



CARSON CITY, NEVADA
CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

MEMO TO: Board of Supervisors
Larry Werner, City Manager

FROM: Nick Providenti, Finance Director

DATE: April 16, 2008

RE: FY 2009 Budget Analysis

MAP

LATE MATERIAL
MEETING DATE 4/17/08
ITEM # 13C

GENERAL FUND REVENUE ASSUMPTIONS

- Property Taxes – Budgeted Property Tax Revenues are expected to increase about 4.5%, or \$600,000 for FY 2009.
- Consolidated Taxes - We followed the model provided to us by Mary Walker. We input Consolidated Taxes (CTX) for FY 2008 through January, 2008. The projection is indicating CTX revenues will be about 8% lower than prior year (FY 2007) or a decrease in FY 2008 revenues of \$2.8 million. For FY 2009, we lowered the projected FY 2008 amount by 3% and added approximately \$900,000 in new sales tax for the planned opening of Burlington Coat Factory, Sportsman's Warehouse, and Home Depot in FY 2009.
- Franchise Fees - We increased Franchise Fees by \$200,000 to account for the full year's revenues due to the increase in fees to Sierra Pacific Power and Southwest Gas.
- Landfill Revenues - Although we increased the rates charged at the Landfill, we are expecting the revenues for FY 2009 to stay at budgeted FY 2008 levels. This is due to economic conditions and the general lack of commercial dumping we are experiencing at the landfill.
- Investment Income- We decreased Investment Income by \$470,000 due to the lower interest rate environment anticipated in FY 2009.

DEPARTMENT OF FINANCE

201 North Carson Street, Suite #3, Carson City, NV 89701 - (775) 887-2133 (775) 887-2107 fax

CARSON CITY, NEVADA
CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

GENERAL FUND EXPENDITURES

Reductions as a result of Board of Supervisors direction - In preparing the general fund budget, we used the direction the Board of Supervisors gave us at the February 7, 2008 Board Meeting. The main items addressed at that meeting were:

1. Specific line item reductions of \$556,260 – we reduced the specific line items that were identified by department heads and were implemented in the FY 2008/09 Tentative Budget.
2. Charge 80% of the Office of Business Development to the Redevelopment Agency using tax increment from both redevelopment areas - \$200,000. This was implemented in the FY 2008/09 Tentative Budget.
3. Salary savings through suspending, eliminating and restructuring of positions. Staff has identified 28.7 positions that have been temporarily suspended by departments, or will not be refilled pending retirement of the incumbent. This has provided approximately \$2 million in general fund savings and was implemented in the FY 2008/09 Tentative Budget.

The above reductions resulted in approximately \$2.75 million in general fund savings that have been implemented in the FY 2008/09 Tentative Budget.

Worker's Compensation Premium Savings – Because of a decrease in worker's compensation premiums charged to the City by the POOL/PACT, I was able to lower the premiums charged to all departments by 20% in both FY 2007/08 and FY 2008/09. This resulted in general fund savings of \$335K in FY 2007/08 and \$350K in FY 2008/09.

Debt Service – I was able to move approximately \$175K of debt service from the general fund and pay this amount with the \$.05 property tax collected in the Capital Projects fund.

Carson City Transit subsidy – the amount of the subsidy was reduced by \$50K in FY 2008/09.

Ambulance Fund subsidy – we had to provide a subsidy to the ambulance fund in the amount of \$100K in order for the fund to break even and maintain a positive cash flow in FY 2008/09.

Basically, by implementing the above measures, staff believes that the \$1 million of Stabilization Fund money will not be needed in FY 2008/09.

DEPARTMENT OF FINANCE

201 North Carson Street, Suite #3, Carson City, NV 89701 - (775) 887-2133 (775) 887-2107 fax

CARSON CITY, NEVADA
CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

GENERAL FUND ENDING FUND BALANCE

The General Fund's Ending Fund Balance at June 30, 2009 is projected to be \$4,650,000 which is approximately 8.33% of estimated expenditures. This is after a budgeted transfer to the Capital Acquisition Fund of \$868,918

OTHER FUNDS

Staff has implemented the plan to stabilize Carson City's Sewer Fund, Water Fund, and Building Permits Fund as directed by the Board of Supervisors at the February 7, 2008 meeting. This includes the following:

1. **Sewer Fund** – we have implemented the following recommendations:
 - The Tentative Budget includes the 24% rate increase effective July 1, 2008.
 - We have not included any bond issuances in the FY 2008/09 budget.
 - We have postponed as much of the capital improvement programs as possible for at least this year until the economy begins to recover.
 - We will base future rate increases on the financial requirements of the fund.

