City of Las Vegas
Fiscal Planning

December 19, 2012

Financial Background
Last Three Years

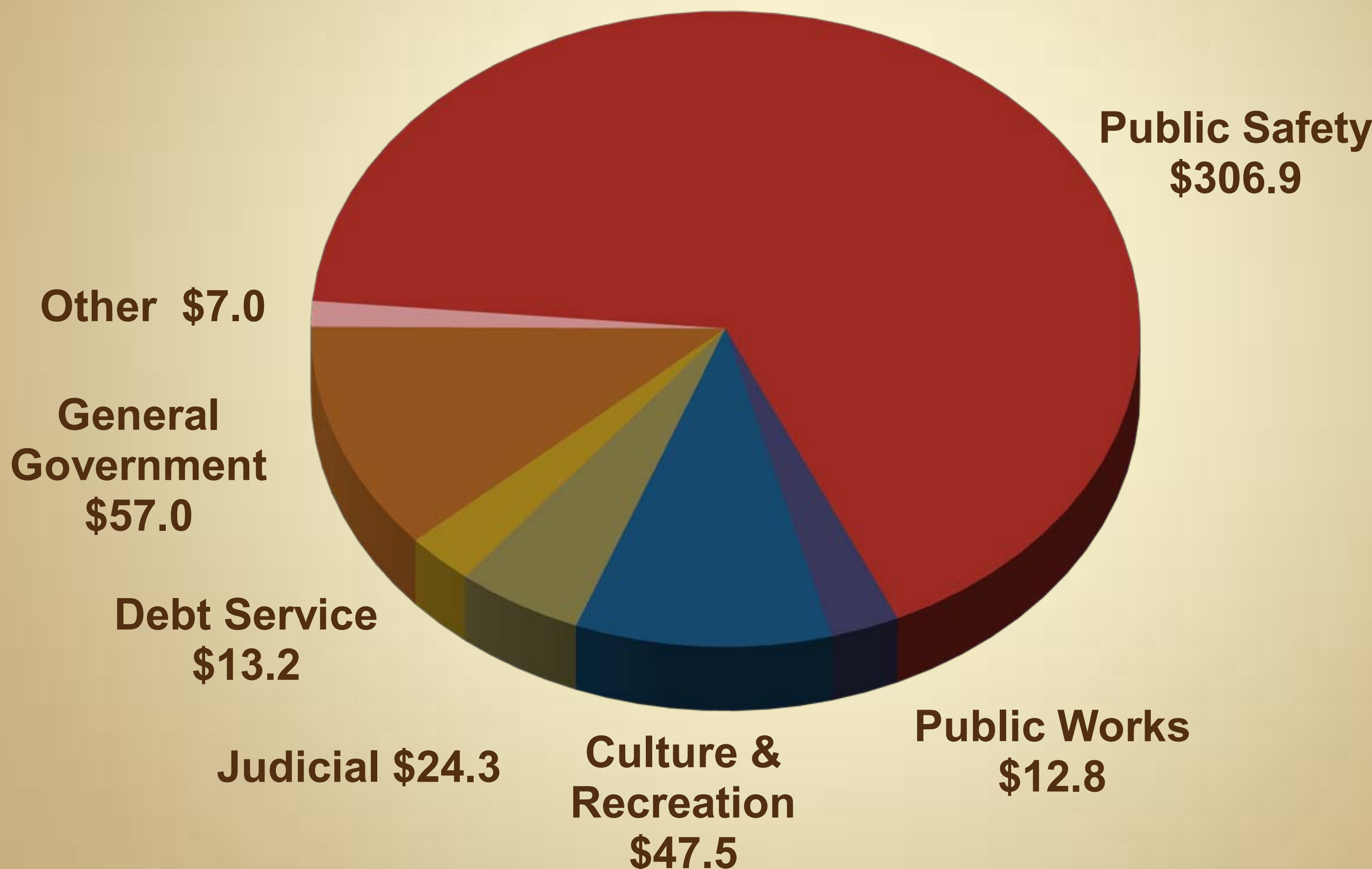
- Sound fiscal decisions while facing deficits
- Conservative spending, under running expenses
- Retained bond rating
- Remained fiscally sound despite sagging economy and revenues
- Stabilize Employee Benefits ISF

