

# 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

LATE MATERIAL

MEETING DATE 4/17/08
ITEM # 136

## **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

## CARSON CITY, NEVADA CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

#### **GENERAL FUND EXPENDITURES**

<u>Reductions as a result of Board of Supervisors direction</u> - 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.

<u>Worker's Compensation Premium Savings</u> – 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.

<u>Debt Service</u> – 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.

<u>Carson City Transit subsidy</u> – 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.

## 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 V	Vorksheet				
				Re estimated	
		Actual	2008	2009	\$ change
1	, ,	2007	Estimate	Budget	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			. 11		
Motor Vehicle	e	2,847,650	0		1 .
Liquor		71,479	0		:
Cigarette		354,884	0		
Real Propert	y Transfer	538,952	0		i
Gaming		163,674	160,000	160,000	0
Candidate Fi	ling Fee		· · · · · ·		
Total		38,620,524	37,393,872	37,564,753	170,881
Licenses an	d Permits	:			
Business	•	816,837	775,225	802,500	27,275
Liquor	1	152,227	135,000	135,000	0
Gaming		565,878	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 F	ees				
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	100,000
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	
State		42,960	34,245	34,245	
Local		164,456	166,284	162,640	-3,644
Total		397,541	298,529	294,885	-3,644

Budget Worksheet				
			Re estimated	
	Actual	2008	2009	\$ change
	2007	Estimate	Budget	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			-	
			Re estimated	···
	Actual	2008	2009	\$ change
	2007	Estimate	Budget	Budget
General government		:	: :	: :
Board of Supervisors	259,245	258,292	265,563	7,271
Court Clerk	427,355		200,000	.,
Clerk	324,502	350,904	358,378	7,474
Recorder	330,018	369,958	374,317	4,359
Records Management	201,010	203,227	175,049	-28,178
Public Safety Complex	396,583	406,675	398,175	-8,500
Elections	256,995	190,698	277,413	86,715
Treasurer	472,466	418,422	428,809	10,387
Assessor	587,161	632,864	624,661	-8,203
District Attorney	2,024,015	2,152,520	2,226,366	73,846
City Manager	555,098	481,296	456,324	-24,972
Public Defender	914,811	1,104,918		52,082
Community Support	566,796	461,498	363,150	-98,348
Central Services	976,410	885,330	808,540	-76,790
Economic Development	236,465	334,637	138,286	-196,351
Emergency Management	0			0
Building and Safety				0
Finance	708,839	778,434	653,211	-125,223
Personnel	497,171	476,047	298,222	-177,825
Automation	1,397,033	1,451,693	1,360,940	-90,753
GIS	255,931	314,169	296,215	-17,954
Purchasing	176,124	176,623	192,337	15,714
City Hall	109,694	126,260	121,260	-5,000
Internal Auditor	12,807	118,987	162,146	43,159
Northgate				0
Community Development	830,263	781,764	554,879	-226,885
Business License		117,450	72,849	-44,601
Code Enforcement			156,876	156,876
Vehicle Maint.	0			0
Facilities Maintenance	1,407,064	1,429,329	1,404,439	-24,890
Total	13,923,856	14,021,995	13,325,405	-696,590

Budget Worksheet				
	· · · · · · · · · · · · · · · · · · ·		Re estimated	
	Actual	2008	2009	\$ change
	2007	Estimate	Budget	Budget
Judicial				
District Court 1	287,968			
District Court 2	601,264		1	i
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
Dublic Octob				
Public Safety Sheriff	40.007.740	44.005.004	45.007.450	200 075
	13,937,740	14,685,384		602,075
Fire	6,880,073	6,955,181	7,562,911	607,730
China Springs/Wnryc	4 707 005	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%		i
Public Works	4.074.000		: == : . == :	
Public Works	1,974,603	1,863,659	1,591,167	-272,492
Developmnt Services Streets	1,057,476	953,235	779,995	-173,240
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	-1,336,362
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

