commissioners	4.0%	\$ 21,000	\$ 19,260	\$ 19,260
Child Protective Services Fund	3.0%	\$ 40,000	\$ 40,000	\$ 40,000
Clerk	4.0%	\$ 57,000	\$ 57,000	\$ 57,000
Community Development	4.0%	\$ 111,000	\$ 111,000	\$ 111,000
Community Support	4.0%	\$ 49,000	\$ 49,946	\$ 49,946
Conflict Attorney	3.0%	\$ 55,000	\$ 55,000	\$ 55,000
County Manager	4.0%	\$ 121,000	\$ 126,000	\$ 126,000
District Attorney	3.0%	\$ 530,000	\$ 530,000	\$ 530,000
District Court	3.0%	\$ 455,000	\$ 442,918	\$ 442,918
Finance	4.0%	\$ 134,000	\$ 192,849	\$ 192,849
Fire Suppression	2.0%	\$ 5,000	Included in County Manager	
Health District	3.0%	\$ 253,000	\$ 253,000	\$ 253,000
Human Resources	4.0%	\$ 95,000	\$ 95,000	\$ 95,000
Incline Constable	3.0%	\$ 9,000	\$ 9,000	\$ 9,000
Justice Court-Incline	3.0%	\$ 14,000	\$ 12,250	\$ 12,250
Justice Court-Reno	3.0%	\$ 136,000	\$ 136,000	\$ 136,000
Justice Court-Sparks	3.0%	\$ 67,000	\$ 67,000	\$ 67,000
Justice Court-Wadsworth	3.0%	\$ 8,000	\$ 8,000	\$ 8,000
Juvenile Services	3.0%	\$ 409,000	\$ 409,000	\$ 409,000
Law Library	5.0%	\$ 35,000	Included in District Court	
Library	5.0%	\$ 478,000	\$ 496,061	\$ 496,061
May Foundation Fund	5.0%	\$ 12,000	\$ 12,000	\$ 12,000
Medical Examiner	3.0%	\$ 56,000	\$ 68,315	\$ 68,315
Parks & Open Space	5.0%	\$ 260,000	\$ 263,545	\$ 263,545
Public Administrator	3.0%	\$ 29,000	\$ 22,550	\$ 22,550
Public Defender	3.0%	\$ 222,000	\$ 222,000	\$ 222,000
Public Guardian	3.0%	\$ 46,000	\$ 46,000	\$ -
Public Works	4.0%	\$ 1,158,000	\$ 1,158,000	\$ 1,158,000
Recorder	4.0%	\$ 84,000	\$ 84,000	\$ 84,000
Registrar of Voters	3.0%	\$ 63,000	\$ 297,550	\$ 297,550
Senior Services	3.0%	\$ 7,000	\$ 7,000	\$ 7,000
Sheriff's Office	2.0%	\$ 1,804,000	\$ 1,804,000	\$ 1,804,000
Social Services	3.0%	\$ 35,000	\$ 35,000	\$ 35,000
Technology Services	4.0%	\$ 483,000	\$ 483,000	\$ 483,000
Treasurer	4.0%	\$ 86,000	\$ 86,000	\$ 86,000
Water Resources-Planning	4.0%	\$ 42,000	\$ 294,000	\$ 294,000
Net Reduction Plan Impacts		\$ 7,785,000	\$ 8,308,598	\$ 8,212,598

One of the Board's goals is to maximize employment. It is an extreme challenge to cut operating budgets by 3 percent without laying-off employees when 75 to 90 percent of department budgets

are personnel. Best efforts and innovative thinking by all departments have minimized layoffs. However, for some department budgets there were no other options but to cut funding for positions with employees in them. This unfortunate situation has been limited to only two departments: Senior Services and the County Manager with each needing to layoff one employee to balance the budget. In addition, reduction plans will impact current vacant positions that were anticipated to be filled. As part of the recommended reductions, 38 additional vacant positions will be eliminated in Fiscal Year 2010/11 to help balance the budget. Lastly, three positions are recommended to have hours reduced or transferred to restricted funding sources in order to lower costs. The position impacts of budget reductions are displayed in Exhibit 6.

