

# **FY2013 Tentative Budget**

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# Budget Schedule

- **Apr 4** – Report & discussion of Unfunded Liabilities
- **Apr 15** – Filing of Tentative Budget with State Dept of Taxation
- **Apr 16-17** – Council briefings on PERS, Defined Benefit v. Defined Contribution Plans (Dana Bilyeu, PERS EO)
- **Apr 18** – Report & discussion on Federal funding dependencies (Fed’s likelihood of maintaining funding levels)
- **Apr 30 / May 1**– Council briefings on alternative Service Delivery (a look FY 2014)
- **May 15** – Budget Hearing
- **Jun 1** – Filing of Final Budget with State Dept of Taxation

# FY13 Budget Objectives

- ❖ Avoid service reductions; targeted restoration areas
- ❖ FY2013 is a relatively “flat” budget plan
- ❖ Utilize some reserves to accomplish:
  - ✓ Stabilization of employee benefits fund
  - ✓ Preventative repairs and infrastructure
  - ✓ Retirement of general obligation debt
- ❖ Successfully manage through deficit budgets
- ❖ Support City Council Strategic Priorities

# Strategic Priorities

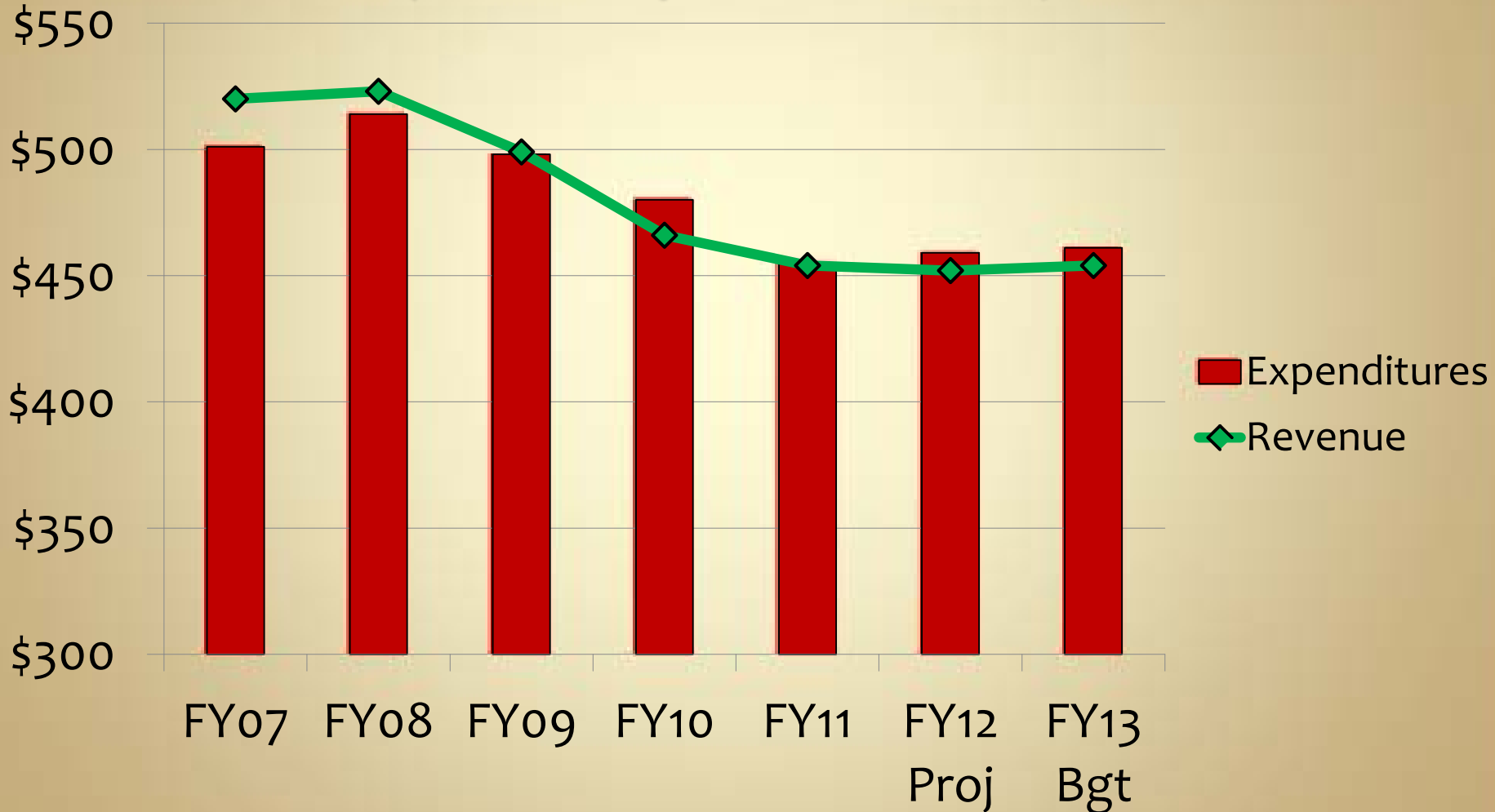
- Thriving and Sustainable Business Community
- Safe and Healthy City
- Comprehensive Fiscal Stewardship
- Community Pride
- Excellent Customer Service
- Organizational Excellence