Financial Oversight Committee

- ✓November 7, 2012
- ✓Fourth year
- ✓Six members attended
- ✓Revenue review

FY13 General Fund Expenditures

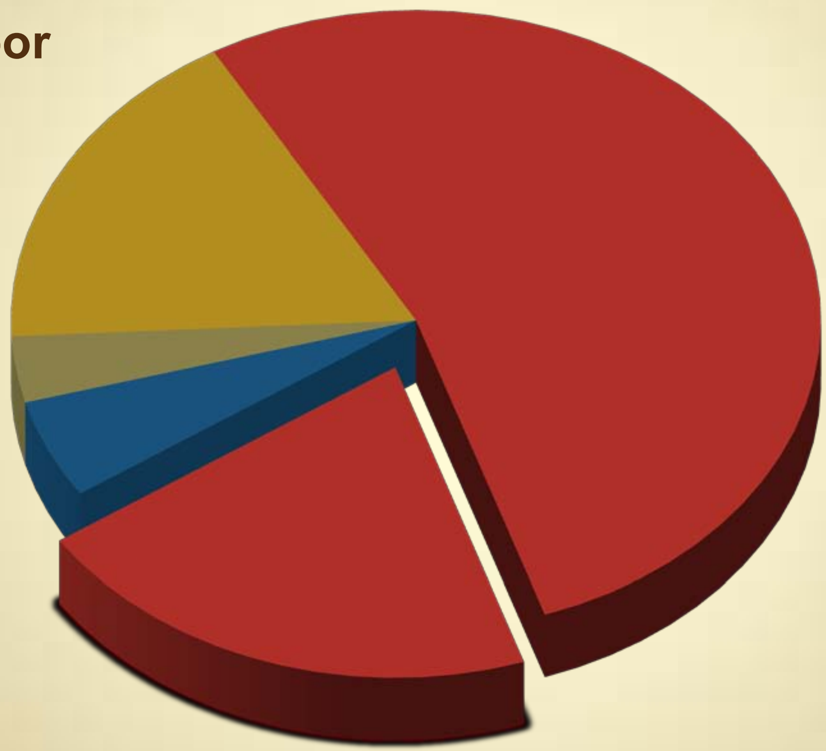
(amounts expressed in millions)



General Fund Revenue & Expenditure Trending

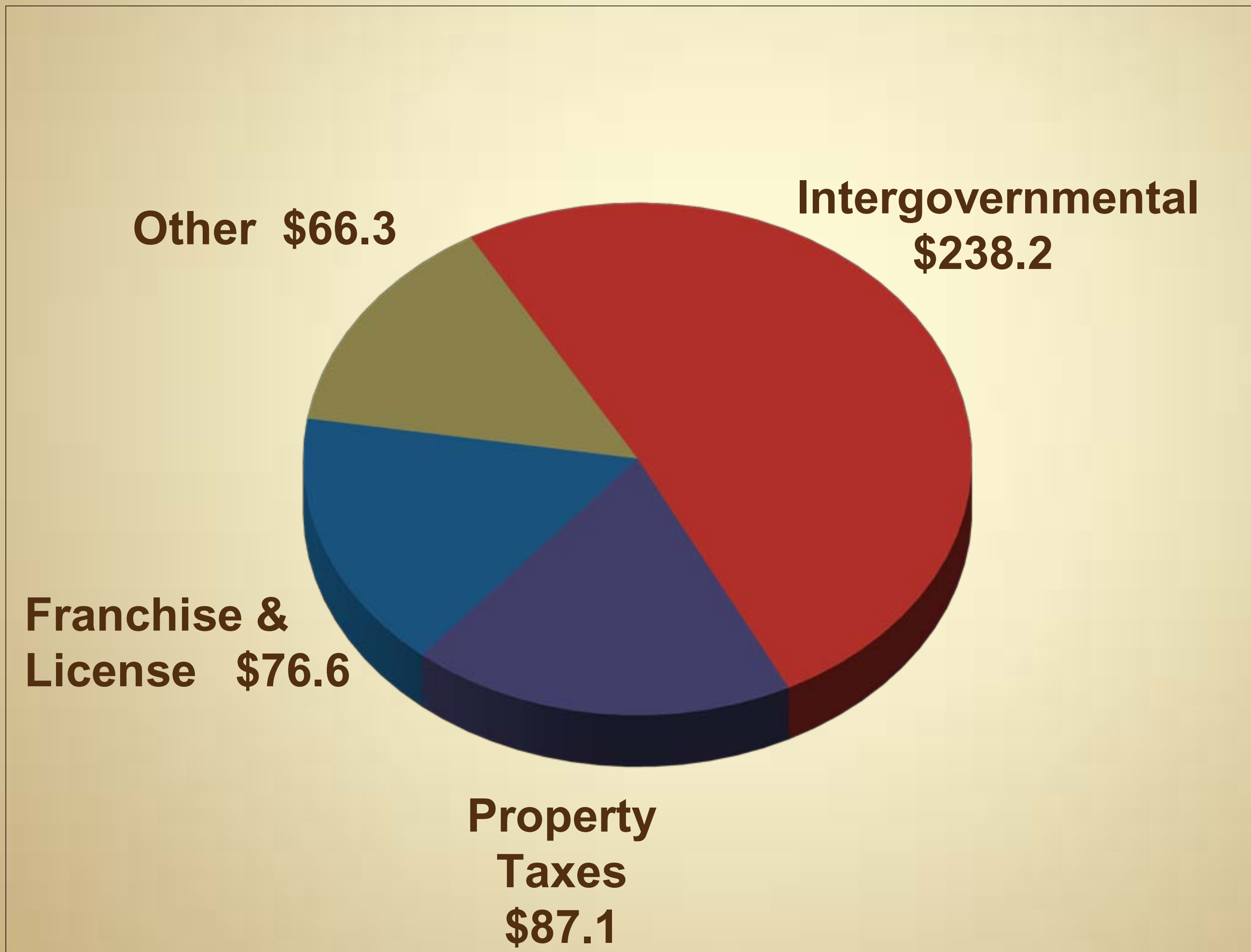
(amounts expressed in millions)