Exhibit 6:

Summary of Position Impacts for County Manager Recommended Reductions			
	Vacant	Filled	Reduce Hours/ Cost Distribution
Alternative Sentencing	1.00	-	-
Assessor	1.00	-	-
County Manager	-	1.00	-
District Attorney	1.00	-	-
Health District	2.00	-	-
Juvenile Services	5.00	-	-
Library	2.00	-	-
Parks & Open Space	0.17	-	0.50
Public Administrator	-	-	0.40
Public Works	3.00	-	-
Senior Services	-	0.75	1.50
Sheriff's Office	20.00	-	-
Social Services	1.00	-	-
Technology Services	1.00	-	0.35
Treasurer	1.00	-	-
Totals	38.17	1.75	2.75

Numbers are displayed as full time equivalent

Note: These numbers do not include the Courts which are a separate branch of government having control over their staffing within Board appropriated funding levels. The District Court's budget reduction plan restructures staffing by reclassifying 10 positions to new positions some with lower costs. Six employees will be laid off from their current classification and can compete for the restructured positions.

Service Impacts of Budget Reductions

The \$7.1 million in operating budget reductions is in addition to the \$100 million in reductions taken in the three previous years. Furthermore, budget reductions have resulted in nearly 500 fewer funded positions to serve the public. The recommended reductions will result in an additional 40 fewer positions for Fiscal Year 2010/11. Continuing to cut budgets at this level will impact services to the public, but consistent with the goal to maintain service levels there will not be wide scale service disruption from these additional cuts. Departments are managing through reductions by retrenching to core and mandated services. While all departments will

continue best efforts to provide excellent public services, due to necessity and limited resources efforts are prioritized to ensure mandates are met and core services provided to the public. Some examples of how service will be impacted in Fiscal Year 2010/11 are outlined in Exhibit 7. Attachment A provides a detailed summary of budget reduction plans submitted by each department. In addition, each department’s presentation on budget reduction plans is available on the web at <http://www.washoecounty.us/finance/presentations.html>.

Exhibit 7:

Department	Some Examples of How Budget Cuts Impact Services
<i>Assessor</i>	<i>Focus on providing excellent customer service has been shifted to simply completing mandated functions. This means longer lines at the counter and longer response times to process requests for information. Delays in personal property tax monthly billings may result in delayed revenue collections.</i>
<i>Community Development</i>	<i>Funding for the Sierra Spirit Bus will be eliminated. Washoe County pays for one-third of the cost to operate the bus.</i>
<i>Community Support</i>	<i>Reduced County funding to Nevada Health Clinics in Incline and Gerlach, Incline Village General Improvement District, Economic Development Authority of Western Nevada, Human Services Consortium, and Access to Healthcare Network</i>
<i>County Clerk</i>	<i>Reduce the hours that the Marriage Bureau is open. No longer open from 8:00 AM to 12:00 AM seven days a week—only on Fridays and Saturdays.</i>
<i>Public Administrator</i>	<i>Reduced staffing will delay the administrative processes necessary to effectively handle the work needed to administer the duties of the Public Administrator’s Office.</i>
<i>Regional Parks and Open Space</i>	<i>Redefined Service Pledge: Open, Safe, and Clean Great Basin Adventure Park will no longer be operated as a fee area. The log flume will not be operated; and the mine building will be closed to the public. The public will have access for passive recreation including: dinosaur play areas, open turf, Basque area, playground, wildlife viewing, fishing deck, and picnic pavilions.</i>
<i>Senior Services</i>	<i>Reprioritize resources to direct services for seniors and outsource custodial services at a lower cost.</i>
<i>Technology Services</i>	<i>Computers and monitors and software will have to be in service longer meaning the County will lag in keeping up technology standards at a time when there is greater demand for using technology to make processes more efficient, especially with fewer staff positions countywide.</i>
<i>Treasurer</i>	<i>Delayed collection efforts and reduced availability for customer service. Longer waits during peak business times.</i>

FISCAL IMPACT

There is no direct fiscal impact with this item. Any fiscal impact related to Board direction would be incorporated into the proposed budget for Fiscal Year 2010/11 and be presented to the Board at the May 17, 2010 Public Hearing on the Fiscal Year 2010/11 Budget.

