Financial Oversight Review

December 7, 2011

Local Economic Indicators

Positives:

- ❖ C-Tax is up 2.9% for last 6 quarters
- ❖ CC Unemployment decreased 2% in one year
- ❖ Tourism showing good YTD recovery
  - McCarran Passengers up 4.4%
  - Visitors up 4.7%
  - Gaming up 2.5%

Local Economic Indicators

Negatives:

- ❖ Without 2-yr MOU, FY 2012 C-Tax distribution increase would be < 2.0%
- ❖ CC Unemployment is still over 13%
- ❖ AV still projected to drop 4.4%
  - Still lead foreclosures
- ❖ Franchise & License fees flat at best
- ❖ European recession would likely impact tourism and gaming

What Has Been Done?

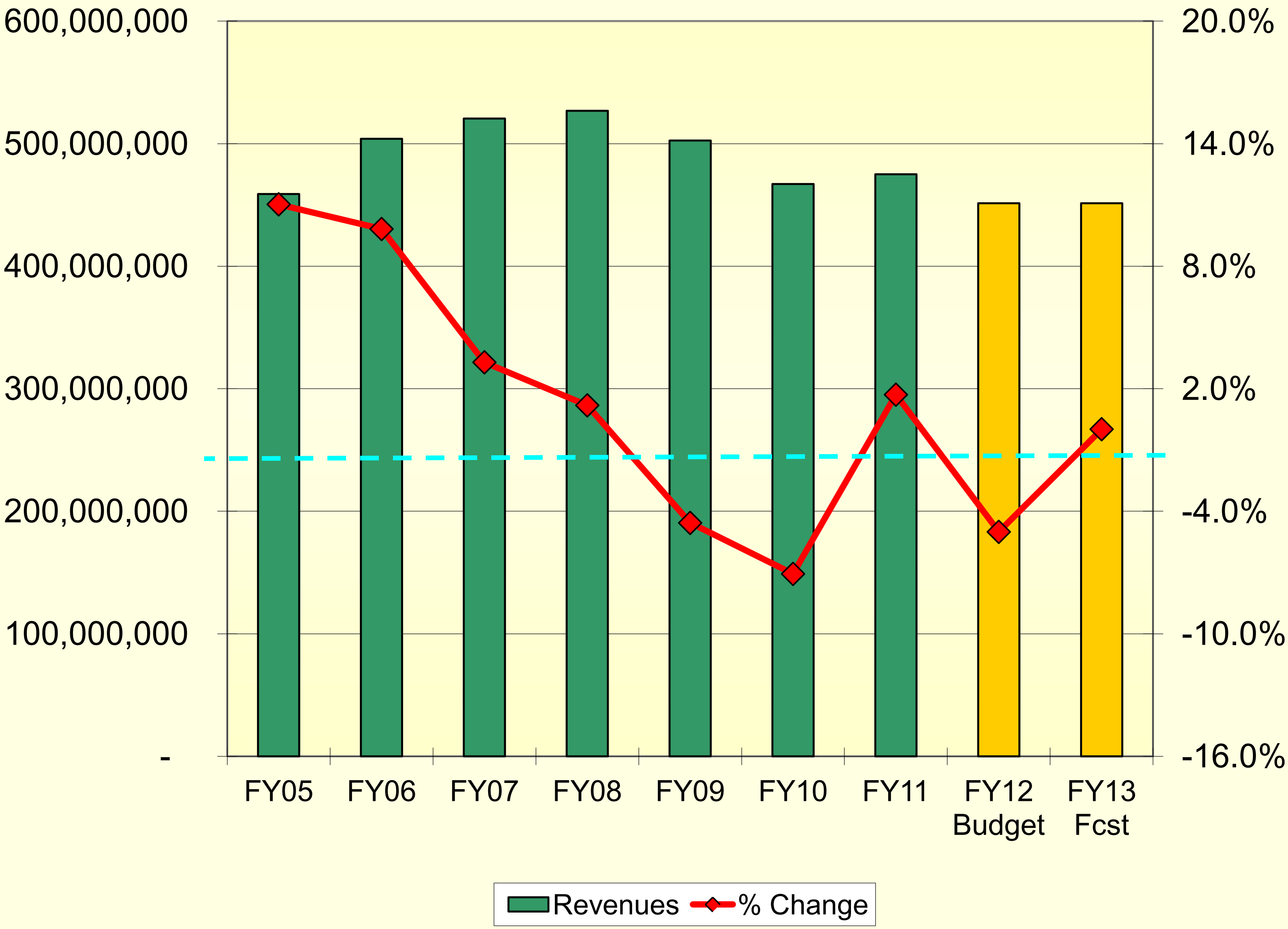
- Cut $115 million over the last three years, a 20% reduction in General Fund expenditures
- Eliminated 615 positions with 270 separations
- Cut management and administration by 25%, saving over $3 million
- Saved $36 million over 2 years in union concessions
- FY13 structural deficit forecast to be about $7M