FY14 Expenditure Summary



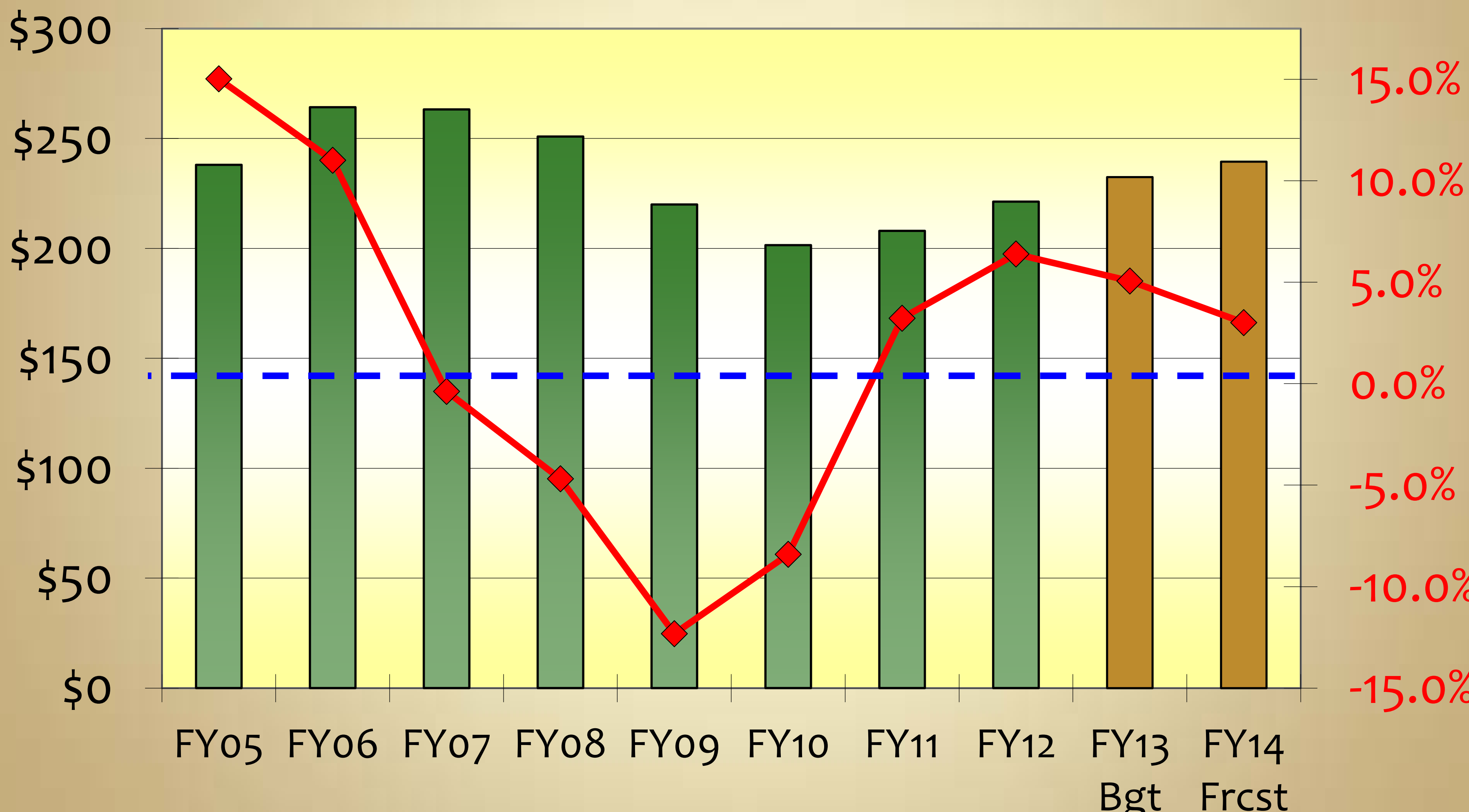
FY14 General Fund Revenue

(amounts expressed in millions)