RECOMMENDATION

It is recommended the Board provide _____ direction on the Manager's recommended operating budget reduction plans in the General Fund for Fiscal Year 2010/11.

POSSIBLE MOTION

Should the Board agree with the staff report, possible motion would be move to provide direction including _____ on the Manager's recommended operating budget reduction plans in the General Fund for Fiscal Year 2010/11.

ATTACHMENT A

Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Serv. Tier	Department	Target %	Target Reduction Amount	Summary of Department Submitted Budget Plan for Fiscal Year 2010/11									
				Proposed Plan Revenues or Transfers	Proposed Plan Sal&Ben	Proposed Plan S&S	Proposed Plan Capital	Proposed Plan Total	Total Sustainable Budget Reduction or New Revenue	Position Impact			Reduction Description & Consequences
										Vacant	Filled	Hours Reduced/ Other	
Public Safety	Fire Suppression	2.00%	5,000					-		0.00	0.00	Due to an already unsustainable funding level for fire suppression the reduction will be taken out of the County Managers Office.	
Public Safety	Sheriff's Office	2.00%	1,804,000	71,754	1,617,246	115,000		1,804,000	1,804,000	20.00		Hold an additional 20 full time positions vacant; reduce Equipment Services replacement billings by \$115,000/year by extending the replacement from 36 months to 48 months on 54 marked vehicles. Increase revenues fingerprint charges, work cards and criminal history.	
Public Safety Total			1,809,000	71,754	1,617,246	115,000	-	1,804,000	1,804,000	20.00	0.00	0.00	
Judicial/ Health/ Social	Alternate Public Defender	3.00%	57,000		50,000	7,000		57,000	4,200	0.50		Reduce one full-time attorney to half-time. Would drop 141 Family Court cases. Predicted outcome is Family Court judges appointing Bell at \$800/case. \$5K of \$7K Services Supplies cuts is to eliminate training budget. Attorneys have negotiated right to CLE requirements. Leave enough training to meet CLE needs.	
Judicial/ Health/ Social	Alternative Sentencing	3.00%	21,000		20,854	500		21,354	21,354	1.00		Freeze 1 vacant Alt Sentencing Office II; give up \$21K to meet reduction target; use remaining authority to fund a Pooled Position budget	
Judicial/ Health/ Social	Child Protective Services Fund	3.00%	40,000	40,000				40,000	40,000			Increase in overhead transfer back to General Fund. COWCAP estimated at approximately \$1.4 million and budgeted overhead transfer back totals \$874,854 (Base of \$343,000, \$23,840 for COWCAP contract, \$468,014 Conflict Council contract, \$40,000 reduction target)	
Judicial/ Health/ Social	Conflict Attorney	3.00%	55,000			55,000		55,000	18,000			Based on FY 09-10 actual, a cut of approximately \$18,000 appears sustainable. Depends on types of cases assigned and proposed process changes	
Judicial/ Health/ Social	District Attorney	3.00%	530,000	300,000	130,000	100,000		530,000	230,000 to 530,000	1.00		\$300K Family Support revenue: credit for unused incentive \$ from State. May be able to renegotiate. \$130K is tied to pending retirement. \$100K reduction processing serving contract.	
Judicial/ Health/ Social	District Court	3.00%	455,000		539,903	(96,985)		442,918	442,918	4.00	6.00	2.00	The District Court/Law Library is restructuring staffing. Ten positions will be defunded and restructured with 10 vacant positions being funded some at lesser cost, and 2 positions moved to grant funding-- leaving a net impact of 2 position reductions. The overall personnel costs will be reduced by \$539,903 (this includes the savings from the 4 vacant positions). The reduction plan also includes canceling the lease for the Family Peace Center \$30,548 and moving it to the District Court building, increasing professional services to contract for mediation services \$145,333, and \$18,000 of service and supply cuts to the Law Library budget.
Judicial/ Health/ Social	Health District	3.00%	253,000			253,000		253,000	253,000	2.00			The Health Department transfer will be reduced by \$253,000. Continuous efforts to redesign Health Department programs including position eliminations and position buyouts have stabilized the financial position of the Health Fund. The accumulated savings in the form of fund balance will be used to substantially offset the reduced General Fund revenue. Additional actions will be need to reduce expenditures and these will be the elimination of two positions that are currently vacant: Office Support Specialist and Public Health Nurses (both of these positions were 50% grant funded).
Judicial/ Health/ Social	Incline Constable	3.00%	9,000		7,200	1,800		9,000	9,000				Reduce Pooled Position budget by \$7,200 and turn in one vehicle #1201 to reduce Equipment Services billings by \$1,800.
Judicial/ Health/ Social	Justice Court-Incline	3.00%	14,000		12,250			12,250	12,250				Reduce planned working time on one position from 1.00 to .80. Incumbent has been working that schedule.
Judicial/ Health/ Social	Justice Court-Reno	3.00%	136,000			136,000		136,000	136,000	0.00		0.00	Reduce services and supplies by \$136,000, including \$67,600 from Prof Services, \$20K software maintenance, \$15,500 office supplies and \$11K Court reporter among others.

