

**Carson City
Agenda Report**

Date Submitted: May 8, 2012

Agenda Date Requested: May 17, 2012

Time Requested: 1 hour

To: Mayor and Supervisors

From: City Manager

Subject Title: For possible action. Discussion and possible action on elements to the FY 2012-2013 Budget including, possible action by the Board of Supervisors to donate a portion of their pay to the City or other non-profit organization; presentation on the mechanics of establishing the City's operating tax rate, including the general formulas and formula for make-up revenues; and a discussion on options to fund merit salary increases.

Staff Summary: It has become apparent that there are questions and issues surrounding the previous presentations made by staff and the public regarding the upcoming budget.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: Recommended action will depend upon discussions on the topics listed above.

Explanation for Recommended Board Action: Topic of the Board members donating a portion of their salary to the City or other non-profit - discussion only, no action.

Topic of the mechanics of determining the allowable tax rate. - presentation and discussion.

Options to fund merit salary increases - presentation and discussion - possible action.

Applicable Statute, Code, Policy, Rule or Regulation: None

Fiscal Impact: None by this action.

Explanation of Impact: N/A

Funding Source: N/A

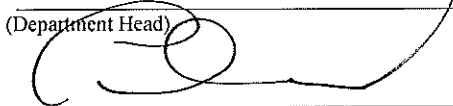
Alternatives: N/A

Supporting Material: Spreadsheets on Property Tax Rate Calculation for FY2012-2012, Calculation on Carson City SCCRT Make up Revenue, Explanation of revenue impact based on several tax rate scenarios.

Prepared By: Lawrence A. Werner, P.E., P.L.S.

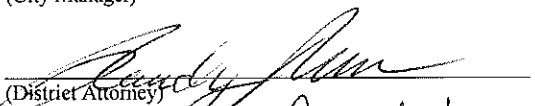
Reviewed By: _____
(Department Head)

Date: _____

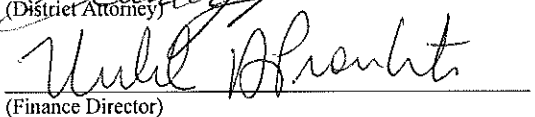


Date: 5/8/12

(City Manager)



Date: 5/8/12



Date: 5/8/12

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

Computation of Allowed Amount of Property Taxes
 Computation for FY 2013
 NRS 354.59811

The Department of Taxation prepares the Property Tax Rate Calculation for all the counties on March 15 of every year. The allowed rate is calculated pursuant to NRS 354.59811.

Computation of allowed rate for FY 2013:

Revenue Base from FY 2012	\$ 23,250,851.00
For FY 2013 - inc base by 6%	\$ 24,645,902.06
FY 2013 AV from County Assessor	1,366,085,968

Tax rate allowed for Carson City

FY 2013 allowed base	\$ 24,645,902.06
Divided by AV (times 100)	<u>1,366,085,968</u>
Equals allowed rate for CC (this includes Coop Ext)	<u><u>1.8041</u></u>

The statute requires the use of the required rate calculated above or last years rate - whichever is greater. In this case last years calculated rate was 1.5435 - therefore the actual allowed rate for FY 2013 is \$1.8041.

This amount is further limited by the overall tax rate limitation of \$3.66 per \$100 of Assessed Value. Because of this limitation the amount that Carson City can actually levy is 1.6912 + the Coop Extension Rate of .0128 which equals 1.7040.

