



Public Hearing Washoe County Fiscal Year 2021 Tentative and Final Budget

Washoe County Commission Meeting

Eric P. Brown, County Manager

May 19, 2020



Washoe County FY 2021 Tentative and Final Budget

Today's Agenda:

- ▶ Hear Presentation
- ▶ Hold Public Hearing
- ▶ Adopt Washoe County FY 2021 Final Budget



Economic Impact - Unprecedented

- ▶ 36 million unemployment claims filed in last 2 months - 4 times more than during the Great Recession
- ▶ As of April 25, Nevada's Insured Unemployment Rate 19.9% - highest in State History
- ▶ 34,574 unemployment claims in Washoe County thru May 2nd
- ▶ Consumer spending (which is 2/3's of the economy) down
- ▶ Quarter 1 GDP contracted an annualized 4.8% - longest post-war U.S. economic expansion that began in 2009 is over!
- ▶ Quarter 2 GDP decline expected to be more than 30.0%
- ▶ Nationally, pending home sales, housing starts and permits all down
- ▶ Manufacturing at lowest level since 1974



Washoe County's Goals

Maintain Services

- ▶ Focus on priorities to support public health
- ▶ May need to reduce service levels in some areas
- ▶ Keep communication going at all levels!

Keep Employees Working

- ▶ Look across departments, redeploy employees who cannot work remotely to other areas of need
- ▶ Requires a unified approach - BCC, management, labor, and community

Use Reserves Wisely

- ▶ Early action is needed to also reduce expenditures - may need reserves to last for several years!



FY 2021 Recommended Budget All Funds

Washoe County			Variance FY21 vs.
Total Budget Appropriations*	FY20 Final	FY21 Final	FY20
General Fund	\$ 363,272,126	\$ 355,549,667	\$ (7,722,459) -2.2%
Special Revenue Funds	\$ 198,047,235	\$ 201,284,502	\$ 3,237,267 1.6%
Capital Project Funds	\$ 46,720,773	\$ 45,046,687	\$ (1,674,086) -3.7%
Debt Service Funds	\$ 13,320,090	\$ 13,677,152	\$ 357,062 2.6%
Total Governmental Funds	\$ 621,360,224	\$ 615,558,008	\$ (5,802,216) -0.9%
Proprietary Funds			
Enterprise Funds	\$ 23,339,904	\$ 22,734,982	\$ (604,922) -2.7%
Internal Service Funds	\$ 72,461,790	\$ 76,322,529	\$ 3,860,739 5.1%
Total Proprietary Funds	\$ 95,801,694	\$ 99,057,511	\$ 3,255,817 3.4%
Total Appropriations - All Funds	\$ 717,161,918	\$ 714,615,519	\$ (2,546,399) -0.4%
*Total appropriations include expenditures, contingencies, and transfers out			

No changes to recommended budget presented May 12th

Recommended Budget - Total All Funds \$714.6M

General Fund is \$355.5M, or 50% of Total Budget



General Fund Significant Financial Impact

FY 2020 Estimated:

▪ Revenue Loss	\$14,949,770
▪ Response Costs	<u>9,661,000</u>
	\$24,610,770

FY 2021 Projected:

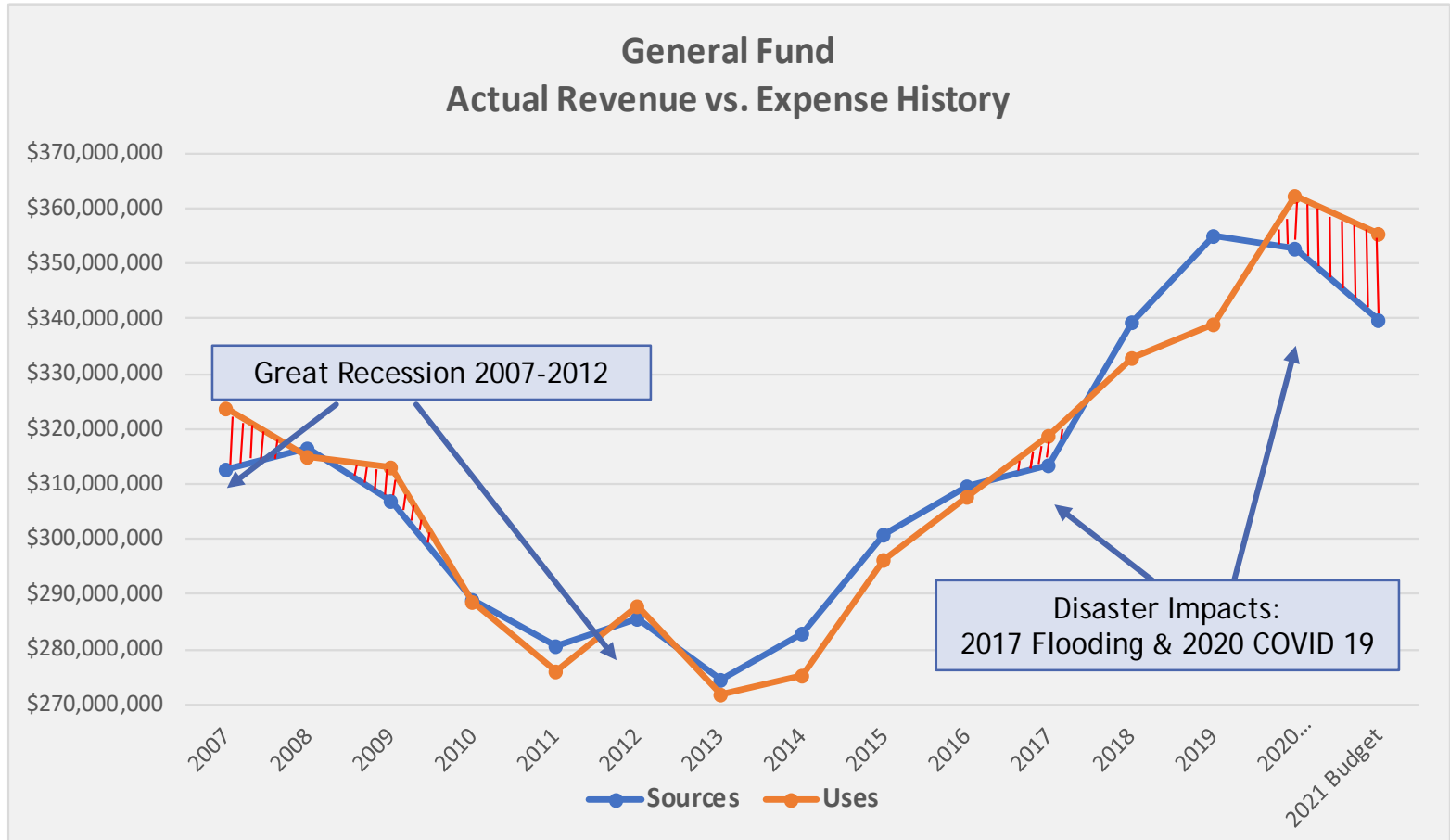
▪ Revenue Loss	\$ 37,461,676
▪ Ongoing Costs	<u>3,000,000</u>
	40,461,676

Total Impact/Deficit **\$ 65,072,446**

(over 15 months)



Washoe County Strategic Goal: Fiscal Sustainability

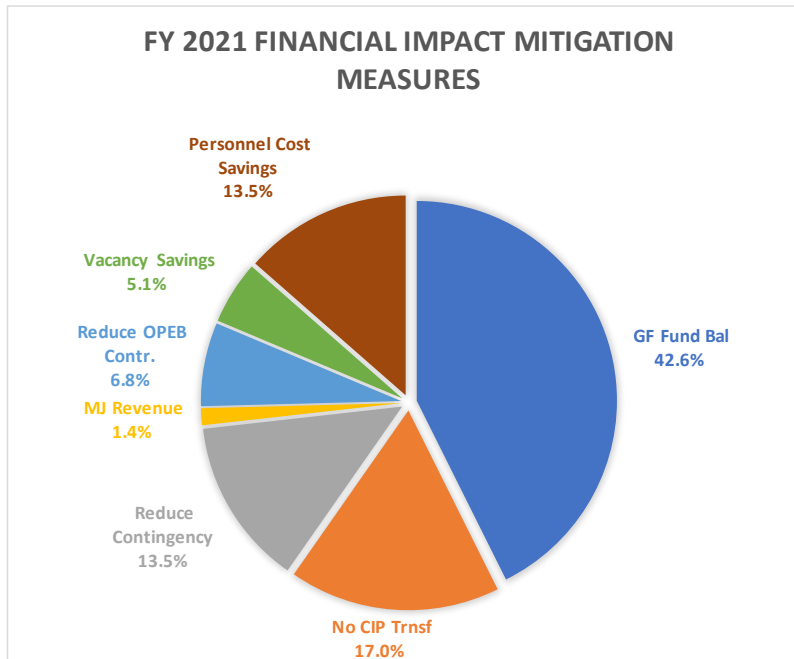


Use of reserves not sustainable. If disaster impact is prolonged more expenditure reductions will be needed