2. **Water Fund** – we have implemented the following recommendations:
 - The Tentative Budget includes the 6% rate increase effective July 1, 2008.
 - We have not included any bond issuances in the FY 2008/09 budget.
 - We have postponed as much of the capital improvement programs as possible for at least this year until the economy begins to recover. Most of the capital budgeted in FY 2008/09 will be spent from last year's bond proceeds.
 - We will base future rate increases on the financial requirements of the fund.

3. **Building Permits Fund** – we have implemented the following recommendations:
 - Reassigned inspectors to other public works areas.
 - Retain the budget cuts that were implemented in the FY 2007/08 budget.
 - Reduce staff by 2 by not rehiring the positions of the people who will retire at the end of FY 2007/08.

Budget Worksheet				
	Actual 2007	2008 Estimate	Re estimated 2009 Budget	\$ change Budget
Revenues				
Taxes				
Property	12,492,864	13,373,252	13,972,620	599,368
Sales	22,151,021	23,860,620	23,432,133	-428,487
Gasoline				
Motor Vehicle	2,847,650	0	0	
Liquor	71,479	0	0	
Cigarette	354,884	0	0	
Real Property Transfer	538,952	0	0	
Gaming	163,674	160,000	160,000	0
Candidate Filing Fee				
Total	38,620,524	37,393,872	37,564,753	170,881
Licenses and Permits				
Business	816,837	775,225	802,500	27,275
Liquor	152,227	135,000	135,000	0
Gaming	565,878	685,000	685,000	0
Right of way toll	123,017	140,000	160,000	20,000
Marriage	19,348	20,000	20,000	0
Building	79			
Animal	8,970	10,000	10,000	0
Mobile home permits	65			
Total	1,686,421	1,765,225	1,812,500	47,275
Franchise Fees				
Gas	1,236,505	1,515,000	1,615,000	100,000
Electric	1,607,672	2,200,000	2,300,000	100,000
Telephone	861,240	810,000	810,000	0
Sanitation	386,534	405,000	405,000	0
Cable	405,016	405,000	430,000	25,000
Total	4,496,967	5,335,000	5,560,000	225,000
Grants				
Federal	190,125	98,000	98,000	0
State	42,960	34,245	34,245	0
Local	164,456	166,284	162,640	-3,644
Total	397,541	298,529	294,885	-3,644

Budget Worksheet				
	Actual 2007	2008 Estimate	Re estimated 2009 Budget	\$ change Budget
Charges for Services				
General Government	5,375,681	5,218,020	5,136,878	-81,142
Judicial	686,724	671,000	691,000	20,000
Public Safety	350,160	383,188	383,144	-44
Public Works	1,263	10,000	10,000	0
Health	162,955	179,732	231,960	52,228
Landfill Fees		4,945,805	3,940,000	-1,005,805
Parks and Recreation	1,291,811	1,382,220	1,351,107	-31,113
Total	7,868,594	12,789,965	11,744,089	-1,045,876
Fines and Forfeits				
Library	25,125	24,000	24,000	0
Court	864,139	838,995	876,070	37,075
Animal Services	24,414	30,000	30,000	0
Total	913,678	892,995	930,070	37,075
Miscellaneous				
Investment Income	944,896	1,200,000	730,000	-470,000
Other	620,024	515,646	368,300	-147,346
Total	1,564,920	1,715,646	1,098,300	-617,346
Total Revenues	55,548,645	60,191,232	59,004,597	-1,186,635