ATTACHMENT A

Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Serv. Tier	Department	Target %	Target Reduction Amount	Summary of Department Submitted Budget Plan for Fiscal Year 2010/11									
				Proposed Plan Revenues or Transfers	Proposed Plan Sal&Ben	Proposed Plan S&S	Proposed Plan Capital	Proposed Plan Total	Total Sustainable Budget Reduction or New Revenue	Position Impact			Reduction Description & Consequences
										Vacant	Filled	Hours Reduced/ Other	
Judicial/ Health/ Social	Justice Court-Sparks	3.00%	67,000			67,000		67,000	67,000	0.00	0.00	Reduce services and supplies by \$67,000, including payment of \$52,000 of lease costs out of Admin Assessment funds. Other services supplies will be charged to AA funds as needed.	
Judicial/ Health/ Social	Justice Court-Wadsworth	3.00%	8,000	8,000				8,000	8,000	0.00	0.00	Transfer from two-year Admin Assessment \$ increased from \$24K (FY 10 reduction target) to \$32K. Transfer exceeds revenue estimate by approximately \$5,000/year but accumulated reserves exceed \$200,000	
Judicial/ Health/ Social	Juvenile Services	3.00%	409,000		409,000	-	-	409,000	409,000	5.00	0.00	Suspend residential program at McGee Center. Abolish a vacant Program Manager and 4 Youth Advisor positions. Salary savings from 5 vacancies adjusted for cost of reclassifications and increase respite contract.	
Judicial/ Health/ Social	Medical Examiner	3.00%	56,000	90,625	(22,310)			68,315	68,315			Increase fees and enter into MOU with Social Services re: reimbursement from Indigent Medical reimbursements. Increase funding for .75 FTE to full time and reclassify and increases Pooled position budget.	
Judicial/ Health/ Social	Public Administrator	3.00%	29,000		22,550			22,550	22,550		0.40	1.0 FTE Office Support Specialist will be permanently reduced to 24 hours per week (.60FTE) with full benefits for a savings of \$22,550 per year.	
Judicial/ Health/ Social	Public Defender	3.00%	222,000			222,000		222,000	222,000	0.00	0.00	Public Defender moving out of lease space 1 California into County owned at 350 S Center. Addl. \$33K services supplies cuts sustainable based on prior year actual.	
Judicial/ Health/ Social	Public Guardian	3.00%	46,000		46,000			46,000	46,000	1.00		1.0 FTE layoff after September 17, 2010 in approximate value of \$46,000 for remainder of FY 11.	
Judicial/ Health/ Social	Registrar of Voters	3.00%	63,000	-	59,550	238,000	-	297,550	297,550			Sample ballot redesign to save costs on printing, outsourcing outbound absent ballot processing, vault usage revised to save on labor dollars	
Judicial/ Health/ Social	Senior Services	3.00%	7,000			7,000		7,000	7,000	0.75	1.50	Reduced General Fund transfer by reduction target of \$7,000, but also increased General Fund transfer for postage of \$6,860. Net General Fund transfer reduction from prior year of (\$40). Additionally Sr Svcs proposed to layoff a .75FTE Custodial Worker (\$45,970); reduce 1.5FTE per diem paralegals (\$85,549); reduce nutrition vendor contract by \$40,000 by instituting changes in service and product delivery; and add \$10,000 for custodial contract in place of custodial worker.	
Judicial/ Health/ Social	Social Services	3.00%	35,000		55,655	(20,655)		35,000	55,655	1.00		Eliminate funding for vacant OAIL, 7x940 for FY 11 and restore \$20,655 into Other Professional Services to cover contract for TCM consulting services	
Judicial/ Health/ Social Total			2,512,000	438,625	1,330,652	969,660	-	2,738,937	2,139,792	14.50	7.75	3.90	
Admin/ Exec/ Leg/ Ops	Assessor	4.00%	238,000	171,110	66,890			238,000	66,890	1.00	0.00	Eliminate funding for OAIII #7x690. Transfer \$171,110 from tech funds	
Admin/ Exec/ Leg/ Ops	Board of County Commissioners	4.00%	21,000	-		19,260		19,260	19,260			NACO dues has been moved to grant funding for NACO costs but this is a one time adjustment. Miscellaneous adjustments to services and supplies.	
Admin/ Exec/ Leg/ Ops	Clerk	4.00%	57,000		23,280	33,720	-	57,000	57,000			\$18,720k is from Energy savings in PW budget, \$78,661 is in Crt Security which is Sheriff budget (he has agreed to cut \$12,400 out of the budget the balance will be a reallocation of resources for other Public Safety issues, these reductions are not included in the Sheriff's reduction plan) and \$4,600 is Clerk budget for shift differential and holiday work and \$15,000 for noncapital equipment.	

