



# WASHOE COUNTY

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CM/ACM\_\_\_\_\_

Budget\_\_\_\_\_

DA NA

Comptroller, NA

HR NA

Other NA

## STAFF REPORT

**BOARD MEETING DATE: April 28, 2015**

**DATE:** April 23, 2015

**TO:** Board of County Commissioners

**FROM:** Al Rogers, Director of Management Services  
328-2017 arogers@washoecounty.us

**THROUGH:** John Slaughter, County Manager  
328-2060 jslaughter@washoecounty.us

**SUBJECT:** Status report and possible direction to staff on the County Manager's recommended Fiscal Year 2015-16 Budget; and approve the changes to position control for Fiscal Year 2015-16; and, direct the County Manager to return to the Board of County Commission with a Tentative and Final Budget incorporating the approved County Manager's recommendations for adoption at the public hearing scheduled for May 18, 2015.  
(All Commission Districts)

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### SUMMARY

The purpose of this item is to provide a status report an possible direction to staff on the Manager's recommended Fiscal Year 2015-16 budget; and approve the changes to position control for Fiscal Year 2015-16; and, direct the County Manager to return to the Board of County Commission with a Tentative and Final Budget incorporating the approved County Manager's recommendations for adoption at the public hearing scheduled for May 18, 2015.

**Washoe County Strategic Objective supported by this item:** Sustainability of our financial, social and natural resources.

### PREVIOUS ACTION

January 9, 2015 - Discussed and identified at its annual workshop mission, values, strategic direction and objectives, and Fiscal Year 2016 goals for further work by staff.

March 24, 2015 – Acknowledged the update and status report on the Fiscal Year 2015/2016 budget.

April 14, 2015 – Approved the Washoe County FY16-18 Strategic Plan, including mission, vision, values and strategic objectives and fiscal year 2015-16 goals.

## **BACKGROUND**

In January of 2015, the Board of County Commissioners at their strategic workshop heard an update on the financial outlook for Washoe County as they prepared the strategic objectives and goals for the upcoming fiscal year. The overview included various financial trending and analysis with an overall theme of “cautiously optimistic” for the upcoming budget year.

During the months of February and March, all departments, courts and district worked to develop their estimates of revenues and costs for the current year as well as the FY15/16 year.

Departments, districts and offices presented their budget submissions to the budget team the week of March 9<sup>th</sup> to review alignment to the strategic goals, base costs, above base costs and increases requested throughout the County organization.

The General Fund is the main operating fund of the County and also provides resources to fund OPEB, capital projects and other funds where direct revenues may fall short. In order to balance the FY15/16 Recommended Budget for the General Fund, the following assumptions were used:

### **Summary of General Fund**

The projected Fiscal Year 2015-16 General Fund revenues and other sources are exceeded by budgeted expenditures and other uses by \$13.5 million. Although the budget remains structurally imbalanced, the County's actual expenditures historically have been under budget, thus offsetting at least partially the imbalance. The Fiscal Year 2015-16 ending fund balance is projected at 8.3% and is within the Board's policy.

### **General Fund Revenue and Other Sources:**

- Property Taxes
  - For FY15/16, property and room taxes are expected to increase 1.9%. The level of increase for the General Fund would be higher except for the need to reverse a one-time decrease in the debt component of the County's property tax rate.
  - Total property taxes are projected to increase more than 4% compared to the FY14/15 budget due to projected new development.
- Consolidated Tax
  - Comprised of the County's portion of sales tax, liquor tax, cigarette tax, real property transfer tax and Government Services Tax.
  - FY16 C-Tax revenues are projected to be \$8.78 million higher than FY14/15 budget.
- Other revenues
  - Revenues for incarceration of federal prisoners are \$1.5 million lower than budgeted.
  - Lower revenues in certain courts.
  - No significant change (slight decrease) to charges for services and other revenues.