Results

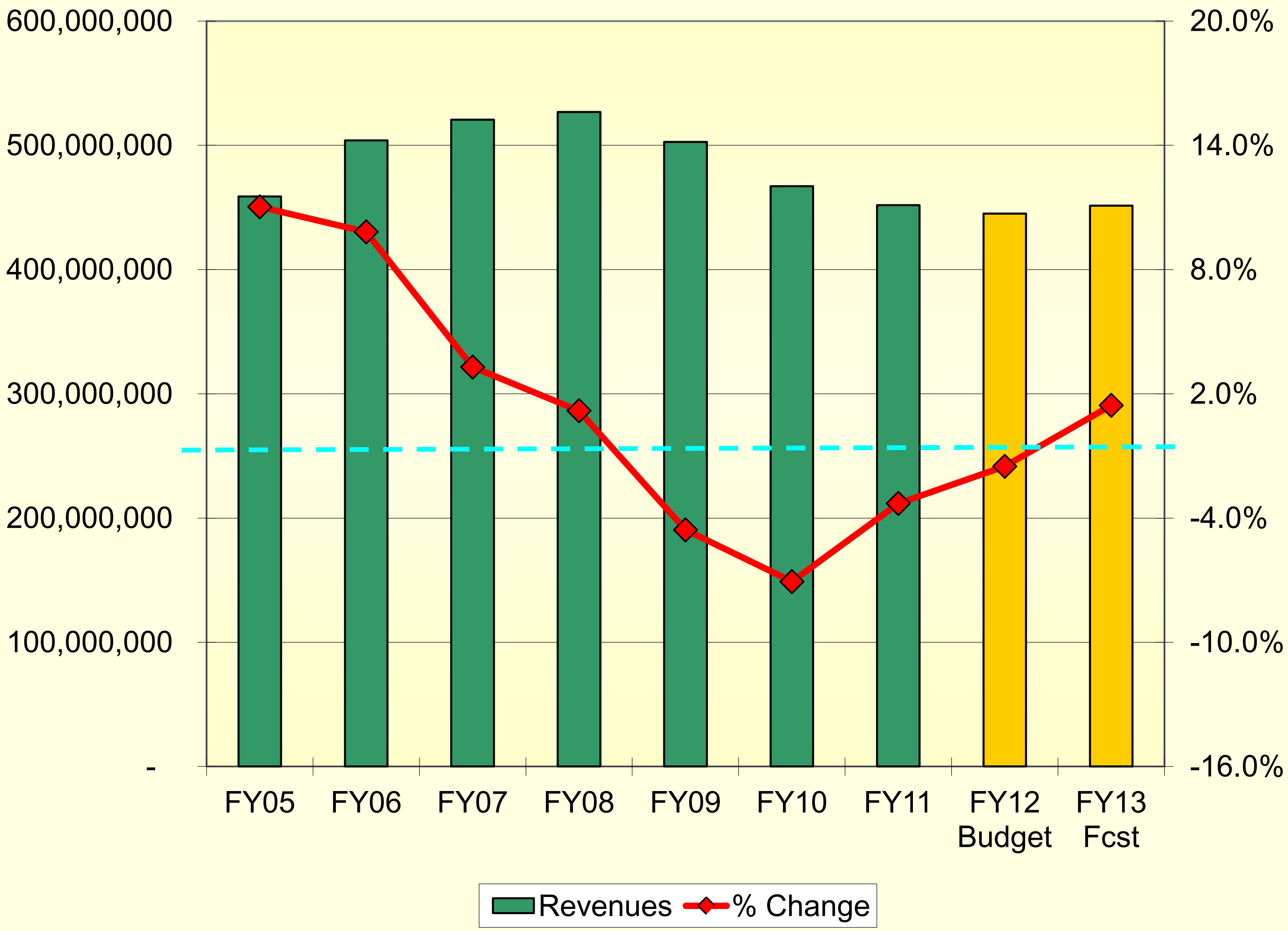
Reductions since FY2008:

	Total	% Cut
Public Safety	$33,697,000	9.8%
General Government	$37,164,000	43.6%
Culture & Recreation	$14,106,000	24.6%
Judicial	$8,824,000	27.2%
Public Works	$15,816,000	49.2%
Economic Assistance	$5,609,000	41.8%
	$115,216,000	20.0%