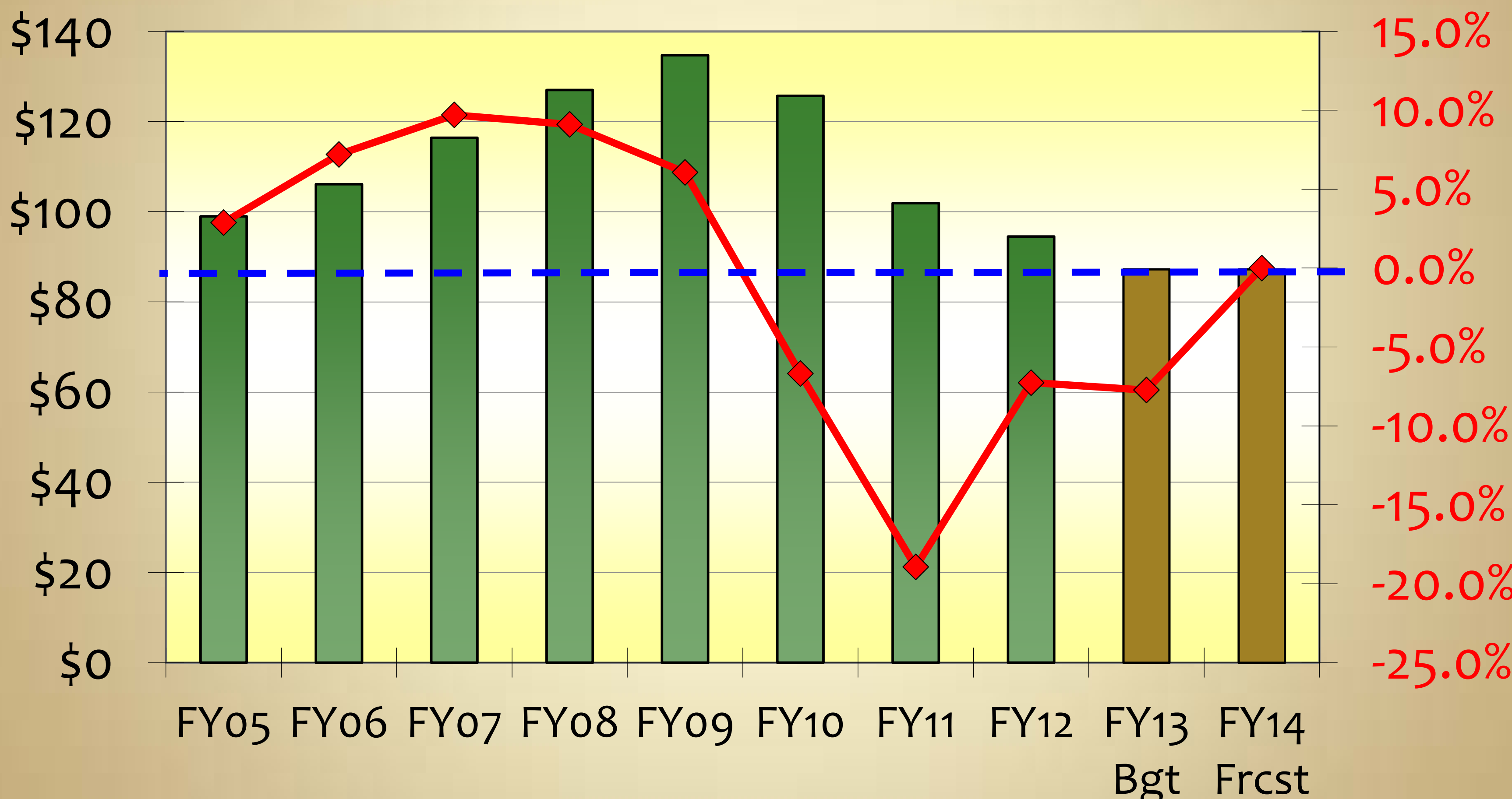
Consolidated Tax History

(amounts expressed in millions)



Property Tax History

(amounts expressed in millions)