Budget Worksheet		Actual	2008	Re estimated	\$ change
	2007	Estimate	2009	Budget	Budget
General government					
Board of Supervisors	259,245	258,292	265,563	7,271	0
Court Clerk	427,355	350,904	358,378	7,474	0
Clerk	324,502	369,958	374,317	4,359	0
Recorder	330,018	203,227	175,049	-28,178	0
Records Management	201,010	406,675	398,175	-8,500	0
Public Safety Complex	396,583	190,698	277,413	86,715	0
Elections	256,995	418,422	428,809	10,387	0
Treasurer	472,466	632,864	624,661	-8,203	0
Assessor	587,161	2,152,520	2,226,366	73,846	0
District Attorney	2,024,015	481,296	456,324	-24,972	0
City Manager	555,098	1,104,918	1,157,000	52,082	0
Public Defender	914,811	461,498	363,150	-98,348	0
Community Support	566,796	885,330	808,540	-76,790	0
Central Services	976,410	334,637	138,286	-196,351	0
Economic Development	236,465	0	0	0	0
Emergency Management	0	0	0	0	0
Building and Safety	0	0	0	0	0
Finance	708,839	778,434	653,211	-125,223	0
Personnel	497,171	476,047	298,222	-177,825	0
Automation	1,397,033	1,451,693	1,360,940	-90,753	0
GIS	255,931	314,169	296,215	-17,954	0
Purchasing	176,124	176,623	192,337	15,714	0
City Hall	109,694	126,260	121,260	-5,000	0
Internal Auditor	12,807	118,987	162,146	43,159	0
Northgate	0	0	0	0	0
Community Development	830,263	781,764	554,879	-226,885	0
Business License	0	117,450	72,849	-44,601	0
Code Enforcement	0	0	156,876	156,876	0
Vehicle Maint.	0	0	0	0	0
Facilities Maintenance	1,407,064	1,429,329	1,404,439	-24,890	0
Total	13,923,856	14,021,995	13,325,405	-696,590	

Budget Worksheet		Actual 2007	2008 Estimate	Re estimated 2009 Budget	\$ change Budget
Judicial					
District Court 1	287,968				
District Court 2	601,264				
Juvenile Court	297,096		318,729	345,781	27,052
Justice Court	1,717,863		2,968,311	3,092,076	123,765
Alternative Sentencing	642,941		1,036,561	1,071,346	34,785
Total	3,547,132		4,323,601	4,509,203	185,602
Public Safety					
Sheriff	13,937,740		14,685,384	15,287,459	602,075
Fire	6,880,073		6,955,181	7,562,911	607,730
China Springs/Wynyc			682,512	673,159	-9,353
Juvenile Probation	1,737,085		1,231,670	1,256,917	25,247
Juvenile Detention	1,231,424		1,324,703	1,358,695	33,992
Total	23,786,322		24,879,450	26,139,141	1,259,691
			43.1%		
Public Works					
Public Works	1,974,603		1,863,659	1,591,167	-272,492
Development Services	1,057,476		953,235	779,995	-173,240
Streets					0
Total	3,032,079		2,816,894	2,371,162	-445,732
Health					
Landfill	0		3,388,042	1,849,460	-1,538,582
Health	1,129,933		1,116,967	916,790	-200,177
Animal Services	362,165		381,496	417,474	35,978
Total	1,492,098		4,886,505	3,183,724	-1,702,781
Welfare					
	336,854		347,004	366,109	19,105