# Budget Background Last Two Years

- Sound fiscal decisions while facing deficits
- Conservative spending, under running expenses
- Retained bond rating
- Fiscally sound despite sagging economy and revenues

# General Fund Revenue & Expenditure Trending

(amounts expressed in millions)



# FY13 Budget Financial Picture

## Revenues

- ✓ Increase in C-tax covers Property Tax loss
- ✓ C-Tax projected increase at 4.6%
- ✓ Property Tax decreases by 10%

## Budget levels

- ✓ Budget levels remain flat (less than 1% growth)
- ✓ Maintain Fund Balance at 18% - above budget policy level of 12%

# Support strategic priorities through operations

## Safe & Healthy City

- Funding our fire and rescue budget to prevent scheduled brown-outs while adding new stations
- Maintaining response times and critical care for fire and rescue with additional EMS units deployed
- Restoring animal control hours
- Enhancing criminal justice activities and supporting the specialty courts (reducing recidivism)
- Offsetting federal funding shortfalls for homeless programs

# Support strategic priorities through operations

## Community Pride

- Enhancing before and after-school programming for youth
- Advancing literacy efforts in partnership with CCSD
- Cleaning our parks on weekends so residents can better enjoy them

# Support strategic priorities through operations

## Comprehensive Fiscal Stewardship

- Rewarding outstanding employee performance
- Reinitiating modest wage increases to keep up with inflation for general employees

## Organizational Excellence

- Further investing in organizational development and training
- Higher education partnership with CSN

# Support strategic priorities with capital programs and reserves

## Thriving and Sustainable Business Community

- Small Business Incentive Program
- New RDA start up funding

# Support strategic priorities with capital programs and reserves

## Safe & Healthy City

- Main-Commerce one way couplet
- Street safety enhancements for high vehicular accidents
- Safety enhancements for pedestrian and bicyclists
- Annual traffic improvements
- Detention and Enforcement facility rehabilitation projects

# Support strategic priorities with capital programs and reserves

## Comprehensive Fiscal Stewardship

- Stabilizing benefit fund
- Retire outstanding debt – easing debt obligations for the next few years

## Excellent Customer Service

- Information Technology enhancements for Business Licensing & Development Services

# Support strategic priorities with capital programs and reserves

## Community Pride

- Transfer 5<sup>th</sup> Street School operations to Cultural Affairs, phased reimbursement of RDA for improvements
- Artificial turf installation and replacement
- Walkable / Bikeable Communities