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Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Serv. Tier	Department	Target %	Target Reduction Amount	Summary of Department Submitted Budget Plan for Fiscal Year 2010/11							Position Impact			Reduction Description & Consequences
				Proposed Plan Revenues or Transfers	Proposed Plan Sal&Ben	Proposed Plan S&S	Proposed Plan Capital	Proposed Plan Total	Total Sustainable Budget Reduction or New Revenue	Vacant	Filled	Hours Reduced/ Other		
Admin/ Exec/ Leg/ Ops	Community Development	4.00%	111,000	-	-	111,000	-	111,000	111,000				Reduction in TMRPA fees, no support for Sierra Spirit and miscellaneous cuts to services and supplies	
Admin/ Exec/ Leg/ Ops	Community Support	4.00%	49,000	-	-	49,946	-	49,946	49,946				Reduction in special purpose awards (i.e. NHC Incline Clinic, Gerlach Clinic, IVGID, EDawn, Access to Healthcare). Reduction to WCHuman Services Consortium.	
Admin/ Exec/ Leg/ Ops	County Manager	4.00%	121,000	-	82,756	43,244		126,000	126,000	1.00			1 vacant Public Service Intern (no fte count since no dollars are associated) and one filled position will have a lay-off then elimination/abolishment from SAP for a savings of \$82,756. Reduction in various services & supplies accounts.	
Admin/ Exec/ Leg/ Ops	Finance	4.00%	134,000	192,849				192,849	192,849				New Revenue - rebate for utilization of new E-Payables program in accounts payable	
Admin/ Exec/ Leg/ Ops	Human Resources	4.00%	95,000			95,000		95,000	95,000				Net reduction of department is \$95,000, however other professional services is reduced \$ 95,000 plus an additional \$151,938 to offset the cost of funding the Labor Relations Manager position.	
Admin/ Exec/ Leg/ Ops	Public Works	4.00%	1,158,000	86,174	322,468	1,347,415	(598,057)	1,158,000	1,158,000	3.00			Freeze vacant position #7x1368 OSS, #7x1463 Licensed Engineer, & #7x1254 Maintenance Worker II. Move filled position #7x1472 Geomatics Specialist to restricted funding in the Other Restricted Revenue fund. Various cuts in services and supplies, new reductions in Roads fleet, discontinue employee parking in the Gallery, additional lease revenue and where possible redirect Building Infrastructure issues to the CIP process and not the general fund operating expenditures	
Admin/ Exec/ Leg/ Ops	Recorder	4.00%	84,000	41,000	43,000			84,000	84,000				\$30,000 in new revenue from Foreclosure Mediation Fees will be used to offset costs- this will only be sustainable if the revenue continues to come in at the \$30,000 level. Assuming the anticipated vacancy happens then the plan is sustainable.	
Admin/ Exec/ Leg/ Ops	Technology Services	4.00%	483,000		70,496	412,504		483,000	483,000	1.00	0.35		1.0 FTE vacant position 7x6577 will be frozen in FY 11. 35% of Position 7x1385 transferred to E911 Fund. Reclasses with an added value of \$31,158 have been added, resulting in the total reduction requirement totaling \$514,158; identified sustainable reductions total \$503,739, resulting in a salary adjustment position of \$10,419 as unidentified and therefore potentially unsustainable. This unidentified reduction will most likely eventually come from a transfer of general fund salary and benefits in support of the Regional Communication system Fund, which would then become sustainable (position # as vet unidentified).	
