City of Las Vegas

Agenda Item No.: **45.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: APRIL 6, 2011

DEPARTMENT: FINANCE
DIRECTOR: CANDACE FALDER ☐**Consent** ☒ **Discussion**

SUBJECT:
Discussion and possible action regarding Fiscal Year 2012 City of Las Vegas Tentative Operating Budget All Wards

Fiscal Impact
☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**
Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
Discussion and review of the Fiscal Year 2012 City of Las Vegas operating budget with a focus on review of projected revenues and City Council guidance relative to appropriation levels and resource priorities.

RECOMMENDATION:
None

BACKUP DOCUMENTATION:
Submitted at Meeting PowerPoint Presentation by Staff

Motion made by GARY REESE to Accept the Report

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 1; Excused: 0
RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-STEVEN D. ROSS); (Excused-None)

Minutes:
CANDACE FALDER, Director of Finance, provided a PowerPoint presentation of the Tentative Budget. The estimated budget for Fiscal Year 11 is $461 million, representing a 20 percent cut in the General Fund. She indicated that the Las Vegas Metropolitan Police Department came in with reduce the City's portion.

Regarding the Capital Improvement Plan, MS. FALDER explained that the $429 million represent projects currently being completed that were approved by the City Council. Currently, staff is identifying possible funding sources for capital projects and will meet with the Council again before the budged is finalized. The tentative Budget will be filed on April 15, 2011. Projection updates were received from the State and staff is analyzing those for review with the

City Manager's Office. Initial meetings have been held with each department head on the operating budgets and will see if other areas can be identified before the final budget. The Budget Hearing is scheduled for May 17, 2011 and staff will file the final Budget on June 1, 2011.

COUNCILMAN WOLFSON referred to the highlights slide and verified that it covers operations for three years. He verified that the projected City contribution of $122 million is consistent with Metro's current proposed budget. Metro is going back and look at what they can do within their budget to lower the City's and County's contribution. COUNCILMAN WOLFSON verified that the projected ending fund balance is 15 percent. The policy has been 12 percent, but the Council suspended it in these economic times to 10 percent. As a snapshot of one year, 15 percent appears to be a very good fund balance. However, looking at a five-year model, the trending seen in the revenues and modest increases in sales taxes and reduction in assessed evaluations impacting property tax revenues, 15 percent will be eaten into drastically over the next three to four years and will not come close to a double digit fund balance. The City needs to continue to look for ways to reduce costs and continue to work with bargaining units. For the moment, taxes will not be increased.