

# County Manager Operating Budget Recommendations Fiscal Year 2010/11

Board of County Commissioners  
April 27, 2010

# Budget Situation

- The current year remains stable– no cuts are needed for FY 09/10

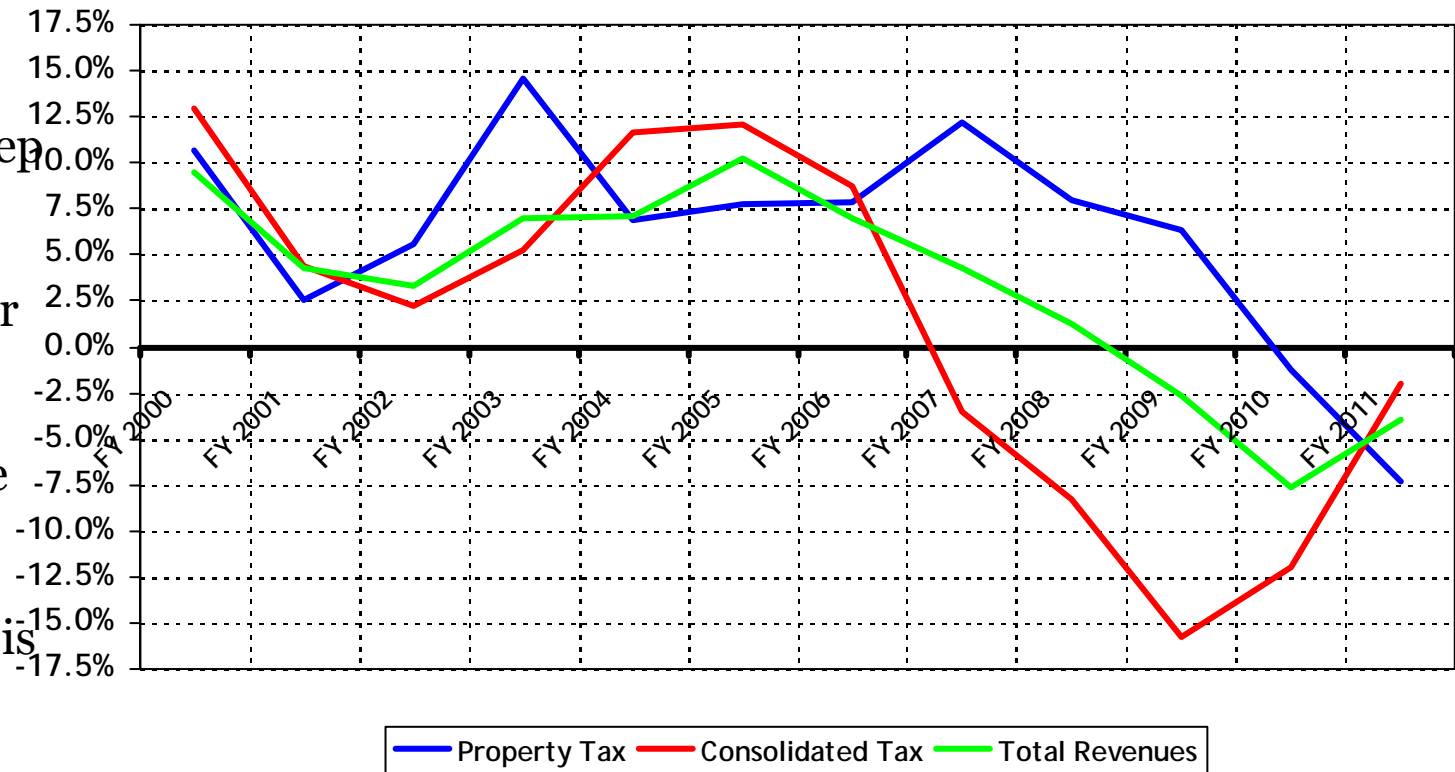
**BUT**

- Washoe County has a structural deficit
  - Expenditures are growing faster than revenues

# Revenues for FY 2010/11

## General Fund Revenues FY 2000 to FY 2011 Annual Percent Change

- Revenue peaked in 2008/09
- CTX peaked in 2005/06
- Steady and steep declines since the peaks
- 2010/11 further declines expected
- Largest decline is in property taxes
- 54% of budget is property tax supported