Admin/ Exec/ Leg/ Ops	Treasurer	4.00%	86,000	-	86,000	-	-	86,000	86,000	1.00			Freeze collection analyst position and loss of previous Treasures longevity pay (\$19,000)	
Admin/ Exec/ Leg/ Ops	Water Resources-Planning	4.00%	42,000			294,000		294,000	294,000				Water Resources is continuing its effort to clearly differentiate between regional water planning efforts and utility efforts. For FY 10/11, DWR proposes a regional water planning budget of \$750,000. Therefore, the GF transfer can be reduced above the target reduction of \$42,000. This is the second year in a row that DWR has reduced the regional water planning budget beyond the target by effectively realigning its services. Part of the realignment for this year's savings will come from transferring the Flood Monitoring Program to Flood Control. The balance of the savings will come from position reallocation and vacancies.	

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Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Summary of Department Submitted Budget Plan for Fiscal Year 2010/11													
Serv. Tier	Department	Target %	Target Reduction Amount	Proposed Plan Revenues or Transfers	Proposed Plan Sal&Ben	Proposed Plan S&S	Proposed Plan Capital	Proposed Plan Total	Total Sustainable Budget Reduction or New Revenue	Position Impact			Reduction Description & Consequences
										Vacant	Filled	Hours Reduced/ Other	
Admin/ Exec/ Leg/ Ops			2,679,000	491,133	694,890	2,406,089	(598,057)	2,994,055	2,822,945	6.00	1.00	0.35	
Cultural/ Educ.	Law Library	5.0%	35,000					-					Included in the District Court budget reduction
Cultural/ Educ.	Library	5.0%	478,000	-	148,211	347,850	-	496,061	149,961	2.00			2 retirements and concessions on N.Valleys and Sierra View lease space. Property owners have agreed to carry concessions into FY12. Sierra View is willing to consider FY12 and N.Valleys will agree to FY12 in exchange for a 3-yr extension to lease
Cultural/ Educ.	May Foundation Fund	5.0%	12,000			12,000		12,000	12,000				Moving to general fund but the program has been cut by the \$12,000
Cultural/ Educ.	Parks & Open Space	5.0%	260,000	72,080	66,208	125,256		263,545	103,281	0.17		0.50	Freeze of vacant position (1), misc. reductions in services and supplies, decrease in pooled positions. One full-time position previously paid 50% in senior center will be decreased to a 21 hour work week and another full-time has agreed to reduced hours by moving into a part-time vacant positions and freezing the full-time position once occupied. \$88,184 for the bowers pool is not sustainable because the funding will need to be replaced once the pool re-opens after renovations and the grant funding can not be guaranteed after 2yrs
Cultural/ Educ.			785,000	72,080	214,419	485,106	-	771,606	265,242	2.17	0.00	0.50	
Grand Total			7,785,000	1,073,592	3,857,207	3,975,855	(598,057)	8,308,598	7,031,979	42.67	8.75	4.75	

