

City of Las Vegas Redevelopment Agency

5-Year Budget Projection

November 18, 2009



City Manager' Goals with Budget Process

- Fiscal Integrity (Balanced Budget)
- Maintain Critical Services
- Preserve Jobs



General Fund Budget: Actions for FY11

- Goal: Achieve a Balanced Budget by FY15
- Continue to draw down fund balance
- Continue to supplement from Revenue Stabilization Fund
- Reduce FY11 General Fund Expenses needed to help balance the budget over a 5-year period



Redevelopment Agency Budget Actions

- *Primary Goal: Achieve Balanced Budget by FY15*
- Project Future Revenues Conservatively
- Recognize Large Debt Required for Large Projects
- Draw Down Fund Balance to fund Capital Projects and ongoing operations
- Reduce FY11 Cost by Amount Needed
- Secondary Goal: Help GF, to extent RDA can without compromising our primary goal or affecting services



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RDA Budget: Revenue Projections

	FY10	FY11	FY12	FY13	FY14	FY15
AV Assumption	-5%	-17%	-5%	1%	4%	5%
Tax Increment	\$ 25,948,649	\$ 21,537,379	\$ 22,244,610	\$ 22,696,046	\$ 23,603,888	\$ 24,784,082
New Projects T.I.	\$ 1,878,000	\$ 226,723	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 3,676,950	\$ 1,026,000	\$ 3,536,800	\$ 1,035,550	\$ 1,033,850	\$ 1,033,850
Gross Revenue	\$ 31,503,599	\$ 22,790,102	\$ 25,781,410	\$ 23,731,596	\$ 24,637,738	\$ 25,817,932
18% Set-Aside	\$ (4,670,757)	\$ (3,876,728)	\$ (4,004,030)	\$ (4,085,288)	\$ (4,248,700)	\$ (4,461,135)
NET REVENUE	\$ 26,832,842	\$ 18,913,374	\$ 21,777,380	\$ 19,646,308	\$ 20,389,038	\$ 21,356,797



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RDA Budget: Revenues & Expenses

(Debt increasingly large portion of RDA Budget)

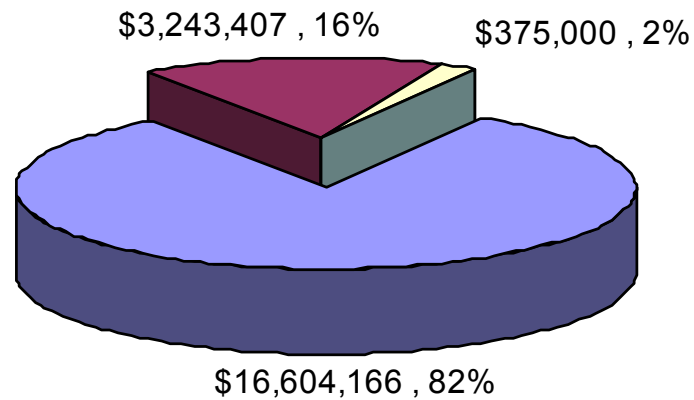
	FY10	FY11	FY12	FY13	FY14	FY15
NET REVENUE	\$ 26,832,842	\$ 18,913,374	\$ 21,777,380	\$ 19,646,308	\$ 20,389,038	\$ 21,356,797
Debt Service	\$ (16,329,132)	\$ (16,604,166)	\$ (16,852,466)	\$ (17,078,091)	\$ (17,107,141)	\$ (15,689,391)
Operations Exp	\$ (6,589,891)	\$ (5,002,664)	\$ (5,749,950)	\$ (5,999,270)	\$ (6,209,278)	\$ (6,446,891)
Program Exp	\$ (7,580,250)	\$ (375,000)	\$ (1,950,000)	\$ (950,000)	\$ (450,000)	\$ (450,000)
Capital Outlay	\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXP	\$ (30,799,273)	\$ (21,981,830)	\$ (24,552,416)	\$ (24,027,361)	\$ (23,766,419)	\$ (22,586,282)
NET INCOME (LOSS)	\$ (3,966,431)	\$ (3,068,457)	\$ (2,775,036)	\$ (4,381,053)	\$ (3,377,381)	\$ (1,229,484)

29% Decrease in Total Expenses



Capital Projects vs. “Pay-as-you-go” – FY11

Expenditures - Capital vs. Pay-as-You-Go, FY11



■ Total Debt Service

■ Total Discretionary Expenditures

■ Salaries & Benefit (includes insource to GF)

■ Total Capital Outlay (City Assets)



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OBD Budget: Balanced Budget by FY15

