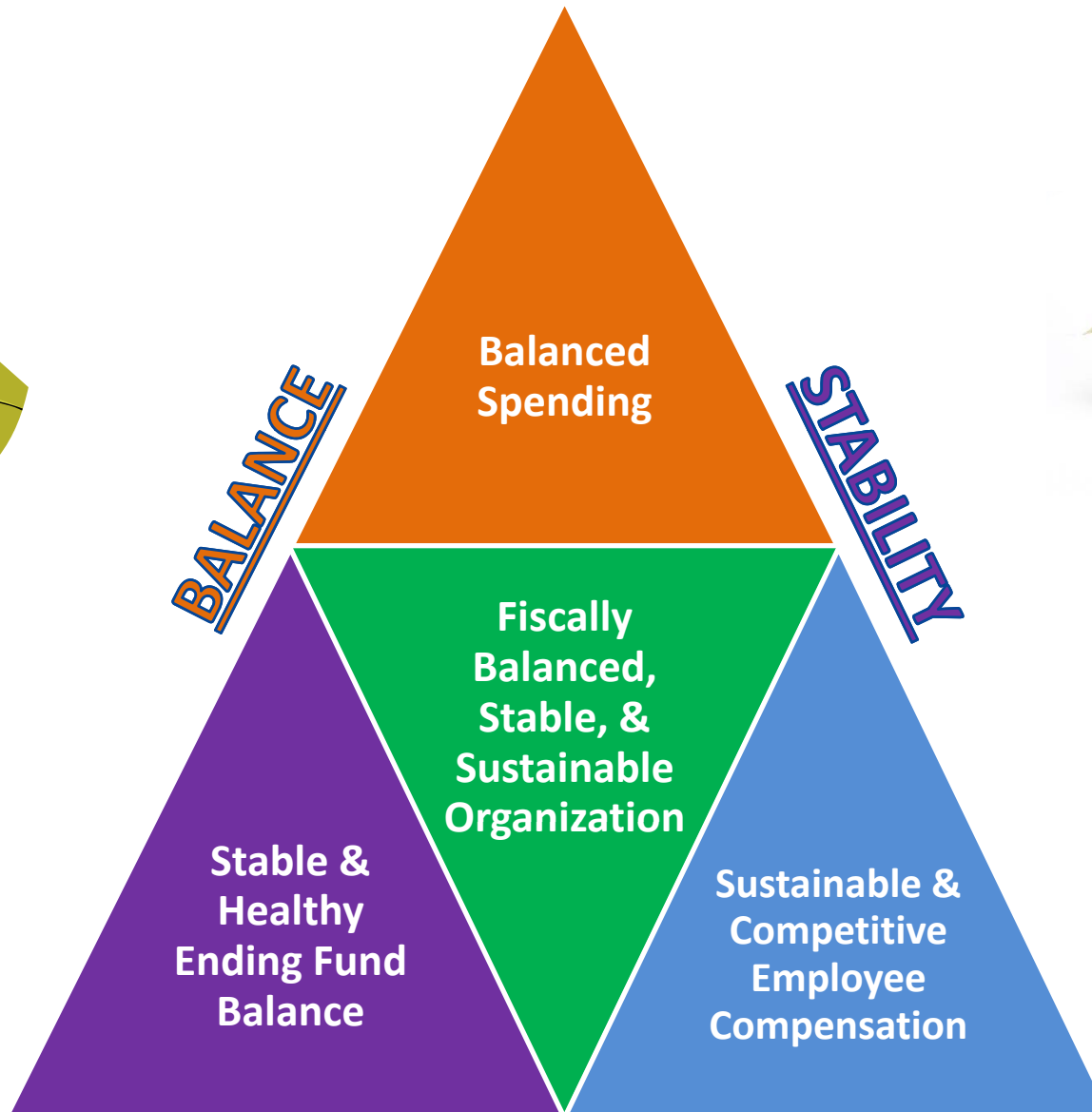


Achieving Fiscal Balance, Stability, & Sustainability



Overall Goal: Fiscal Sustainability

Achieving Sound Fiscal Policies

Balanced Spending

- ➔ Living Within Our Means
- ➔ Revenues > or = Expenditures

Stable & Healthy Fund Balance

- ➔ Current Policy = 8.3% Minimum (1 month of exp's)
- ➔ Healthy Goal = 16.6% (2 months of exp's)

Sustainable & Competitive Compensation

- ➔ Market Based Wages & Benefits
- ➔ Balanced Against Other City Infrastructure Needs