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Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Department	County Manager Recommendations						
	New Revenue	Expenditure Reductions	County Manager Recommended Reduction	County Manager Recommendation Notes	Vacant	Filled	Hours Reduced/ Cost Distrib.
Fire Suppression			-				
Sheriff's Office	71,754	1,732,246	1,804,000	Recommend plan as submitted	20.00	0.00	-
	71,754	1,732,246	1,804,000		20.00	0.00	-
Alternate Public Defender	-	7,000	7,000	Reductions to staffing are not recommended due to current staffing and workload levels. Reduce services supplies cuts to leave contractual requirement for \$350 CLE per Attorney.	0.00	0.00	-
Alternative Sentencing	-	21,354	21,354	Recommend plan as submitted	1.00	0.00	-
Child Protective Services Fund	40,000	-	40,000	Recommend plan as submitted	0.00	0.00	-
Conflict Attorney	-	55,000	55,000	Recommend plan as submitted	0.00	0.00	-
District Attorney	300,000	230,000	530,000	Recommend plan as submitted	1.00	0.00	-
District Court	-	442,918	442,918	The District Court's budget reduction target was reduced based on adjustments for Court Services and the Law Library budget reduction targets being lowered to 2% and 3% reduction targets. The revised reduction target is \$442,700. Recommend plan as submitted.	4.00	6.00	2.00
Health District	-	253,000	253,000	Recommend plan as submitted	2.00	0.00	-
Incline Constable	-	9,000	9,000	Recommend plan as submitted	0.00	0.00	-
Justice Court-Incline	-	12,250	12,250	Recommend plan as submitted	0.00	0.00	-
Justice Court-Reno	-	136,000	136,000	Recommend plan as submitted	0.00	0.00	-

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Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Department	County Manager Recommendations						
	New Revenue	Expenditure Reductions	County Manager Recommended Reduction	County Manager Recommendation Notes	Vacant	Filled	Hours Reduced/ Cost Distrib.
Justice Court-Sparks	-	67,000	67,000	Recommend plan as submitted	0.00	0.00	-
Justice Court-Wadsworth	8,000	-	8,000	Recommend plan as submitted	0.00	0.00	-
Juvenile Services	-	409,000	409,000	Recommend plan as submitted	5.00	0.00	-
Medical Examiner	90,625	(22,310)	68,315	Recommend plan as submitted	0.00	0.00	-
Public Administrator	-	22,550	22,550	Recommend plan as submitted	0.00	0.00	0.40
Public Defender	-	222,000	222,000	Recommend plan as submitted	0.00	0.00	-
Public Guardian	-	-	-	Do not recommend an employee be laid off to meet the reduction because of risk impact to service delivery. In addition, ideas are being explored that could generate additional revenue in the Public Guardian's Office as well as ideas on service configuration. These ideas may be opportunities to generate savings or revenue that are a better option than reducing staff.	0.00	0.00	-
Registrar of Voters	-	297,550	297,550	Recommend plan as submitted	0.00	0.00	-
Senior Services	-	7,000	7,000	Recommend plan as submitted	0.00	0.75	1.50
Social Services	-	35,000	35,000	Recommend plan as submitted	1.00	0.00	-
	438,625	2,204,312	2,642,937		14.00	6.75	3.90
Assessor	171,110	66,890	238,000	Recommend plan as submitted	1.00	0.00	-
Board of County Commissioners	-	19,260	19,260	Recommend plan as submitted	0.00	0.00	-
Clerk	-	57,000	57,000	Recommend plan as submitted. Clerk should receive full recognition for the savings generated by changing hours. The amount of budget reduction actually taken from Clerk's budget will be \$4,600 for call back pay and shift diff plus the \$15,000 for non capital equipment. The balance toward the \$57,000 will be the savings from reduced hours.	0.00	0.00	-