### **General Fund Expenditures and Other Uses**

- Employee Salaries/Benefits
  - PERS contribution will increase 2.25% for non-public safety employees on July 1, 2015 with employee contribution equal to ½ of total (1.125%) still in negotiation.
  - Group health insurance is estimated for now to increase at least 6% due to increased claims, but this will be finalized by May 1<sup>st</sup> once certain costs are finalized.
  - OPEB funding drops from \$18.7 million in FY14/15 to \$17.68 million.
- Services and Supplies
  - Increase of 4.5% for mandatory indigent medical expenditures (NRS428.295).
  - Increases of 2% each for property and liability insurance, workers compensation, unemployment insurance and equipment services.
- Other expenditures
  - Continued transfers to Health, Senior Services and Roads Funds
  - \$5 Million transfer for capital projects (see next agenda item for further explanation)

### **County Manager's Recommendations for Fiscal Year 2015-16**

The budget team and senior leadership representing the County Manager reviewed a total of \$15.7 million in requests from all departments for new positions, reclassification of existing positions and above-the-base services and supplies. Based on the relatively flat new revenues and the uncertainty of increased health benefits and labor negotiations, an approach of “reallocating” or “trading” existing resources within departments, courts and offices were analyzed and discussed. In some areas, significant trending of unspent service and supply budgets were identified and offered to offset new position requests.

#### **Summary of position control changes**

It is recommended that the FY16 budget include a countywide increase of 60.23 full time equivalents (FTE). The general fund would increase by 27.03 FTE's with a cost of \$2,418,301, but with only a net fund impact of \$893,224. The remaining 33.2 FTE's would be increased in Special Revenue Funds including Building and Safety, Animal Services, Human Services, Library Expansion, and Utilities. The net impact to those funds is a total of \$2,511,042. (Attachment A)

The FY16 recommendation includes fourteen (14) general fund positions to be reclassified with an additional cost of \$100,764. Special Revenue funds have five (5) positions reclassified with an additional cost of \$75,885 (Attachment B)

Along with new positions and reclassifications an additional \$530,703 of services and supplies is recommended with a net general fund impact of \$243,353 again with “trades” offered and accepted by departments, courts and offices. (Attachment C)

**Next Steps**

May 18, 2015:	Public Hearing and Adoption of FY16 Washoe County Tentative and Final Budget
June 2, 2015:	Final Budget submitted to State Department of Taxation

**FISCAL IMPACT**

Fiscal impacts will be included in the final recommended budget based on recommendations provided by the Board and/or County Manager.

**RECOMMENDATION**

It is recommended that the Board acknowledge the status report and possible direction to staff on the County Manager's recommended Fiscal Year 2015-16 budget; approve the recommended changes to position control for fiscal year 2015-16 and direct the County Manager to return to the Board with a tentative and a final budget for adoption at the public hearing scheduled for May 18, 2015.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be, "move to acknowledge the status report and possible direction to staff on the County Manager's recommended Fiscal Year 2015-16 budget; approve the recommended changes to position control for fiscal year 2015-16 and direct the County Manager to return to the Board with a tentative and a final budget for adoption at the public hearing scheduled for May 18, 2015."

<b>Washoe County General Fund Sources and Uses</b>			
<b>Sources and Uses</b>	<b>FY14/15 Orig Budget</b>	<b>FY15/16 Proposed Budget</b>	<b>% Chg from FY14/15 Budget</b>
<b>Beginning Fund Balance</b>	<b>39,890,515</b>	<b>43,387,809</b>	<b>8.8%</b>
<b>Revenues and Other Sources:</b>			
Taxes	144,462,180	147,266,413	1.9%
Licenses and permits	8,314,500	8,544,000	2.8%
Consolidated taxes	82,500,000	91,278,018	10.6%
Other intergovernmental	19,738,644	18,487,672	-6.3%
Charges for services	25,336,808	23,930,231	-5.6%
Fine and forfeitures	8,013,150	8,023,650	0.1%
Miscellaneous	4,055,985	3,927,860	-3.2%
<b>Total revenues</b>	<b>292,421,267</b>	<b>301,457,844</b>	<b>3.1%</b>
Other sources, transfers in	596,926	291,515	-51.2%
<b>TOTAL SOURCES</b>	<b>332,908,708</b>	<b>345,137,168</b>	<b>3.7%</b>
<b>Expenditures and Other Uses:</b>			
Salaries and wages	134,437,229	141,806,750	5.5%
Employee benefits	60,894,936	65,549,706	7.6%
OPEB contributions	18,700,000	17,680,000	-5.5%
Services and supplies	61,095,076	62,864,890	2.9%
Capital outlay	235,500	435,500	84.9%
Total expenditures	275,362,741	288,336,846	4.7%
Transfers out	25,688,320	25,462,040	-0.9%
Stabilization	4,143,300	-	-100.0%
Contingency	1,500,000	1,500,000	0.0%
<b>TOTAL USES</b>	<b>306,694,361</b>	<b>315,298,886</b>	<b>2.8%</b>
<b>Ending Fund Balance</b>			
Restricted/Committed/Assigned			
Baseball Stadium	750,000	750,000	0.0%
Stabilization Account	-	3,000,000	
District Court	-	-	
Unassigned Fund Balance	25,464,347	26,088,282	2.5%
<b>TOTAL ENDING FUND BALANCE</b>	<b>26,214,347</b>	<b>29,838,282</b>	<b>13.8%</b>
Unassigned Ending Fund Bal. as % of Exp.	8.3%	8.3%	0.0%