# FY13 Budget Development

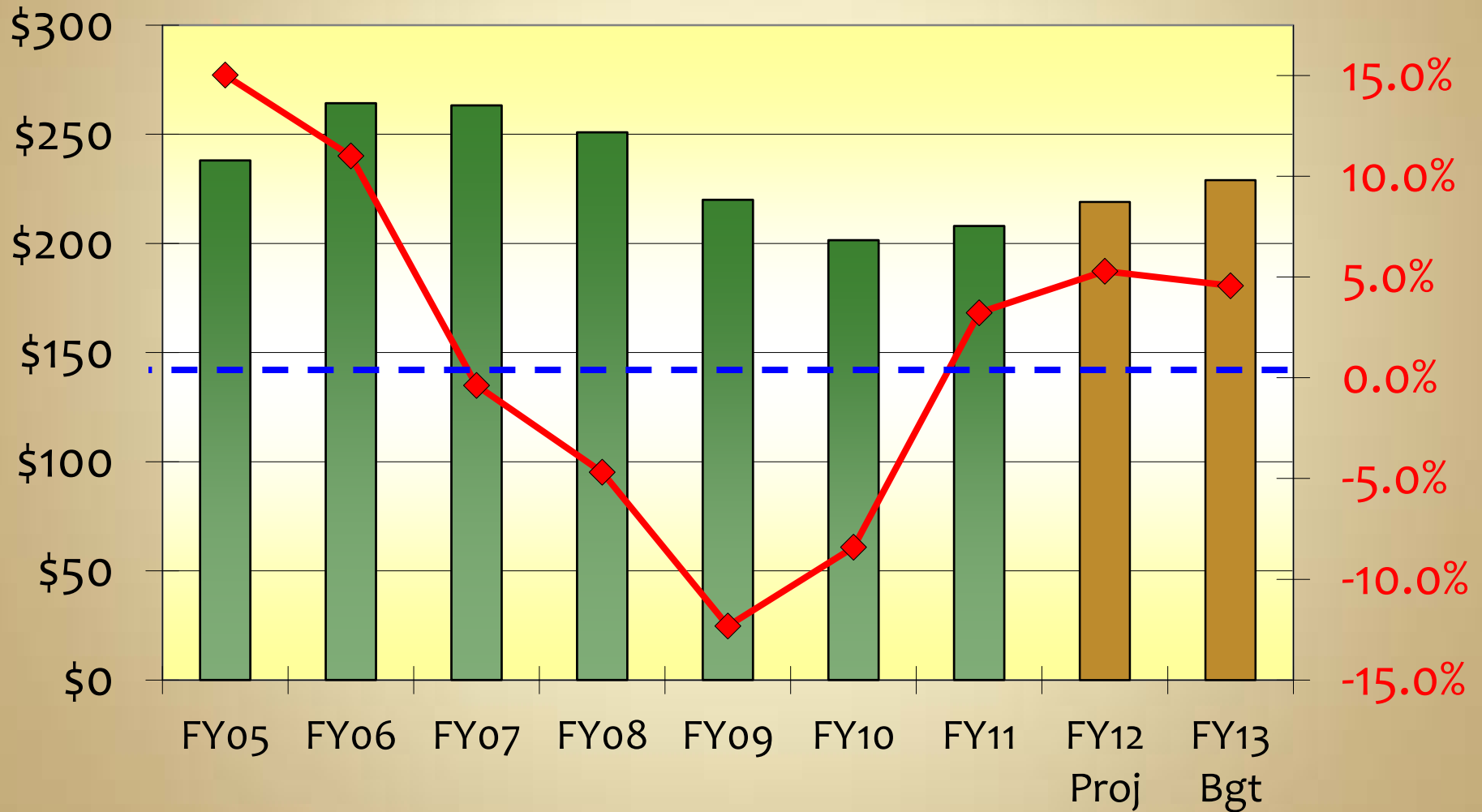
## Reserves

- ✓ \$25M to be used for strategic capital programs
- ✓ \$13.5M to retire Neonopolis garage debt (GF obligation)
- ✓ Anticipate GASB 54 reserves to be about 18% of GF expenses

	<i>Projected</i>	<i>Tentative</i>	<i>Forecast</i>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
<b>REVENUE</b>			
C-Tax	\$ 219.0	\$ 229.0	\$ 237.0
Prop Tax	95.2	85.7	85.7
Lic & Fran	78.7	78.1	78.6
Other	63.2	61.4	62.3
	456.1	454.2	463.7
<i>Revenue Growth</i>	<i>-2.6%</i>	<i>-0.4%</i>	<i>2.1%</i>
<b>EXPENDITURES</b>			
Wages	143.0	141.6	143.5
Benefits	100.0	110.8	115.0
	243.0	252.4	258.5
Non- Labor	68.0	79.4	81.0
LVMPD - Operations	119.8	122.2	132.8
Other	29.9	10.6	19.1
	460.7	464.6	491.4
<i>Expenditure Growth</i>	<i>1.0%</i>	<i>0.9%</i>	<i>5.8%</i>
<b>Excess (Shortfall)</b>	<b>\$ (4.6)</b>	<b>\$ (10.4)</b>	<b>\$ (27.7)</b>
GF Fund Balance	\$ 82.4	\$ 72.0	\$ 44.3
Stabilization FB	50.0	11.5	11.5
<b>Total reserves</b>	<b>\$ 132.4</b>	<b>\$ 83.5</b>	<b>\$ 55.8</b>
<i>FB Percentage</i>	<i>28.7%</i>	<i>18.0%</i>	<i>11.4%</i>