<b>Budget</b>	Worksheet				
				Re estimated	
		Actual	2008	2009	\$ change
		2007	Estimate	Budget	Budget
Culture &	Recreation				
Parks Adm	nin.	451,403	480,452	427,661	-52,791
Parks Mair		1,762,623	1,693,729	1,582,913	-110,816
Parks Gifts	3	108,608	159,602	105,200	-54,402
Swimming	Pool	812,198	889,333	848,619	-40,714
Communit		312,831	347,218	351,275	4,057
Recreation	* : · · · · · · · · · · · · · · · · · ·	966,104	929,467	759,735	-169,732
Pony Expr		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
		5,2,5	0,120,001	0,020,070	
Total Ex	penditures	52,363,254	57,703,803	55,821,723	-1,882,080
	Excess Revenues	3,185,391	2,487,429	3,182,874	
	Exocos Revendes	0,100,001	2,407,420	0,102,074	
On-going	Operating Transfers			· · · · · · · · · · · · · · · · · · ·	
	- Qual. of Life	-154,542	-183,448	-143,582	39,866
Contingen		-134,342	500,000	500,000	39,000
Senior Citi		-15,000	-15,000		
Ambulance		-15,000	-13,000	-15,000	100.000
Debt Servi		2 127 404	0.070.040	100,000	100,000
	os/Post Clos Fund	2,137,494	2,376,248	2,203,500	-172,748
Cemetery		75.000	156,548	167,067	10,519
Cemetery CC Transi		75,000	75,000	75,000	50,000
	เ ntal Indigent	350,000	350,000	300,000	-50,000
		120,000	120,000	120,000	<u>.</u>
	ve Extension	-59,177			
Сарнаі На	cilities Fund	-7,500	0.070.040	0.000.005	
	Total	2,446,275	3,379,348	3,306,985	-72,363
On-going I	Expenditures	54,809,529	61,083,151	59,128,708	-1,954,443

Budget Worksheet				:
			Re estimated	
	Actual	2008	2009	\$ change
	2007	Estimate	Budget	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	0
Grant Fund	-26,971			
Total	-36,741	290,200	868,918	578,718
Other Financing Uses (Sources)	2,409,534	3,669,548	4,175,903	506,355
	2,100,001	0,000,010	1,170,000	000,000
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 Levied FY2008 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
	1.4791	1.4791	1.2729 1.2476
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
•			
Tax Rate	3.1278	3.1278	2.9218 2.9287
CV Groundwater Basin	0.0010	0.0010	0.0025 0.0029
Tax Ratw w/ CV GW Basin	3.1288	3.1288	2.9243 2.9316

## Capital Improvement Plan Carson City

Capital Improvement Description	FY 2008/2009	Source of Funding
Fund: General		
Accessor Technology	53,750	2% Pers Prop Collection Fee
Assessor Technology Fund Total	53,750	2% Pers Prop Collection Fee
runu rotai	33,730	
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 9 Cent Gas Tax/ Bonds
Hot Springs	586,000 700,000	9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds
Clearview Drive	495,000	9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds
Butti Way	40,000	9 Cent Gas Tax/ Bonds
ramonas i irive	40,000	9 Cent Gas Tax/ Bonds
Edmonds Drive		· · · · · · · · · · · · · · · · · · ·
Edmonds Drive		9 Cent Gas Tax/ Bonds
Edmonds Drive Curry Street	3,200,000	9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds
Edmonds Drive		9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds
Edmonds Drive Curry Street Rhodes Street	3,200,000 250,000	9 Cent Gas Tax/ Bonds
Edmonds Drive Curry Street Rhodes Street Fairview Drive	3,200,000 250,000 40,000	9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds
Edmonds Drive Curry Street Rhodes Street Fairview Drive Fairview Drive	3,200,000 250,000 40,000 40,000	9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds 9 Cent Gas Tax/ Bonds

## 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 Telemetry Upgrade	50,000 25,000	Water Utility Fees/debt Water Utility Fees/debt
NDOT Bypass Non-Reimburseable	100,000	Water Utility Fees/debt
NDOT Bypass Reimburseable	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	