



Fast Facts

2010-11 Budget



What's the status of the 2009-10 budget?

- Over the past four years, Washoe County has made **\$100 million in spending cuts; this year's budget alone was cut by 11%**—significantly more percentage-wise than any large government in the State, including the State.
- On top of our revenue shortfalls and cuts, the State **Legislature diverted \$25 million of our revenues** over the biennium to address State budget shortfalls.
- **Most Washoe County employees took a 2.5% cut to their existing pay**—many took more.
- We've **defunded 500 positions and are down to fiscal year 2000 staffing levels, cutting 14% of our staffing this year alone.**
- We now have **fewer than 6 full-time employees (FTE's) per 1,000 population, compared to an average of 10 FTE's per 1,000 population nationally.**
- During this dramatic economic crisis, **Washoe County's bond rating was actually increased to the highest rating in the history of Northern Nevada**, recognizing the prudent financial management of the County.
- As a result, we **have not been forced to make mid-year budget cuts this year**, like Reno, Sparks, RSCVA, the State and other agencies have had to do .

What do we see for the 2010-2011 fiscal year ahead?

- **Property tax revenues are predicted to decline by 7% overall**, due to lower property values as a result of the struggling housing market.
- **Sales taxes are predicted to decline by 2%**--an improvement from the 10% decline we forecast for this year, but still a decrease in available revenues.
- These two revenue sources comprise about 70% of our resources, resulting in a deficit unless action is taken. Local governments in Nevada are prohibited from budgeting or spending more than available resources.
- Based on known costs for the current service and staffing levels, **the deficit for 2010-2011 is forecast to be about \$25 million, or approximately 9.5 % overall.**
- **Based on the best available economic information and current costs for existing service levels, we know that expenditures will exceed available revenues for at least the next five years, which is called a structural deficit.**

What is the plan for dealing with the deficit?

- The Board of County Commissioners has directed staff to **eliminate deficits and make County government financially sustainable** over the long term, utilizing three goals:
 - Maintain service levels
 - Maximize employment
 - Achieve sustainable labor costs

- The Board also asked staff to use a **balanced approach to achieving financial sustainability**, so that no one part of the budget carries a disproportionate burden. The balanced approach uses three strategies:
 - Develop a sustainable compensation plan, with a goal of treating employees consistently across all employee groups**
 - Further reduce operating costs by prioritizing programs and implementing additional efficiencies**
 - Prudently use reserves and restricted revenues** (with potential threats such as a Special Legislative Session and other concerns still outstanding, adequate reserves must be maintained)
- **The Board will make specific decisions at their meeting January 26 regarding specific departmental funding levels.**

What will this mean?

- **A summary of what the Board decides will be posted on the County website on January 26**, which is the first time departments will know their specific funding levels. On average, departments will be asked to reduce operating budgets by 3%.
- **A Special Department Head meeting will be held on January 27**, and a **meeting with labor associations will be held on January 29.**
- **A Brown Bag meeting with employees will be held at noon on January 29 in the County Commission Chambers**; the meeting will be broadcast internally over the intranet, and will be taped and available for video on demand.
- In the recommended plan going forward to the Board of County Commissioners on January 26, there is a **proposed 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.
- **Any recommendations regarding specific program reductions or lay-offs would be coming from departments, and those proposals will not be identified until after departments know their funding levels and have an opportunity to evaluate options.**
- **Voluntary separation incentives are not being recommended to the Board as a budget reduction strategy at this time.** Buy-outs use badly needed cash reserves, and leave the employees who don't qualify for separation incentives with more work to carry. The vast majority of employees who qualified have already left the organization.
- Again, the overall budget cut needed is approximately 9.5%.

We recognize that ANY reductions to current compensation, programs, and service levels are extremely difficult, and we welcome ideas and suggestions for addressing the \$25 million deficit while meeting the Board's adopted goals. The local, state, and national economies continue to challenge all of us, and we remain dedicated to honoring the dedication of our 2700 employees and the 410,000 people of Washoe County that we all serve.