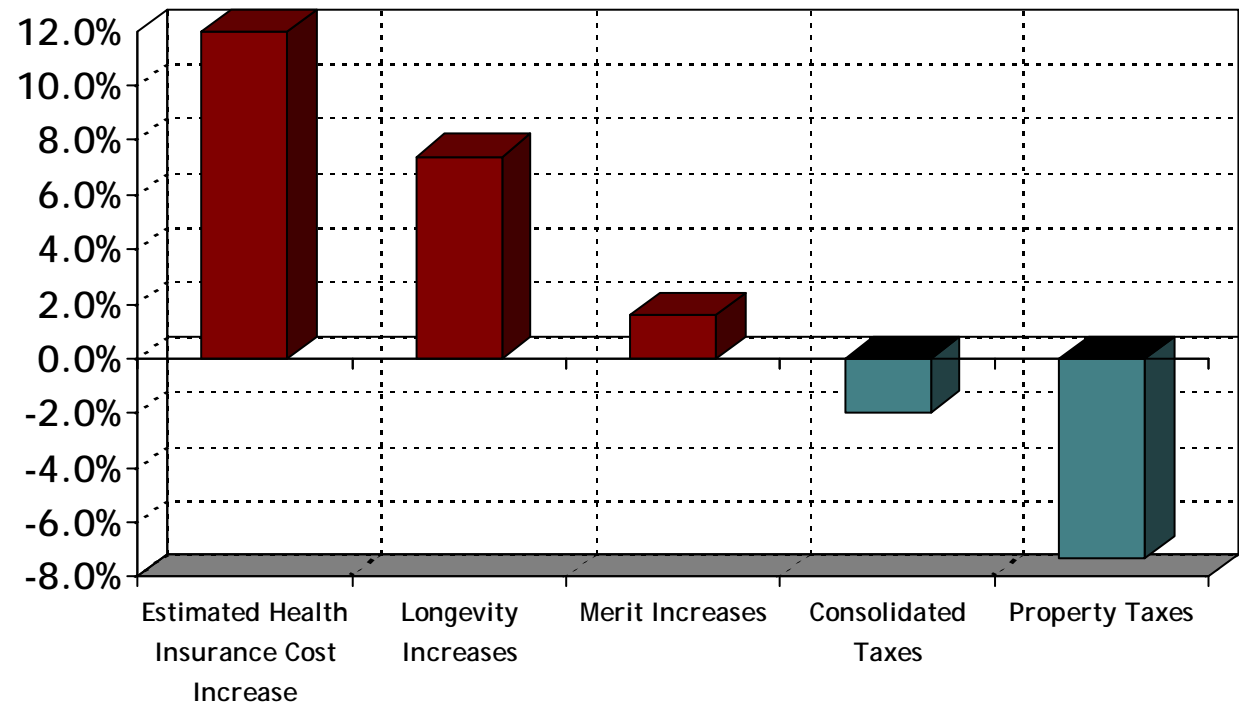


# Structural Deficit

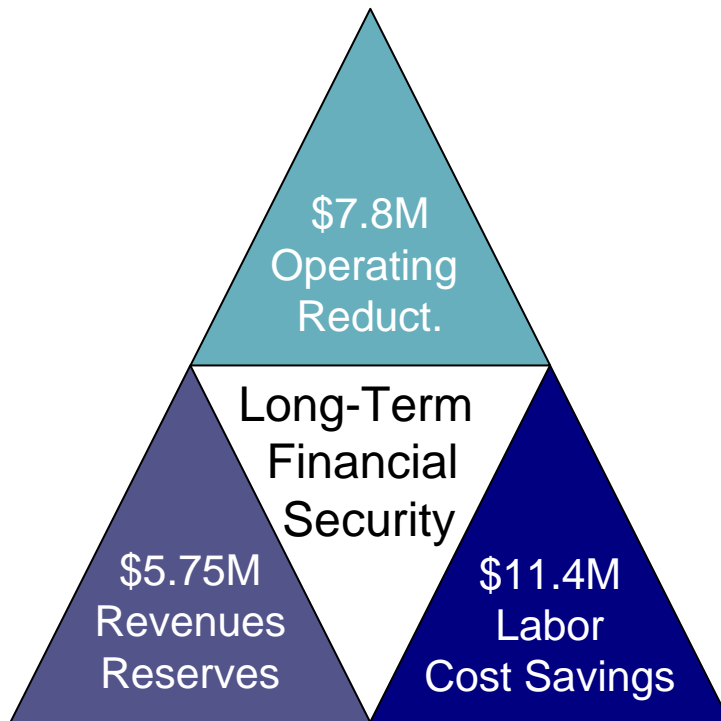
## FY 2010/11 Percent Change in Major Expenses and Major Revenues

- Pay and Benefit costs are growing faster than revenues can support

Note: Final Health Insurance Rates had not been negotiated by publication of this staff report. Actual rates could be higher or lower. HMO rates came in at a 25% increase. Options to lower this cost and total health insurance premium costs are being reviewed by the Insurance Negotiating Committee.