FY14 Budget Financial Picture

Revenues

- ✓ C-Tax increases at 3%
- ✓ Property Tax projected to be flat

Expenditures

- ✓ LVCEA COLA at 2%
- ✓ PERS increases
  - ✓ Regular
  - ✓ Public Safety
- ✓ Health Care projected savings
- ✓ Benefit Rate increases
- ✓ Vacancy Rate at 3% for larger Departments

Fiscal Forecast - Current

	FY12	FY13 Est	FY14	FY15
Consolidated Tax	221.3	231.3	238.2	245.4
Property Tax	94.5	87.1	87.1	89.3
License & Franchise	78.2	76.6	76.6	78.8
Other	63.9	66.4	65.1	66.6
Transfers In	0.9	1.2	1.2	1.2
Revenues	458.8	462.6	468.2	481.3
Wages & Benefits	257.8	254.8	259.3	264.9
Non-Labor	70.7	74.3	78.0	81.9
LVMPD - Operations	118.6	120.4	124.5	128.2
LVMPD - Facilities	0.7	0.7	0.7	0.7
Transfer out - Debt Service	10.8	7.1	16.7	16.7
Transfer out - Other	1.2	7.3	1.3	1.3
Expenditures	459.8	464.6	480.5	493.8
Excess (Shortfall)	(1.0)	(2.0)	(12.3)	(12.4)
Fiscal Stabilization drawdown		(38.5)		
Fund Balance	151.0	110.5	98.2	85.8
	32.8%	*23.8%*	*20.4%*	*17.4%*

Fiscal Forecast – METRO Coverage

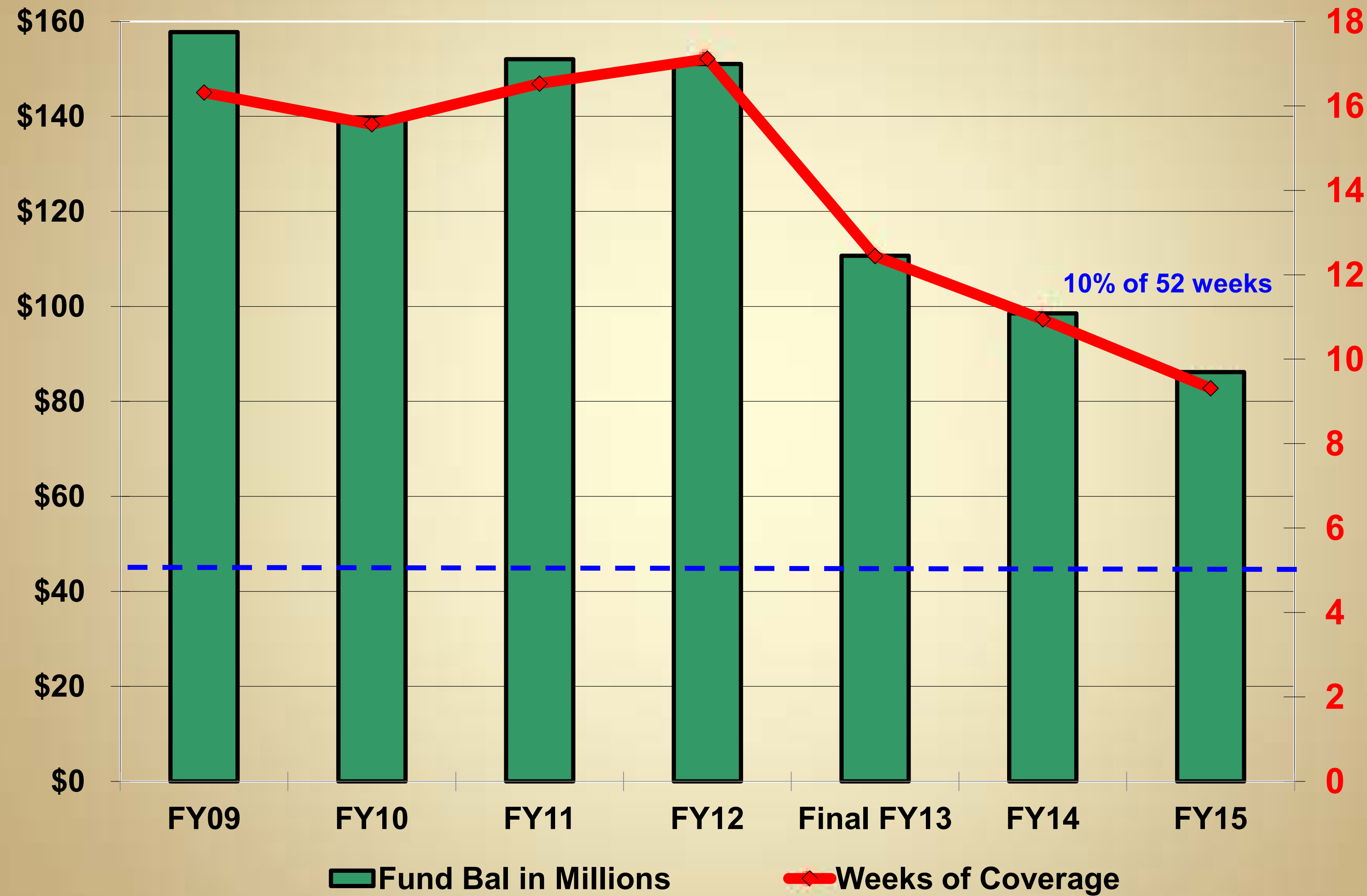
	FY12	FY13 Est	FY14	FY15
Consolidated Tax	221.3	231.3	238.2	245.4
Property Tax	94.5	87.1	87.1	89.3
License & Franchise	78.2	76.6	76.6	78.8
Other	63.9	66.4	65.1	66.6
Transfers In	0.9	1.2	1.2	1.2
Revenues	458.8	462.6	468.2	481.3
Wages & Benefits	257.8	254.8	259.3	264.9
Non-Labor	70.7	74.3	78.0	81.9
LVMPD - Operations	118.6	120.4	144.5	148.8
LVMPD - Facilities	0.7	0.7	0.7	0.7
Transfer out - Debt Service	10.8	7.1	16.7	16.7
Transfer out - Other	1.2	7.3	1.3	1.3
Expenditures	459.8	464.6	500.5	514.3
Excess (Shortfall)	(1.0)	(2.0)	(32.3)	(33.0)
Fiscal Stabilization drawdown		(38.5)		
Fund Balance	151.0	110.5	78.2	45.2
	32.8%	*23.8%*	*15.6%*	*8.8%*