Budget Worksheet

	Actual 2007	2008 Estimate	Re estimated 2009 Budget	\$ change Budget
Culture & Recreation				
Parks Admin.	451,403	480,452	427,661	-52,791
Parks Maint.	1,762,623	1,693,729	1,582,913	-110,816
Parks Gifts	108,608	159,602	105,200	-54,402
Swimming Pool	812,198	889,333	848,619	-40,714
Community Center	312,831	347,218	351,275	4,057
Recreation	966,104	929,467	759,735	-169,732
Pony Express	17,016	23,790	21,790	-2,000
Sports	307,458	327,470	324,127	-3,343
Library	1,506,672	1,577,293	1,505,659	-71,634
Total	6,244,913	6,428,354	5,926,979	-501,375
Total Expenditures	52,363,254	57,703,803	55,821,723	-1,882,080
Excess Revenues	3,185,391	2,487,429	3,182,874	
On-going Operating Transfers				
Transfer in - Qual. of Life	-154,542	-183,448	-143,582	39,866
Contingency	0	500,000	500,000	0
Senior Citizens	-15,000	-15,000	-15,000	0
Ambulance Fund			100,000	100,000
Debt Service	2,137,494	2,376,248	2,203,500	-172,748
Landfill Cos/Post Cios Fund		156,548	167,067	10,519
Cemetery	75,000	75,000	75,000	0
CC Transit	350,000	350,000	300,000	-50,000
Supplemental Indigent	120,000	120,000	120,000	0
Cooperative Extension	-59,177			
Capital Facilities Fund	-7,500			
Total	2,446,275	3,379,348	3,306,985	-72,363
On-going Expenditures	54,809,529	61,083,151	59,128,708	-1,954,443

Budget Worksheet				
	Actual 2007	2008 Estimate	Re estimated 2009 Budget	\$ change Budget
One Shot Funding				
Bond Proceeds				
Capital Leases	-55,770			
Landfill Transfer In		-1,709,800		1,709,800
Redevelopment Admin Trans out		2,000,000		-2,000,000
Capital Acquisition Fund	46,000		868,918	868,918
Capital Facilities Fund				0
Capital Projects Fund				0
Ambulance				0
Senior Center				0
CQI Fund				0
Insurance Fund				0
Fleet				0
Asset Sales				0
Stabilization Fund				0
Grant Fund	-26,971			0
Total	-36,741	290,200	868,918	578,718
Other Financing Uses (Sources)	2,409,534	3,669,548	4,175,903	506,355
Operating Results	775,857	-1,182,119	-993,029	-506,355
Beginning fund Balance	10,898,863	11,674,720	5,643,029	
Ending fund Balance	11,674,720	10,492,601	4,650,000	
Econ Development Carryover	-4,849,572	-4,849,572		
Adjusted Fund Balance	6,825,148	5,643,029	4,650,000	
% Ending Fund Balance	13.03%	9.78%	8.33%	

Carson City
Property Tax Rates - Budgeted Funds
FY 2008-09

	Levied FY2009	Allowed FY2009	Levied FY2008	Levied FY2007
Carson City Operating	1.1974	1.1974	1.1974	1.1974
Make Up Revenue(NRS 354.59813)	0.2321	0.2321	0.0347	0.0000
Regional Juvenile Facility	0.0496	0.0496	0.0408	0.0502
	<u>1.4791</u>	<u>1.4791</u>	<u>1.2729</u>	<u>1.2476</u>
Cooperative Extension	0.0128	0.0128	0.0128	0.0128
Carson City Debt	0.0000	0.0000	0.0000	0.0321
Senior Citizens	0.0500	0.0500	0.0500	0.0500
State Medical Indigent	0.0150	0.0150	0.0150	0.0150
Supplemental Indigent	0.1000	0.1000	0.1000	0.1000
Capital Projects	0.0500	0.0500	0.0500	0.0500
School Operating	0.7500	0.7500	0.7500	0.7500
School Debt	0.4700	0.4700	0.4700	0.4700
State of Nevada	0.1700	0.1700	0.1700	0.1700
Eagle Valley Groundwater	0.0009	0.0009	0.0011	0.0012
Subconservancy District	0.0300	0.0300	0.0300	0.0300
	<u>3.1278</u>	<u>3.1278</u>	<u>2.9218</u>	<u>2.9287</u>
Tax Rate				
CV Groundwater Basin	0.0010	0.0010	0.0025	0.0029
	<u>3.1288</u>	<u>3.1288</u>	<u>2.9243</u>	<u>2.9316</u>
Tax Ratw w/ CV GW Basin				