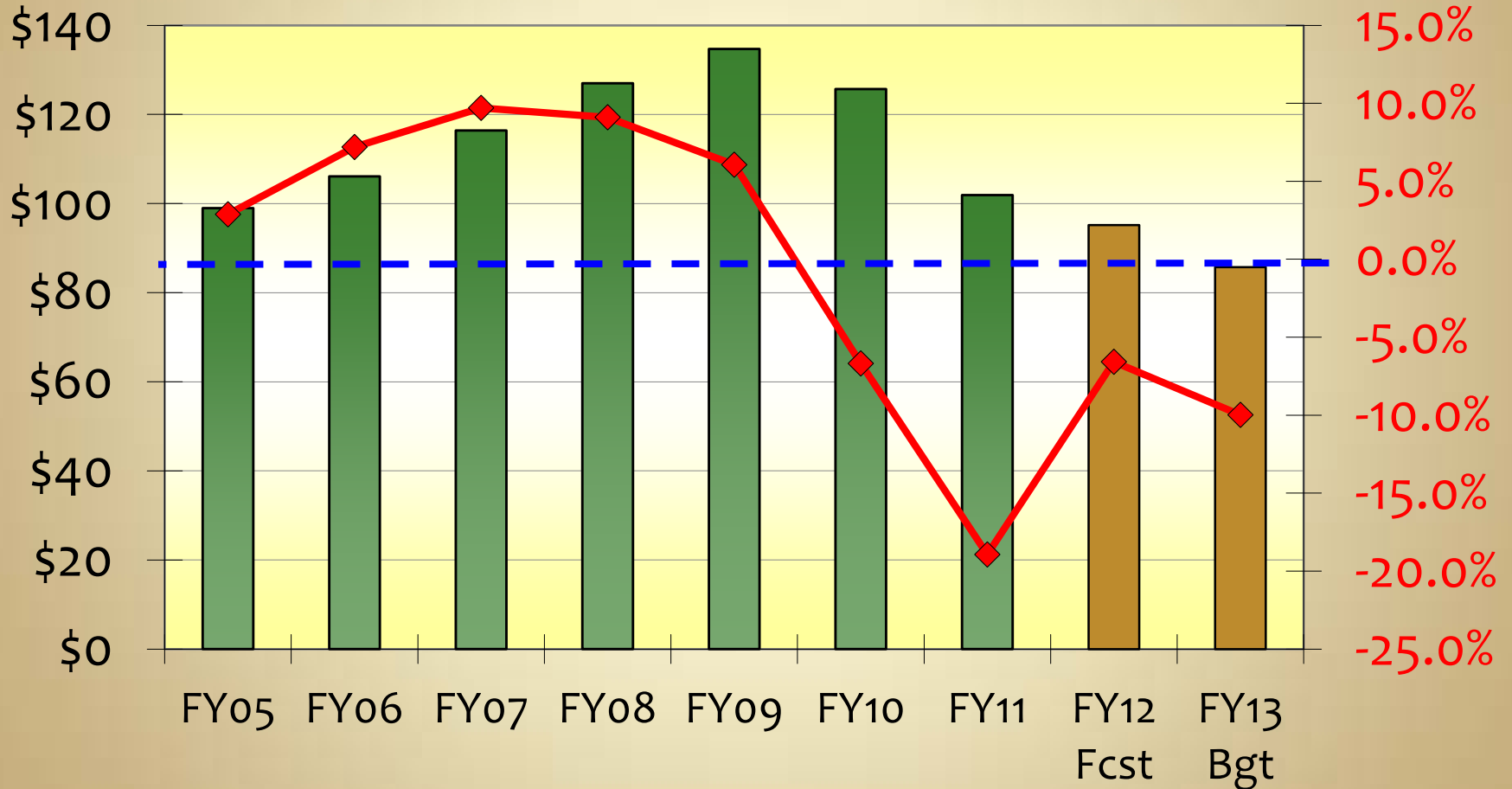
# Consolidated Tax History

(amounts expressed in millions)



# Property Tax History

(amounts expressed in millions)



# Budget Policies

- Positions & Personnel
  - Budgets will be reflected at full expected cost on personnel costs.
  - All positions will be fully funded (as positions become vacant they are pooled for controlled management).
- Debt Service
  - Establish a fiscal/budget policy to address reserve levels

# **FY2013 Tentative Budget**

## **QUESTIONS?**

# Debt Comparison

Restating Las Vegas Debt with Performing Arts Center and City Hall 4/					
	Total	Estimated	Fiscal Year	General	General
	General	Fiscal Year	2009	Obligation	Obligation
	Obligation	2007	Assessed	Debt	Debt as a % of
Municipality	Debt 1/	Population 2/	Value 3/	Per Capita	Assessed Value
Reno	\$ 118,078,110	220,613	\$ 7,807,016,641	\$ 535.23	1.51%
Las Vegas 4/	642,455,000	590,321	24,992,555,583	1,088.31	2.57
Henderson	353,782,022	260,161	16,308,288,716	1,359.86	2.17
Clark County	2,924,163,638	1,954,319	111,906,539,236	1,496.26	2.61
North Las Vegas	362,690,000	210,472	9,132,667,067	1,723.22	3.97
Carson City	124,074,626	57,723	1,843,246,997	2,149.48	6.73
Clark County School District	5,006,995,500	1,954,319	111,906,539,236	2,562.02	4.47

1/ Outstanding as of February 1, 2009; does not include revenue bonds, lease/purchase agreements or special assessment bonds.

2/ Source: State of Nevada Demographer, figures effective July 1.

3/ Source: Nevada Department of Taxation (excludes the Redevelopment Agencies).

4/ Includes \$105M for Performing Arts plus \$250M for City Hall (conversion of L-P to GO debt)