FY14 Budget Financial Picture

- ✓ **Modeled growth**
  - **Revenue --- at 1%**
  - **Expenditure --- at 2%**

- ✓ **Maintain Fund Balance %**
  - **Unrestricted Ending FB --- 15%**
  - **Unspendable Ending FB --- 3%**
  - **Restricted Ending FB --- 3%**

GF Reserves ($000,000) vs. Number of Weeks Coverage



FY14 Budget Objectives

- ✓ Avoid service reductions
- ✓ FY2014 will remain a relatively “flat” budget plan
- ✓ Support City Council Strategic Priorities
- ✓ Three union contracts expire June 2013
- ✓ METRO structural gap
- ✓ Review fee structures

Budget Cycle

- Five Year fiscal modeling
- Kickoff in December
- Department performance presentations
- Council Workshops & Budget Hearing
- Submission to Nevada Dept of Taxation
- Fiscal Year July 1 – June 30

CITY OF LAS VEGAS
REVENUE REPORT
FOURTH QUARTER FY2011

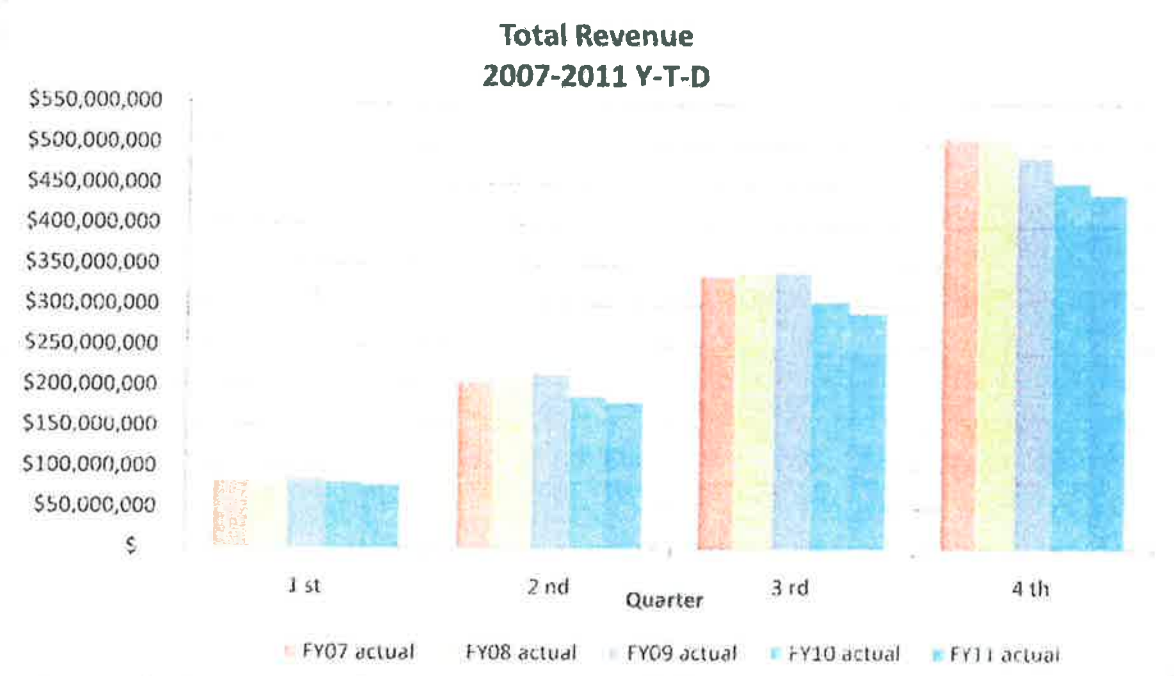
June 30, 2011

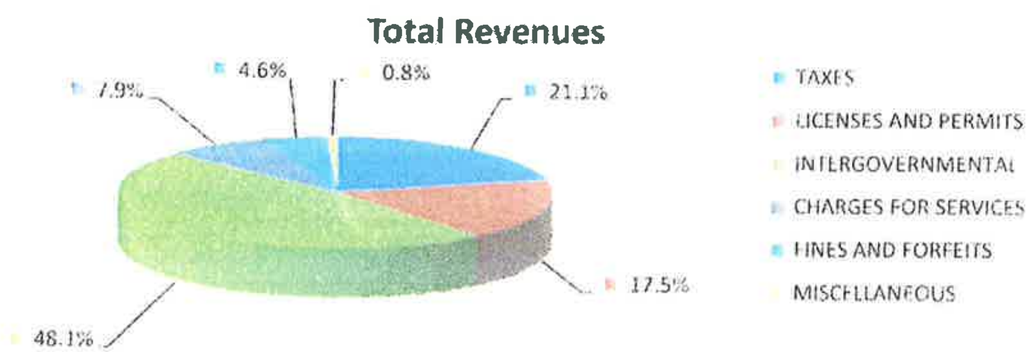
Submitted at City Council
Date 12/19/2012 Item 52
By: Dean Fletcher

GENERAL FUND REVENUE SUMMARY

TOTAL REVENUES	FY07 actual	FY08 actual	FY09 actual	FY10 actual	FY11 actual	FY11 budget
Quarter						
1 st	$ 82,817,017	$ 83,871,643	$ 87,300,584	$ 82,108,139	$ 78,356,939	
2 nd	206,355,511	209,600,692	215,666,111	188,356,955	181,092,375	
3 rd	337,092,683	342,159,784	341,719,667	305,478,988	291,428,686	
4 th	508,110,241	509,889,134	485,554,466	453,173,529	439,663,811	432,197,452

Ratio Analysis	Act/Act	Act/Act	Act/Act	Act/Act	Act/Bud	
1st qtr/4th qtr	16%	16%	18%	18%	18%	
2nd qtr/4th qtr	41%	41%	44%	42%	42%	
3rd qtr/4th qtr	66%	67%	70%	67%	67%	
4th qtr/4th qtr	100%	100%	100%	100%	102%	100%





Other non-major governmental funds had a total fund balance of $199 million, $10.4 nonspendable, $121.2 restricted, $15.3 million committed and $54.5 million assigned with a negative $2.5 million unassigned. See Note 1 D 9 for a complete breakdown.