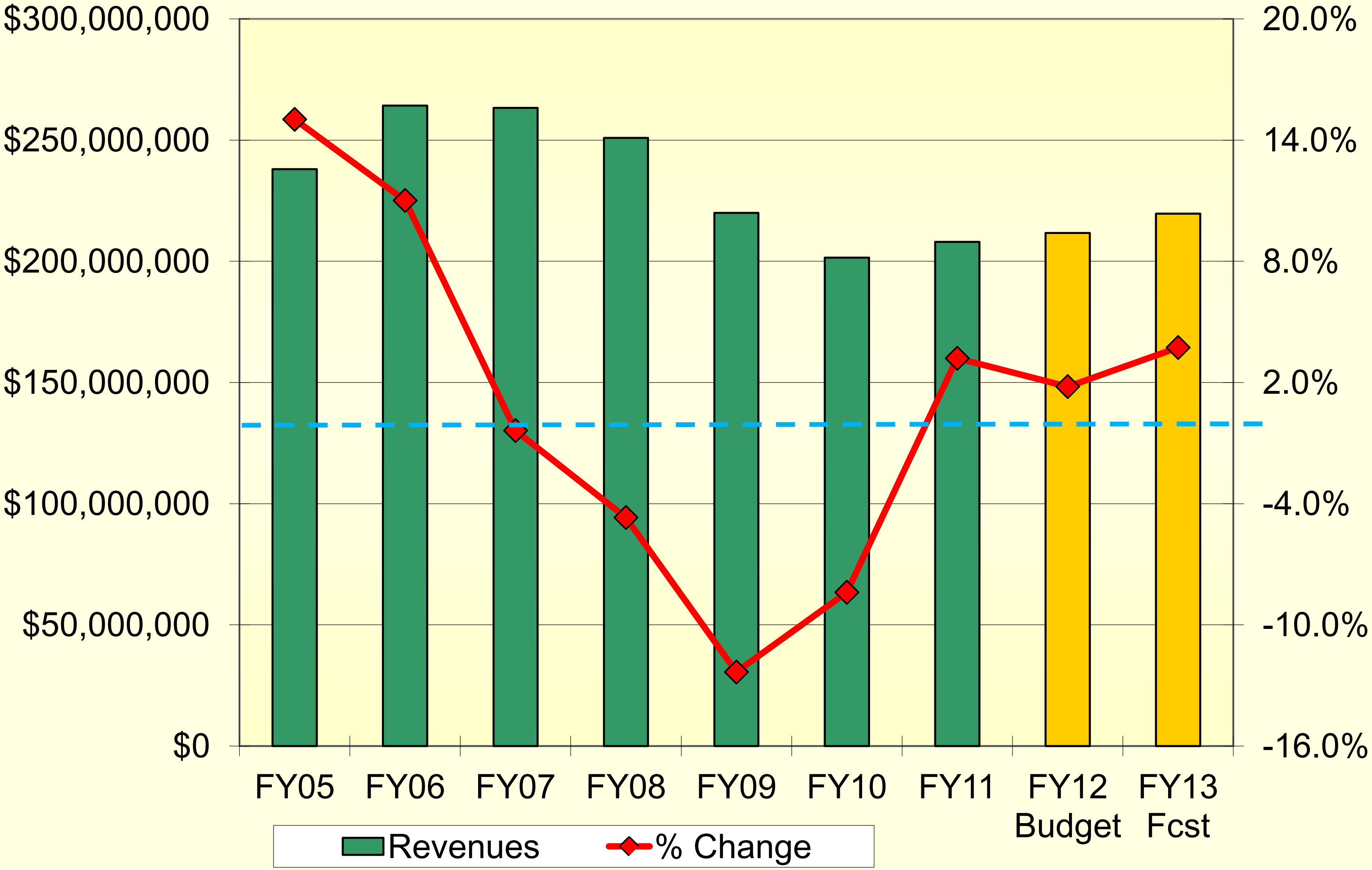
General Fund Revenue History



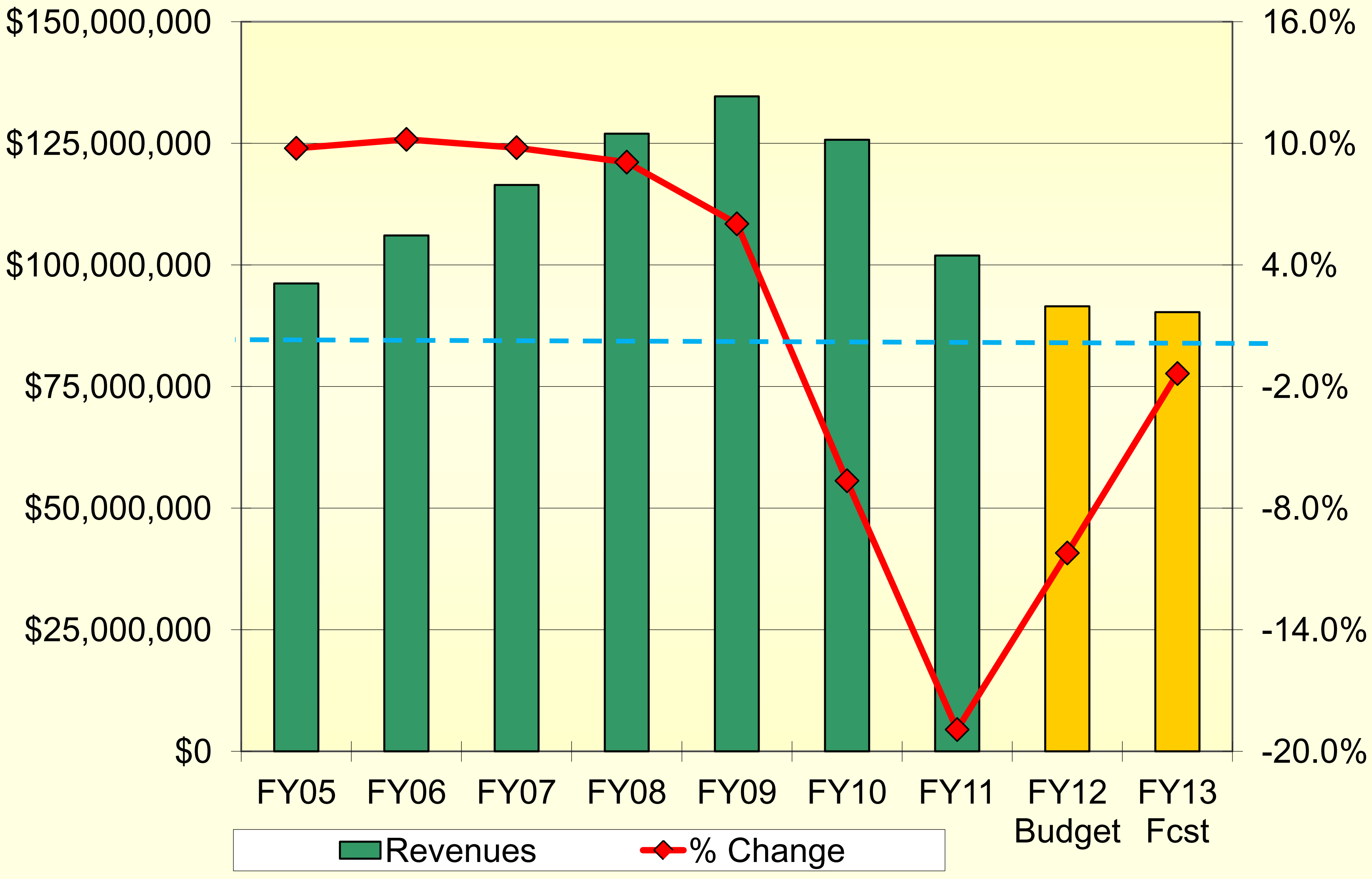
General Fund Revenue History



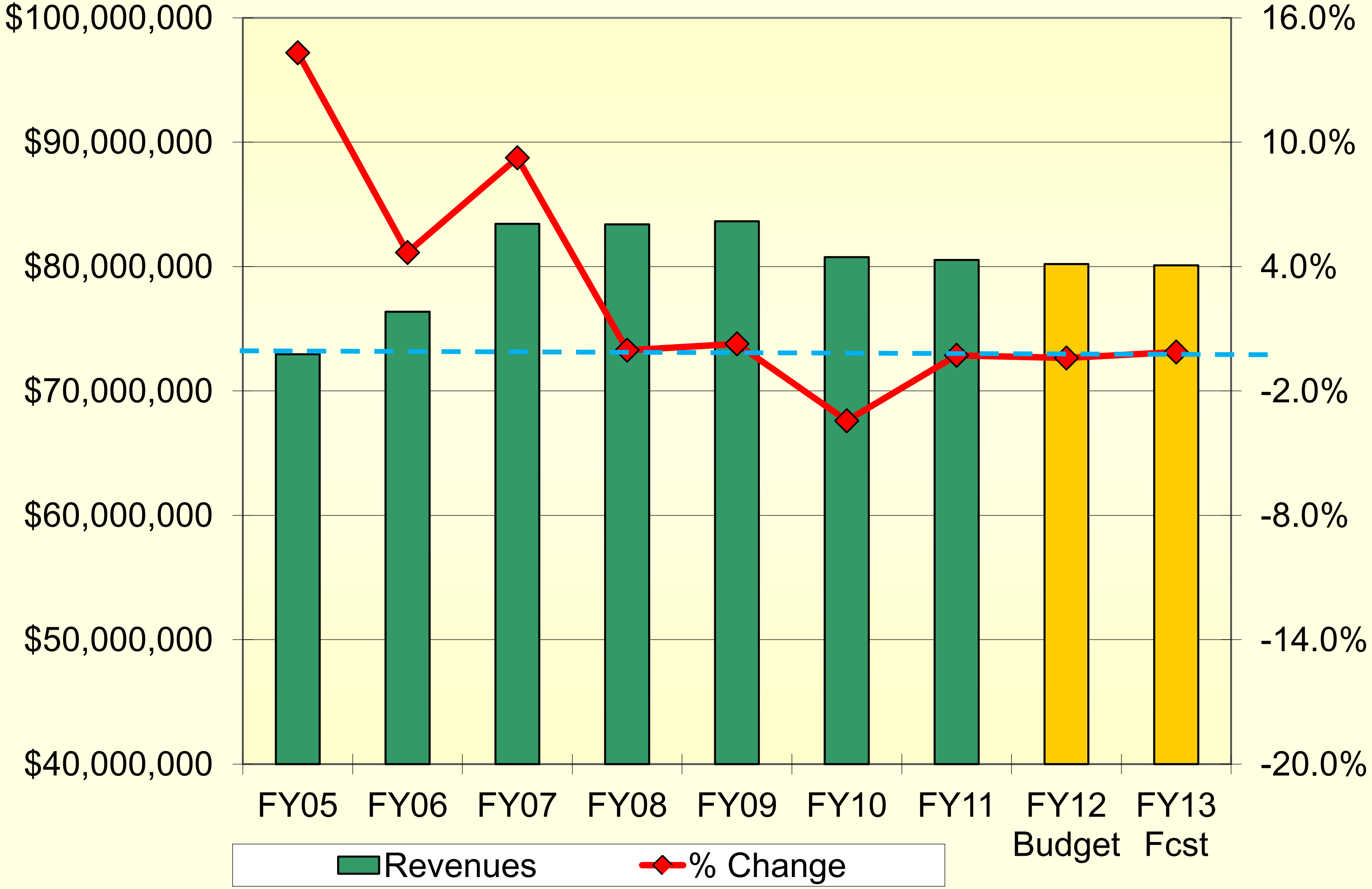
C-Tax History



Property Tax History



Franchise & License History



Fiscal Forecast

- Used Fiscal Oversight Committee Revenue
- This is not a Budget
- No new wage increases
  - ✓ except contractually obligated CEA restorations
- 2% vacancy assumption
- Fringe Benefit Rate increase
- Reduction in ISF allocation rates
- Transfer $5M from ISF