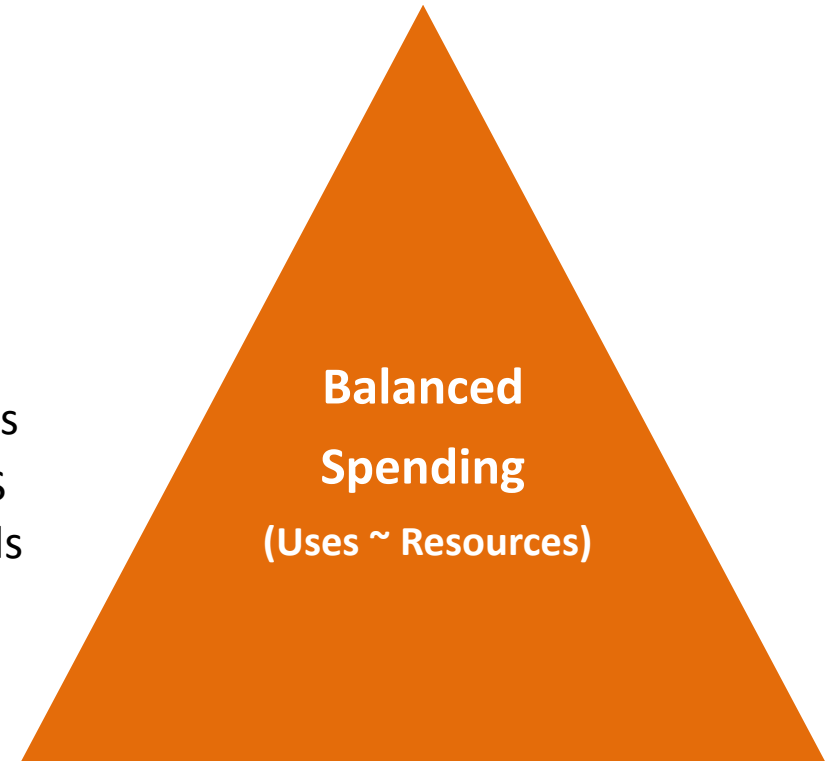


Fiscally
Balanced, Stable,
& Sustainable
Organization

Balancing The Budget

Balanced Spending

- ➔ Living Within Your Means
- ➔ Expenditures are Balanced with Revenues
- ➔ Emphasize Innovation, Efficiency, & Service
- ➔ Spending is Relational to Other Fiscal Policies
 - Spending from Fund Balance = 1 Time \$\$
 - Balance Employee & Infrastructure Needs



Stabilizing The Fund Balance

Stable & Healthy Ending Fund Balance (EFB)

- ➔ Current Policy = 8.3% EFB Minimum
 - 1 Month of Expenditures
 - Consider Increasing Minimum to 12.5%
- ➔ Healthy Goal = 16.6%
 - 2 Months of Expenditures
- ➔ Reserves to Withstand Economic Instability
- ➔ Better Management of Cash Flow Needs
 - Avoid Advance on Property Taxes
 - August & January Historically Lowest



**Stable & Healthy
Ending Fund
Balance**
(Goal: 12.5% - 16.6%)
(Curr. Policy Min.: 8.3%)

Sustainable Employee Compensation

Employee Compensation

- ➔ Competitive Wages & Benefits (+/- 5% of Market)
- ➔ Focus on Total Compensation
- ➔ Balanced With Other Infrastructure & Service Needs
 - Goal: Not To Exceed 75.0% of Total Revenues
 - Unaudited Results = 75.2% in FY '12
 - Expected to Reach 78.8% in FY '14, or About \$2M over 75.0% Goal (COPS Grant, etc.)
- ➔ Benefits Expected To Rise
 - PERS Rates Set Biennially (FY '14, '16, etc.)
 - Health Costs Expected to Increase in FY '15
- ➔ Cost of Living Adjustments (COLA's)
 - Dependent Upon Higher Revenue
 - Swap Benefits for COLA -- i.e., Reduced Health Insurance Costs In Exchange for Wage Increase



**Sustainable &
Competitive
Employee
Compensation**

Proposed General Fund Fiscal Policies

Balanced Spending

- Budget Expenditures According to Balance with Projected Revenues
- Only Spend From Fund Balance on 1 Time Expenditures

Stable & Healthy Ending Fund Balance

- Ending Fund Balance Goal of 16.6%
- Minimum Ending Fund Balance of 12.5%

Sustainable & Competitive Employee Compensation

- Total Personnel Costs Not To Exceed 75.0% of Total Revenues
- Total Compensation Within +/- 5% of Washoe County Market