Enterprise Funds. The City's enterprise funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Net assets of the proprietary funds totaled $723.6 million of which the Sanitation Fund had $664.5 million in net assets. The total growth of the proprietary funds was $27.5 million of which the growth in the Sanitation Fund was $24.7 million. The Sanitation Fund was established to account for the City-owned and operated sewer system in the City of Las Vegas and service provided to North Las Vegas. However, the City of North Las Vegas has opened its own water pollution control facility and the city will no longer provide service to North Las Vegas beginning in fiscal year 2012. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City's business-type activities.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its computer services, communications, graphic arts and automotive operations. The City also uses internal service funds to account for its self-insurance activities, including liability insurance, workers' compensation, property damage insurance and employee benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Other factors concerning the finances of the internal service funds have already been addressed in the discussion of the City's governmental activities.

General Fund Budgetary Highlights

There were no budget augmentations during the year for the general fund (see Note 3A). The actual General Fund operating revenues of $439.8 million were $7.6 million or 2 percent above budgeted operating revenues of $432.2 million (see page 102). This increase is mostly attributable to consolidated tax collections received from the State of Nevada. City departments within the General Fund were required to analyze their budgets to find areas where spending could be reduced for cost savings resulting in $21 million savings compared to the final budget amounts (see pages 102-110). Anticipating this trend in lower revenues could continue into the next fiscal years, cost saving measures were built into the Fiscal Year 2011 budget.