Amount allowed by Carson City to Levy:

Compare calculated rate per NRS 354.59811	\$ 1.8041
VS - rate capped by \$3.66 cap	\$ 1.7040
 Rate proposed to levy by Carson City (including Coop Extension)	 \$ 1.7040

Carson City SCCRT Make Up Revenue
Computation for FY 2013
NRS 354.59813

Compare:

AV X Assumed Tax Rate of 1.15 per 100 AV:

\$ 1,381,815,028.00 \$ 1.15 \$15,890,873

Amount est. by Dept of Taxation: \$13,068,009

Amount of Make Up Revenue Allowed \$2,822,864

Breakout of SCCRT:

Carson City \$ 2,781,413
Carson Truckee Water \$ 3,604
Sierra Forrest Fire \$ 37,847

Total \$2,822,864

Tax rate calculation for Carson City:

Estimated Make Up Amount: 2,781,413

Assessed Value 1,381,815,028

Tax Rate Allowed: 0.2013

Carson City FINAL PROPERTY TAX RATE CALCULATION FY 2012-2013

ENTITY	(2) COL 6 FY 2012 AD VALOREM REVENUE BASE	(3) FY 2013 VALUE OF PROPERTY ON THE FY 2012 ROLL	(4) $(2) \times 1.06 / (3) \times 100$ TAX RATE FOR GROWTH FORMULA CALCULATIONS	(5) FY 2013 ASSESSED VALUE FOR TAX RATE CALCULATION EXCLUDES REDEVELOPMENT	(6) $(4) \times (5) / 100$ ALLOWED AD VALOREM REVENUE BASE	(7) LEGISLATIVE AMOUNTS ADDED EACH YEAR	(8) $(6) + (7)$ ALLOWED AD VALOREM REVENUE CALCULATION
CARSON CITY	\$ 23,250,851	1,366,085,968	1.8041	1,381,815,028	24,929,325	-	24,929,325
CRS-TRK WATER CC	39,166	1,366,085,968	0.0030	1,381,815,028	41,454	-	41,454
CRS WTR SUBCONV CC	-	1,364,701,945	-	1,380,416,657	-	-	-
SIERRA FOREST FIRE CC	456,391	110,209,472	0.4390	110,957,443	487,103	-	487,103

Carson City FINAL PROPERTY TAX RATE CALCULATION FY 2012-2013

ENTITY	(9) (8)/(5) x 100	(10) FY 2012 TAX RATE SUBJECT TO REVENUE LIMITATIONS	(11) FY 2013 TAX RATE BASED ON THE GREATER OF 9 OR 10	(12) (5)x(11) / 100	(13) PROJECTED NET PROCEEDS OF MINES	(14) (5)+(13)	(15) TAX RATE AUTHORIZED BY VOTER APPROVAL	(16) REVENUE AUTHORIZED BY VOTER APPROVAL
CARSON CITY	1.8041	1.5435	1.8041	24,929,325	-	1,381,815,028	0.0500	690,908
CRS-TRK WATER CC	0.0030	0.0026	0.0030	41,454	-	1,381,815,028	-	-
CRS WTR SUBCONV CC	-	-	-	-	-	1,380,416,657	-	-
SIERRA FOREST FIRE CC	0.4390	0.3768	0.4390	487,103	-	110,957,443	-	-

Carson City FINAL PROPERTY TAX RATE CALCULATION FY 2012-2013

ENTITY	(17)	(18)	(19)	(20)	(21)	(22) ((20)+(21))/(14)	(23)	(24)
	AUTO ACCIDENT INDIGENT LEVY \$0.0150 NRS 428.185	MEDICAL INDIGENT LEVY \$0.1000 NRS 428.285	CAPITAL ACQUISITION LEVY \$0.0500 NRS 354.59815	YOUTH SERVICES REVENUE (WNRVC) \$0.0500 NRS 354.59818	YOUTH SERVICES REVENUE CHINA SPRINGS	TAX RATE NEEDED FUND YOUTH SERVICES	CARSON WATER SUB- CONSERVANCY LEVY \$0.0300	FAMILY COURT LEVY .0192 NRS 3.0107
CARSON CITY	207,272	1,381,815	690,908	690,908	133,902	0.0597	-	-
CRS-TRK WATER CC	-	-	-	-	-	-	-	-
CRS WTR SUBCONV CC	-	-	-	-	-	-	414,125	-
SIERRA FOREST FIRE CC	-	-	-	-	-	-	-	-