FY 2021 General Fund Recommended Measures

FY 2021 Financial Impact Mitigation Measures	
\$ (15,760,333)	Use of Gen Fund Balance
(6,300,000)	Gen Fund Transfer to CIP = \$0
(5,000,000)	Reduce Contingency Budget
(505,000)	Use of Marijuana Revenue
(2,500,000)	Reduce OPEB contribution
(1,891,343)	Net Savings from Vacant Positions
(31,956,676)	Subtotal financial impact mitigation measures
(5,000,000)	Personnel Cost Savings
\$ (36,956,676)	Total Financial Impact Mitigation Measures



Recommended Measures:

Hiring & Purchasing Freezes,
Capital Project Deferrals,
Contingency Reduction & Use
of Fund Balance

Personnel Cost Savings
(Salaries & OPEB)

Closely monitor and periodic
reports to BCC

Additional Options (if economic situation worsens):

Countywide Budget Cuts

Service Reductions/Closure of
Facilities

Additional Personnel Cost
Reductions



FY 2021 General Fund Recommended Budget

	Washoe County FY 2021 Recommended General Fund Budget			
	FY 2021 Tentative Budget	Recommended Budget-With Identified Measures	FY 2021 Variance to Tentative Budget	
Sources and Uses				
Revenues and Other Sources:				
Taxes	191,626,430	191,401,430	(225,000)	-0.1%
Licenses and permits	9,742,200	9,740,793	(1,407)	0.0%
Consolidated taxes	120,926,919	89,964,685	(30,962,234)	-25.6%
Other intergovernmental	23,540,065	17,899,379	(5,640,686)	-24.0%
Charges for services	20,308,279	21,228,680	920,401	4.5%
Fine and forfeitures	6,247,182	4,417,282	(1,829,900)	-29.3%
Miscellaneous	3,771,535	4,048,685	277,150	7.3%
Total revenues	376,162,610	338,700,934	(37,461,676)	-10.0%
Other sources, transfers in	583,400	1,088,400	505,000	86.6%
TOTAL SOURCES	376,746,010	339,789,334	(36,956,676)	-9.8%
Expenditures and Other Uses:				
Salaries and wages	167,862,467	163,189,833	(4,672,635)	-2.8%
Employee benefits	80,104,661	78,911,277	(1,193,384)	-1.5%
OPEB contributions	14,865,870	12,365,870	(2,500,000)	-16.8%
Services and supplies	60,122,819	60,696,379	573,560	1.0%
Capital outlay	501,548	675,548	174,000	34.7%
Total expenditures	323,457,365	315,838,907	(7,618,459)	-2.4%
Transfers out	45,260,760	38,960,760	(6,300,000)	-13.9%
Stabilization	-	-	-	-
Contingency	5,750,000	750,000	(5,000,000)	-87.0%
TOTAL USES	374,468,125	355,549,667	(18,918,459)	-5.1%
Net Increase/(Decrease) in Fund Balance	2,277,885	(15,760,333)		

Total Sources
Decreasing
9.8%

Total Uses
Decreasing
5.1%

Remaining
shortfall to be
funded by use
of fund
balance

Beginning Unrestricted Fund Balance	\$63,837,437	
Budgeted Use of Fund Balance	<u>(15,760,333)</u>	
Ending Unrestricted Fund Balance	\$48,077,105	13.6%



FY 2021 General Fund Recommended Budget

FY21 General Fund Above Base Requests:

- Total FY21 General Fund Requests from 21 Departments and Agencies:
- \$9.47 million additional funding with \$1.65 million in offsets; net request \$7.82 million
- Additional 49.88 FTEs
- Position Reclassifications impacting multiple incumbents

Total FY21 General Fund Recommendations:

- \$2.8 million additional funding with \$2.8 million in offsets; net recommendation \$-0-
- Additional 10.36 FTEs (11 positions)
- Position reclassifications impacting 18 incumbents; net recommendation \$-0-



Washoe County FY 2021 Recommended Budget

Next Step

- Today: Public Hearing and Adopt Fiscal Year 2021 Final Budget
- June 1: File Fiscal Year 2021 Final Budget with State
- Ongoing: Monitor budget with periodic reports to the BCC



Washoe County FY 2021 Recommended Budget

Questions?