# Balanced Plan for “New Normal”



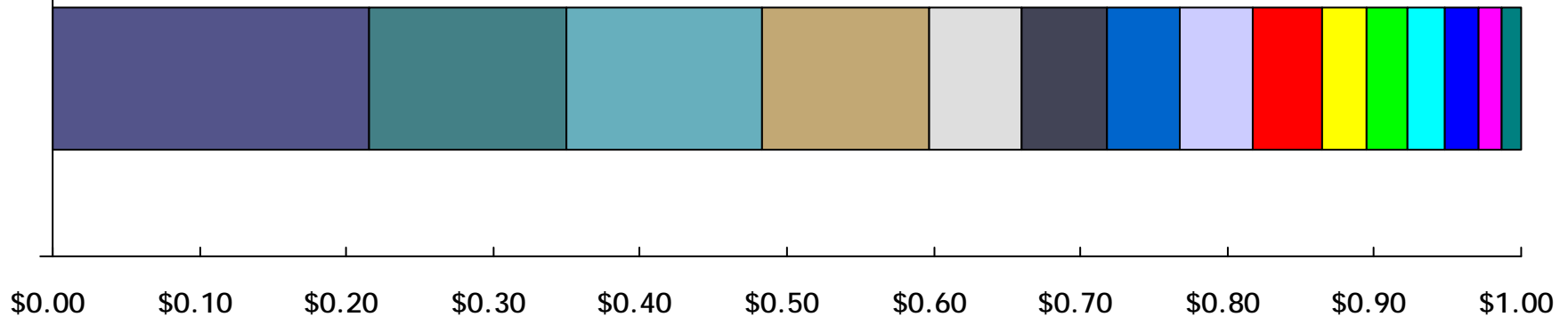
## **Three Point Plan to Close FY 10/11 Deficit and Create Long-Term Security**

- County must realign its expenses with the rebased revenues.
- Board Goals
  - Maintain Services
  - Maximize Employment
  - Sustainable Labor Costs
- BCC and Management Wage Reduction
  - 3.7% pay cut start 7/1/2010
  - \$25 per pay period Health Benefit Contribution

# 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

# Prioritizing Reductions

- Prioritization allocates funds based on service priority
- FY 10/11 less difference between services- recognizes impact of cuts already made
- Aim to maintain service levels as best as possible

<b>Priority Group</b>	<b>FY 2008/09</b>	<b>FY 2008/09 MidYear</b>	<b>FY 2009/10</b>	<b>FY 2010/11</b>
Public Safety	2.50%	1.25%	6.00%	2.00%
Judicial/Health/ Social Services	5.00%	2.55%	12.00%	3.00%
General Govt.	10.00%	5.55%	28.00%	4.00%
Culture/Recreation	15.00%	7.50%	36.00%	5.00%

# Manager Recommendations

- Departments Proposed
  - \$7.2 Million in Cuts
  - \$1.1 Million in Revenue

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- Accept Plans as Submitted Except For
  - Alternate Public Defender
  - Public Guardian

Staff reductions with too high an impact to services

- Manager Recommendation Summary
  - \$7.1 Million in Cuts
  - \$1.1 Million in Revenue

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\$8.2 Million Total

# Budget Cut Impacts

## Service Impacts- Examples

- Position Impact

- 2 Layoffs (1.75 FTE)
- 38 Vacancies Eliminated
- 2.75 FTE hours reduced or moved to grant funds

<b><i>Assessor</i></b>	<i>Longer lines at the counter and longer response times to process requests for information</i>
<b><i>Community Development</i></b>	<i>Funding for the Sierra Spirit Bus will be eliminated</i>
<b><i>Community Support</i></b>	<i>Reduced County funding for community services like Human Services Coalition and EDawn</i>
<b><i>County Clerk</i></b>	<i>Reduced hours that the Marriage Bureau is open</i>
<b><i>Public Administrator</i></b>	<i>Reduced staffing hours will delay the administrative processes</i>
<b><i>Regional Parks and Open Space</i></b>	<i>Great Basin Adventure Park will no longer be operated as a fee area</i>
<b><i>Technology Services</i></b>	<i>Longer replacement schedule for computers and other technology</i>
<b><i>Treasurer</i></b>	<i>Delayed collection efforts and reduced availability for customer service</i>

# Next Steps/Discuss

- May 17<sup>th</sup> Public Hearing on Budget Adoption
- Continue Work on Labor Cost Savings
- Develop Alternative Plans In Case Labor Cost Savings Are Not Attained