\* Beginning fund balance for FY 15/16 is determined based on estimated revenues and expenditures for FY 14/15.

**Attachment A**  
**Position Changes Recommended in FY 15-16 Budget**

<b>Actual Position #</b>	<b>Title</b>	<b>Department/Division</b>	<b>Full/ Part</b>	<b>FTE's</b>	<b>Cost</b>	<b>Net GF Impact</b>
<b>GENERAL FUND RECOMMENDED POSITIONS TO BE ADDED</b>						
TBD	Assistant Alternative Sentencing Officer	Alternative Sentencing	F	1.00	\$ 93,739	\$ 93,739
TBD	Personal Property Auditor-Appraiser	Assessor's Office	F	1.00	\$ 80,166	\$ 80,166
TBD	Business Facilitator	Community Services	F	1.00	\$ 93,508	\$ 93,508
TBD	Deputy DA III	District Attorney	F	1.00	\$ 139,470	\$ -
TBD	Legal Secretary	District Attorney	F	1.00	\$ 71,833	\$ -
TBD	Legal Secretary Supervisor	District Attorney	F	1.00	\$ 80,166	\$ -
TBD	Victim Witness Advocate	District Attorney	F	1.00	\$ 71,833	\$ -
TBD	Court Clerk II	District Court	F	1.00	\$ 79,763	\$ 79,763
TBD	Integrated Case Services Manager	District Court	F	1.00	\$ 97,385	\$ 97,385
TBD	Court Interpreter	Reno Justice Court	F	1.00	\$ 72,295	\$ 72,295
TBD	Human Resources Spec II	Human Resources	F	1.00	\$ 80,166	\$ -
TBD	Program Manager (ER)	Juvenile Services	F	1.00	\$ 116,341	\$ -
TBD	Media and Communications Specialist	Manager's Office	F	1.00	\$ 93,500	\$ -
TBD	Deputy PD III	Public Defender	F	1.00	\$ 139,470	\$ -
TBD	Investigator II	Public Defender	F	1.00	\$ 89,079	\$ -
TBD	Legal Secretary	Public Defender	F	2.00	\$ 143,666	\$ -
TBD	Office Support Specialist	Public Defender	F	1.00	\$ 68,333	\$ -
TBD	Supervising Guardian Case Manager	Public Guardian	F	1.00	\$ 98,531	\$ 98,531
TBD	Office Assistant III	Sheriff's Office	F	2.00	\$ 130,391	\$ 130,391
TBD	Victim Witness Advocate	Sheriff's Office	F	1.00	\$ 75,751	\$ 75,751
TBD	Sheriff Support Specialist	Sheriff's Office	F	2.00	\$ 136,800	\$ -
TBD	Security Electronics Administrator	Technology Services	F	1.00	\$ 93,508	\$ -
TBD	Technology Network Engineer II	Technology Services	F	1.00	\$ 89,079	\$ -
TBD	Technology Support Technician	Technology Services	F	1.00	\$ 71,833	\$ -
TBD	Account Clerk II	Treasurer	F	1.00	\$ 68,333	\$ 28,333
<b>GENERAL FUND RECOMMENDED CHANGES TO AUTHORIZED POSITIONS</b>						
70000126	Court Interpreter (from P/T to F/T)	District Court	F	0.47	\$ 29,825	\$ 29,825
70000133	Justice Support Specialist (Add'l Hours)	Incline Constable	<b>Intermittent</b>	0.34	\$ 18,000	\$ 18,000
70008473	Deputy Clerk I (from Intm to P/T)	Wadsworth Justice Court	P	0.20	\$ 19,300	\$ 19,300
<b>GENERAL FUND RECOMMENDED POSITIONS TO BE DELIMITED</b>						
70008529	Director of Programs & Projects	Community Services	F	(1.00)	\$ -	\$ -
70008972	Management Analyst	Technology Services	<b>Intermittent</b>	(0.50)	\$ -	\$ -
70008051	Legal Secretary	Public Guardian	P	(0.48)	\$ (23,763)	\$ (23,763)
<b>TOTAL GENERAL FUND FTE INCREASE (DECREASE)</b>				<b>27.03</b>	<b>\$ 2,418,301</b>	<b>\$ 893,224</b>