Draw Down Fund Balance to balance 5-year budget

	FY10	FY11	FY12	FY13	FY14	FY15
NET INCOME (LOSS)	\$ (3,966,431)	\$ (3,068,457)	\$ (2,775,036)	\$ (4,381,053)	\$ (3,377,381)	\$ (1,229,484)
Begin Fund Bal	\$ 22,038,641	\$ 18,072,210	\$ 15,003,753	\$ 12,228,718	\$ 7,847,664	\$ 4,470,283
End Fund Bal	\$ 18,072,210	\$ 15,003,753	\$ 12,228,718	\$ 7,847,664	\$ 4,470,283	\$ 3,240,799
End Bal, Unreserved	\$ 16,064,400	\$ 12,995,943	\$ 10,220,908	\$ 5,839,854	\$ 2,462,473	\$ 1,232,989
FB % of Net Rev						6%



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RDA Budget: FY11 Budget Reductions

- Reducing FY11 Budget Expenses by \$8.8M (29% reduction from FY10)
 - Symphony Park Capital Expenses funded in FY10; operating expenses funded in capital cost of Phase 2 Infrastructure
 - **No new Capital Projects from FY11-15**
 - Reduced Consulting & Professional Fees
 - VIP Program – less funding than historical average
- Maintain current staffing level



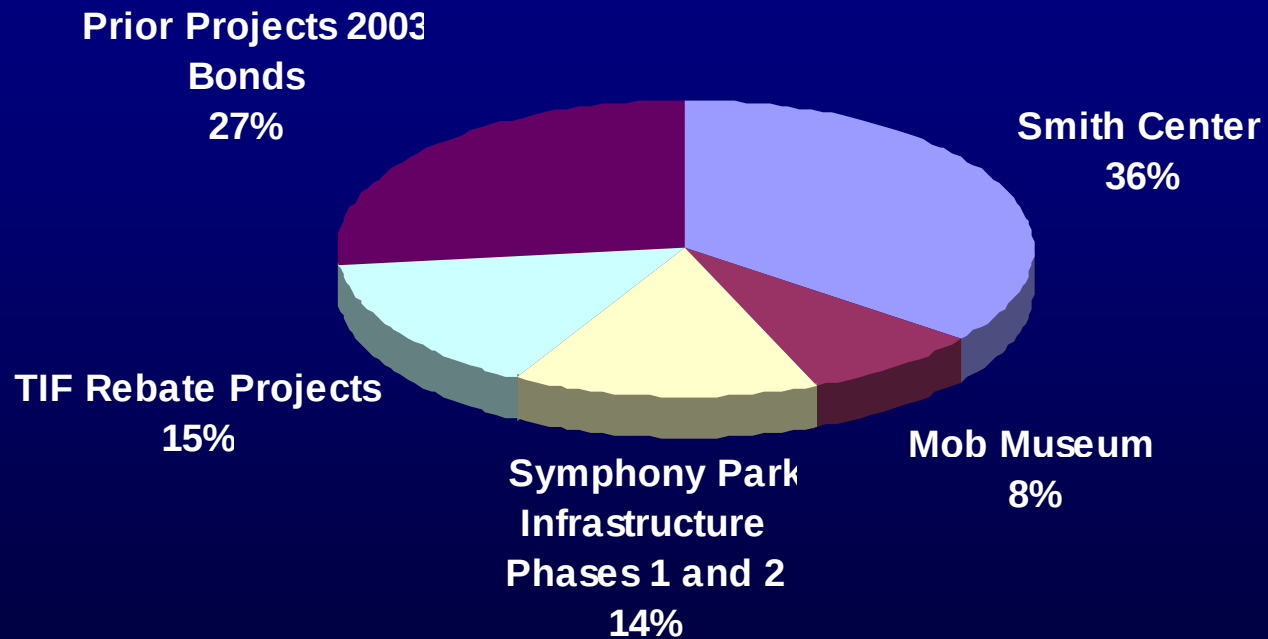
RDA Budget: Supported Projects & Programs

- Symphony Park Phase 2 Infrastructure, supporting:
 1. *Cleveland Clinic's development of Parcels A2, B, J and K*
 2. *Smith Center for the Performing Arts*
 3. *Charlie Palmer Hotel*
 4. *Newland Residential development*
 5. *Forest City's Hotel-Casino on P-Q, World Jewelry Center*
 6. *Park Operations & Maintenance*
- Mob Museum – Seismic Retrofit under Construction
- F Street Bridge Design
- Operations for 5th Street School and Bus. Incubator
- Visual Improvement Program



Debt – Funding for Large Capital Projects

Debt Expenditures by Project, FY11



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RDA Budget: Augment the General Fund

- Focus on “In-sourcing” services to use existing City (General-Fund funded) staff instead of outside staff
- Reviewing In-sourcing for:
 - Continued Administration of 5th Street School
 - Symphony Park Project Management
 - RDA Expansion Plan
- **Make a secondary pledge for City Hall COPs lease payment**



Redevelopment Agency Budget Schedule

- November 18 – RDA Budget Update
- December 16 – Council Priorities Discussion
- December/January – Employee meetings
- January 7 – Strategic Planning Session with Council to discuss FSR Options
- January/February – Town Hall meetings
- March 10 – Tentative Date for Budget Hearing
- May 10 (tentative) – Final FY2011 Budget Adoption



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