- RDA Subsidy $1.6M

Fiscal Forecast

	FY11	FY12 Est	FY13	FY14
Consolidated Tax	208.0	213.2	219.6	227.3
Property Tax	101.9	94.5	90.3	90.3
License & Franchise	80.5	79.7	80.1	80.7
Other	63.6	59.2	61.4	62.3
Transfers In	14.5	4.5	5.9	0.9
Revenues	468.5	451.1	457.3	461.5
Wages & Benefits	240.6	242.3	249.3	251.2
Non-Labor	71.3	70.7	72.1	73.6
LVMPD - Operations	130.3	118.0	123.5	131.0
LVMPD - Facilities	2.9	1.8	1.8	1.8
Transfer out - Prior Debt Service	10.0	8.6	6.9	7.4
Transfer out - New Debt Service	0.0	0.0	4.1	11.2
Transfer out - CPF	0.0	0.0	0.0	0.0
Transfer out - Other	1.2	1.2	1.3	2.7
Expenditures	456.3	442.6	459.0	478.9
Excess (Shortfall)	12.2	8.5	(1.8)	(17.5)
Fund Balance	87.0	95.5	93.6	76.2
	18.6%	21.1%	20.5%	16.5%

(Estimate as of November 2011)

Fiscal Forecast

- Purpose
- Budget Schedule
  - Council Planning Retreat
  - Budget Kickoff
  - CMO Review of Budget Requests
  - Council Budget Workshop
  - Final State Revenue Projections
  - Final Budget Hearing

QUESTIONS?

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