**Attachment A**  
**Position Changes Recommended in FY 15-16 Budget**

<b>Actual Position #</b>	<b>Title</b>	<b>Department/Division</b>	<b>Full/ Part</b>	<b>FTE's</b>	<b>Cost</b>	<b>Net GF Impact</b>
<b>SPECIAL REVENUE FUND RECOMMENDED POSITIONS TO BE ADDED</b>						
<b>BUILDING &amp; SAFETY FUND POSITIONS TO BE ADDED</b>						
TBD	Building Inspector	Bldg & Safety	F	1.00	\$ 80,166	\$ -
TBD	Building Permits Tech	Bldg & Safety	F	1.00	\$ 85,134	\$ -
<b>TOTAL BUILDING &amp; SAFETY FUND FTE INCREASE (DECREASE)</b>				<b>2.00</b>	<b>165,300</b>	<b>-</b>
<b>ANIMAL SERVICES FUND POSITIONS TO BE ADDED</b>						
TBD	Office Assistant II	Animal Services	F	3.00	\$ 177,585	\$ -
<b>TOTAL ANIMAL SERVICES FUND FTE INCREASE (DECREASE)</b>				<b>3.00</b>	<b>177,585</b>	<b>-</b>
<b>CPS FUND POSITIONS TO BE ADDED</b>						
TBD	Children's Services Coordinator	CPS	F	1.00	\$ 106,403	\$ -
TBD	Case Compliance Reviewer	CPS	F	1.00	\$ 100,286	\$ -
TBD	Social Services Supervisor	CPS	F	3.00	\$ 256,875	\$ -
TBD	Social Worker III	CPS	F	6.00	\$ 426,192	\$ -
TBD	Office Assistant II	CPS	F	2.00	\$ 112,802	\$ -
TBD	Program Assistant	CPS	F	2.00	\$ 188,665	\$ -
TBD	Management Analyst	CPS	F	1.00	\$ 110,325	\$ -
<b>CPS FUND RECOMMENDED POSITIONS TO BE DELIMITED</b>						
<b>CPS FUND RECOMMENDED CHANGES TO AUTHORIZED POSITIONS</b>						
<b>TOTAL CPS FUND FTE INCREASE (DECREASE)</b>				<b>16.00</b>	<b>\$ 1,301,548</b>	<b>\$ -</b>
<b>LIBRARY EXPANSION FUND POSITIONS TO BE ADDED</b>						
TBD	Librarian I	Library Expansion	F	1.00	\$ 80,166	\$ -
TBD	Library Assistant II	Library Expansion	P	2.25	\$ 100,680	\$ -
TBD	Library Assistant II	Library Expansion	F	6.00	\$ 391,173	\$ -
TBD	Library Assistant III	Library Expansion	F	2.00	\$ 136,666	\$ -
<b>LIBRARY EXPANSION FUND POSITIONS TO BE DELIMITED</b>						
70002113	Librarian I	Library Expansion	F	-1.00	\$ -	\$ -
<b>TOTAL LIBRARY EXPANSION FUND FTE INCREASE (DECREASE)</b>				<b>10.25</b>	<b>\$ 708,685</b>	<b>\$ -</b>
<b>SENIOR SERVICES FUND POSITIONS TO BE ADDED</b>						
TBD	Community Health Aide	Sr. Services	F	1.00	\$ 59,394	
<b>TOTAL SENIOR SERVICES FUND FTE INCREASE (DECREASE)</b>				<b>1.00</b>	<b>\$ 59,394</b>	<b>\$ -</b>
<b>UTILITIES FUND POSITIONS TO BE ADDED</b>						
TBD	Environmental Engineer I	Sewer	F	1.00	\$ 98,530	\$ -
<b>TOTAL UTILITIES FUND FTE INCREASE (DECREASE)</b>				<b>1.00</b>	<b>98,530</b>	<b>-</b>
<b>TOTAL COUNTY FTE INCREASE (DECREASE)</b>				<b>60.28</b>	<b>4,929,343</b>	<b>893,224</b>