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Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Department	County Manager Recommendations						
	New Revenue	Expenditure Reductions	County Manager Recommended Reduction	County Manager Recommendation Notes	Vacant	Filled	Hours Reduced/ Cost Distrib.
Community Development	-	111,000	111,000	Recommend plan as submitted	0.00	0.00	-
Community Support	-	49,946	49,946	Recommend plan as submitted	0.00	0.00	-
County Manager	-	126,000	126,000	Recommend plan as submitted	0.00	1.00	-
Finance	192,849	-	192,849	Recommend plan as submitted	0.00	0.00	-
Human Resources	-	95,000	95,000	Recommend plan as submitted	0.00	0.00	-
Public Works	86,174	1,071,826	1,158,000	The Public Works budget reduction plan included reductions for energy savings and ESD billing rate savings which were being used to offset reductions and reallocated to pay for increased IP and other items. Beginning July 1, 2010, utility costs will budgeted in undesignated budget account (1999999). Therefore, the anticipated savings will fall to the bottom line of the General Fund. In turn, given that additional fuel tax revenues will be redirected back to the General Fund for July 1-- the Roads budget will be held harmless for a budget reduction. Therefore, the budgeted ESD billing rate savings for FY10/11, which are in the Roads budget are not applied toward the budget reduction target. Likewise, the added investment in IP will be reduced from \$434,378 to \$155,000. Also, the proposed reclassification of a project coordinator to project manager will not be done through the budget reduction plan. Additional HR analysis is needed to determine the appropriate classification. The balance of the budget reduction plan is accepted as submitted. The sum of the above actions "nets" to the equivalent of a \$1.1 million savings to the G	3.00	0.00	-
Recorder	41,000	43,000	84,000	Recommend plan as submitted	0.00	0.00	-
Technology Services	-	483,000	483,000	Recommend plan as submitted	1.00	0.00	0.35
Treasurer	-	86,000	86,000	Recommend plan as submitted	1.00	0.00	-
Water Resources-Planning	-	294,000	294,000	Recommend plan as submitted	0.00	0.00	-

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Washoe County Fiscal Year 2010/11 Department Reduction Plans and County Manager Recommendations

Department	County Manager Recommendations						Hours Reduced/ Cost Distrib.
	New Revenue	Expenditure Reductions	County Manager Recommended Reduction	County Manager Recommendation Notes	Vacant	Filled	
	491,133	2,502,922	2,994,055		6.00	1.00	0.35
Law Library	-	-	-		0.00	0.00	-
Library	-	496,061	496,061	Recommend plan as submitted	2.00	0.00	-
May Foundation Fund	-	12,000	12,000	Recommend plan as submitted	0.00	0.00	-
Parks & Open Space	72,080	191,465	263,545	Recommend plan as submitted	0.17	0.00	0.50
	72,080	699,526	771,606		2.17	0.00	0.50
	1,073,592	7,139,005	8,212,598		42.17	7.75	4.75
				Staffing Impact Net the District Court Restructure Plan	38.17	1.75	2.75