Carson City FINAL PROPERTY TAX RATE CALCULATION FY 2012-2013

ENTITY	(25) OTHER LEGISLATIVE INCREASES OUTSIDE REVENUE LIMITATION	(26) FY 2013 AD VALOREM MAKE-UP REVENUE NRS 354.59813	(27) TAX RATE INCREASE NEEDED TO FUND COL 26	(28) TOTAL REVENUE FROM LEGISLATIVE OVERRIDES	(29) $(28)/(14)$ TAX RATES FOR LEGISLATIVE OVERRIDES	(30) $(12)+(16)+(28)$ FY 2013 TOTAL ALLOWED AD VALOREM REVENUE	(31) $(11)+(15)+(29)$ FY 2013 TOTAL COMBINED TAX RATE
CARSON CITY	-	2,781,413	0.2013	5,886,217	0.4260	31,506,450	2.2801
CRS-TRK WATER CC	-	3,604	0.0003	3,604	0.0003	45,058	0.0033
CRS WTR SUBCONV CC	-	-	-	414,125	0.0300	414,125	0.0300
SIERRA FOREST FIRE CC	-	37,847	0.0341	37,847	0.0341	524,950	0.4731

NRS 354.59811 Limitation upon revenue from taxes ad valorem: Calculation.

1. Except as otherwise provided in NRS 244.377, 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987, 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, for each fiscal year beginning on or after July 1, 1989, the maximum amount of money that a local government, except a school district, a district to provide a telephone number for emergencies or a redevelopment agency, may receive from taxes ad valorem, other than those attributable to the net proceeds of minerals or those levied for the payment of bonded indebtedness and interest thereon incurred as general long-term debt of the issuer, or for the payment of obligations issued to pay the cost of a water project pursuant to NRS 349.950, or for the payment of obligations under a capital lease executed before April 30, 1981, must be calculated as follows:

(a) The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll, together with the assessed valuation of property on the central assessment roll which was allocated to the local government, but excluding any assessed valuation attributable to the net proceeds of minerals, assessed valuation attributable to a redevelopment area and assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, it will produce 106 percent of the maximum revenue allowable from taxes ad valorem for the preceding fiscal year, except that the rate so determined must not be less than the rate allowed for the previous fiscal year, except for any decrease attributable to the imposition of a tax pursuant to NRS 354.59813 in the previous year.

(b) This rate must then be applied to the total assessed valuation, excluding the assessed valuation attributable to the net proceeds of minerals and the assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, but including new real property, possessory interests and mobile homes, for the current fiscal year to determine the allowed revenue from taxes ad valorem for the local government.

2. As used in this section, "general long-term debt" does not include debt created for medium-term obligations pursuant to NRS 350.087 to 350.095, inclusive.

(Added to NRS by 1983, 557; A 1983, 1058; 1987, 368, 434, 1341, 1686, 2034; 1989, 46, 806, 2074; 1995, 1818, 1895; 1997, 550, 1340, 2561, 2573; 1999, 87, 277, 2537; 2001, 60, 61, 537, 1801, 2319; 2003, 162, 480; 2005, 1767)

NRS 354.59813 Limitation upon revenue from taxes ad valorem: Levy of additional tax ad valorem for operating purposes under certain circumstances.

1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, if the estimate of the revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation pursuant to the provisions of subsection 11 of NRS 360.690 is less than the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals, the governing body of each local government may levy an additional tax ad valorem for operating purposes. The total tax levied by the governing body of a local government pursuant to this section must not exceed a rate calculated to produce revenue equal to the difference between the:

(a) Amount of revenue from supplemental city-county relief tax estimated to be received by the county pursuant to subsection 11 of NRS 360.690; and

(b) The tax that the county would have been estimated to receive if the estimate for the total revenue available from the tax was equal to the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county,

multiplied by the proportion determined for the local government pursuant to subparagraph (2) of paragraph (a) of subsection 4 of NRS 360.690, subparagraph (2) of paragraph (a) of subsection 6 of NRS 360.690 or subparagraph (2) of paragraph (a) of subsection 7 of NRS 360.690, as appropriate.