Capital Improvement Plan
Carson City

Capital Improvement Description	FY 2008/2009	Source of Funding
Fund: General		
Assessor Technology	53,750	2% Pers Prop Collection Fee
Fund Total	53,750	
Fund: Cooperative Extension		
Furniture and Fixtures	9,183	Property Taxes
Fund Total	9,183	
Fund: Capital Acquisition		
General Government		
Board Designated Capital	2,368,967	Gen Revs/Trans from Gen Fund
Total	2,368,967	
Fund Total	2,368,967	
Fund: Admin Assessment		
Judicial		
Furniture and Fixtures	40,000	Administrative Assessments
Total	40,000	
Fund Total	40,000	
Fund: Carson City Transit		
Vehicles	55,000	Transit Fees/Grants/Gen Fund Support
Fund Total	55,000	
Fund: Regional Transportation		
Sealing/Overlay/Patch Program	300,000	9 Cent Gas Tax/ Bonds
Ped/Bike Projects	500,000	9 Cent Gas Tax/ Bonds
Signal Projects	350,000	9 Cent Gas Tax/ Bonds
Fairview Drive	2,150,000	9 Cent Gas Tax/ Bonds
Fairview Drive	700,000	9 Cent Gas Tax/ Bonds
N. Stewart Street	3,000,000	9 Cent Gas Tax/ Bonds
Hot Springs	586,000	9 Cent Gas Tax/ Bonds
Clearview Drive	700,000	9 Cent Gas Tax/ Bonds
Butti Way	495,000	9 Cent Gas Tax/ Bonds
Edmonds Drive	40,000	9 Cent Gas Tax/ Bonds
Edmonds Drive	40,000	9 Cent Gas Tax/ Bonds
Curry Street	3,200,000	9 Cent Gas Tax/ Bonds
Rhodes Street	250,000	9 Cent Gas Tax/ Bonds
Fairview Drive	40,000	9 Cent Gas Tax/ Bonds
Fairview Drive	40,000	9 Cent Gas Tax/ Bonds
Clear Creek Ave	425,000	9 Cent Gas Tax/ Bonds
Freeway - North Half	150,000	9 Cent Gas Tax/ Bonds
Goni Road	36,000	9 Cent Gas Tax/ Bonds
Fund Total	13,002,000	

**Capital Improvement Plan
Carson City**

Capital Improvement Description	FY 2008/2009	Source of Funding
Fund: Streets Maintenance		
Furniture and Fixtures	10,000	1/4 Cent Sales Tax/Gas Tax
Equipment	65,000	1/4 Cent Sales Tax/Gas Tax
New Equipment Storage Bldg	200,000	1/4 Cent Sales Tax/Gas Tax
Fund Total	275,000	
Fund: Quality of Life		
Furniture and Fixtures	50,000	1/4 Cent Sales Tax
Boys and Girls Club	120,000	1/4 Cent Sales Tax
New Gymnasium	2,750,500	1/4 Cent Sales Tax / Bonds
Centennial Fields	100,000	1/4 Cent Sales Tax
Edmonds Sports Complex	25,000	1/4 Cent Sales Tax
Trails, Paths, Bike Paths	25,000	1/4 Cent Sales Tax
Undesignated Projects	50,000	1/4 Cent Sales Tax
Land Acquisition	297,908	1/4 Cent Sales Tax
Fund Total	3,418,408	
Fund: Water Utility		
Equipment	35,000	Water Utility Fees/debt
Well Redevelopment	75,000	Water Utility Fees/debt
Hot Springs Road	150,000	Water Utility Fees/debt
Participation	30,000	Water Utility Fees/debt
Tank Maintenance	200,000	Water Utility Fees/debt
Replacement Pumps/Motors	50,000	Water Utility Fees/debt
Telemetry Upgrade	25,000	Water Utility Fees/debt
NDOT Bypass Non-Reimbursable	100,000	Water Utility Fees/debt
NDOT Bypass Reimbursable	100,000	Water Utility Fees/debt/Grants
Stewart Street Extension- North	950,000	Water Utility Fees/debt
SDWA requirements	500,000	Water Utility Fees/debt
Fund Total	2,215,000	
Fund: Sewer Utility		
Brunswick Reservoir Sampling PR	15,000	Sewer Utility Fees
NDOT Bypass Reimbursable	1,225,000	Sewer Utility Fees/ Grant Reimbursement
NDOT Bypass Replacement	125,000	Sewer Utility Fees
Fund Total	1,365,000	