Capital Asset and Debt Administration

Capital assets. The City of Las Vegas and its blended component units' investment in capital assets for its governmental and business-type activities amounts to $4,206,054,334 (net of accumulated depreciation of $1,385,382,762) as of June 30, 2011. Capital assets include land, buildings, improvements, machinery & equipment and vehicles, wastewater systems, infrastructures (roadways, traffic signals and lighting, signage, pavement markers, storm drainage and sanitary sewer lines), and construction in progress. For the current fiscal year, the City's net increase in capital assets was 7.2 percent before depreciation (7.8 percent for governmental activities and 3.9 percent for business-type activities).

The City has an aggressive capital improvement program totaling over $1.2 billion over the next five years (the City budgets its capital program in rolling 5-year increments). The City budgets these projects in six categories: general government, public safety, sanitation, public works, culture and recreation, and economic development and assistance. Among these categories, the major projects include: park and leisure facilities ($288.3 million), sanitation facilities ($303.6 million), road and flood construction ($318 million), and city facilities ($152.3 million).

Major capital asset events during the current fiscal year included the following:

Construction in progress (CIP) increased by a net $183,730,932. Fiscal year 2011 addition to CIP was $329,311,786. The major projects were $58.9 million on the new City Hall Complex, $101 million on the Performing Arts Center, $31.1 million on various roadway projects, $11.9 million on the Mob Museum, $12.6 million for solar projects, $8.6 million for the Atrium Building additions, $46.7 million for storm drains, $16 million for sewer improvements and $1.3 million for a new Main Street Parking Garage. The City completed $145,580,854 of projects and removed them from construction in progress. Other City projects added were $22.6 million.

CITY OF LAS VEGAS, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (BUDGET BASIS) - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 93,820,855	$ 93,820,855	$ 92,913,317	$ (907,538)
Licenses and permits	80,965,472	80,965,472	77,158,559	(3,806,913)
Intergovernmental	201,984,721	201,984,721	211,523,476	9,538,755
Charges for services	28,535,774	28,535,774	34,816,648	6,280,874
Fines and forfeits	21,897,730	21,897,730	20,008,474	(1,889,256)
Interest	1,535,000	1,535,000	448,866	(1,086,134)
Miscellaneous	3,457,900	3,457,900	2,951,136	(506,764)
Total revenues	432,197,452	432,197,452	439,820,476	7,623,024
Expenditures:				
General government:				
Legislative	2,953,212	2,953,212	2,896,572	56,640
Elections	1,000,000	1,000,000	745,702	254,298
Executive	7,019,875	7,019,875	6,284,186	735,689
Financial administration	20,049,932	20,049,932	17,891,077	2,158,855
Other	22,471,057	22,471,057	18,301,408	4,169,649
Total general government	53,494,076	53,494,076	46,118,945	7,375,131
Judicial:				
Municipal courts	17,834,093	17,834,093	18,601,693	(767,600)
City attorney-criminal division	4,060,677	4,060,677	3,544,094	516,583
Public defender	559,749	559,749	533,790	25,959
Alternative sentencing & education	2,602,574	2,602,574		2,602,574
Total judicial	25,057,093	25,057,093	22,679,577	2,377,516
Public safety:				
Police	142,057,379	142,057,379	141,651,612	405,767
Fire	103,315,242	103,315,242	107,184,030	(3,868,788)
Corrections	50,282,223	50,282,223	44,772,969	5,509,254
Other protection	19,959,595	19,959,595	16,800,456	3,159,139
Total public safety	315,614,439	315,614,439	310,409,067	5,205,372
Public works:				
Administration	947,823	947,823	864,194	83,629
Engineering	14,441,011	14,441,011	13,473,279	967,732
Paved streets	1,483,705	1,483,705	1,452,037	31,668
Total public works	16,872,539	16,872,539	15,789,510	1,083,029
Health:				
Animal control	3,543,356	3,543,356	3,079,299	464,057
Cemetery operation	120,000	120,000	105,200	14,800
Communicable disease control	15,000	15,000	7,399	7,601
Total health	3,678,356	3,678,356	3,191,898	486,458

Continued

CITY OF LAS VEGAS
REVENUE REPORT
FOURTH QUARTER FY2012

June 30, 2012

GENERAL FUND REVENUE SUMMARY

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3 rd	342,159,784	341,719,667	305,478,988	291,428,686	299,026,796	
4 th	509,889,134	485,554,466	453,173,529	439,804,753	445,279,116	432,783,048

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4th qtr/4th qtr	100%	100%	100%	100%	103%	100%