2. Any additional taxes ad valorem levied as a result of the application of this section must not be included in the base from which the allowed revenue from taxes ad valorem for the next subsequent year is computed.

3. As used in this section, "local government" has the meaning ascribed to it in NRS 360.640.

(Added to NRS by 1989, 2073; A 1991, 1434; 1997, 3294; 1999, 1099; 2003, 1637; 2005, 13)

Carson City
Property Tax Rates - Budgeted Funds
FY 2013

	Same as FY2012	Bonkowski Proj FY 13	Allowed FY2013	Levied FY2012
Carson City Operating	1.1974	1.6125	1.6912	1.1974
Make Up Revenue(NRS 354.59813)	0.2226	0.0000	0.2013	0.2226
Regional Juvenile Facility	0.0594	0.0597	0.0597	0.0594
	<u>1.4794</u>	<u>1.6722</u>	<u>1.9522</u>	<u>1.4794</u>
Cooperative Extension	0.0128	0.0128	0.0128	0.0128
Carson City Debt	0.0000	0.0000	0.0000	0.0000
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	0.4300	0.4300	0.4300	0.4300
State of Nevada	0.1700	0.1700	0.1700	0.1700
Eagle Valley Groundwater	0.0000	0.0000	0.0000	0.0000
Subconservancy District	0.0300	0.0300	0.0300	0.0300
SFFPD	0.1000	0.1000	0.1000	0.1000
	<u>3.1872</u>	<u>3.3800</u>	<u>3.6600</u>	<u>3.1872</u>
Tax Rate	3.1872	3.3800	3.6600	3.1872
CV Groundwater Basin	0.0000	0.0000	0.0000	0.0000
	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Tax Ratw w/ CV GW Basin	3.1872	3.3800	3.6600	3.1872

Estimated Real Property Tax amounts:

Scenario 1 - basically flat to FY 12

General Fund	\$16,551,021
Redevelopment Authority	\$1,587,272

Scenario 2 - inc Op Rate to Bonkowski

General Fund	\$17,874,014
Redevelopment Authority	\$1,667,115

Scenario 3 - inc Op Rate to allowed

General Fund	\$19,062,640
Redevelopment Authority	\$1,728,883

TAX_ENTITY	TAX_RT_F	TAX_RT_C	PARC_CO	NET_ASSESS	TAX_ON_N	SBJ_TX_EXS	EXEMPTIOI	RECAPTUI	TOT_PREABT	ABATEMENT	NET_TAX	REDEVELOP	NET_LESS_R
CITY OPER.	1.4794	1.9522	18,448	1,266,571,260	35,032.07	24,748,000.78	57,526.48	279.72	24,726,786.09	4,776,880.40	19,949,905.69	887,265.08	19,062,640.61
CO-OP EXT.	0.0128	0.0128	18,448	1,266,571,260	229.67	162,271.27	381.54	1.84	162,121.24	2,635.27	159,485.97	6,673.16	152,812.81
SR. CIT.	0.0500	0.0500	18,448	1,266,571,260	897.24	633,875.61	1,497.08	7.16	633,282.93	10,282.05	623,000.88	26,067.34	596,933.54
ACCIDENT INDG	0.0150	0.0150	18,448	1,266,571,260	269.16	190,160.19	446.84	2.14	189,984.65	3,084.28	186,900.37	7,820.21	179,080.16
MEDICAL INDG	0.1000	0.1000	18,448	1,266,571,260	1,794.53	1,267,750.79	2,990.97	14.32	1,266,568.67	20,567.00	1,246,001.67	52,135.03	1,193,866.64
CAP.PROJ. (L)	0.0500	0.0500	18,448	1,266,571,260	897.24	633,875.58	1,497.08	7.16	633,282.90	10,282.03	623,000.87	26,067.34	596,933.53
SCHOOL OPER.	0.7500	0.7500	18,448	1,266,571,260	13,458.65	9,508,119.71	22,433.65	107.45	9,499,252.16	154,285.57	9,344,966.59	391,010.77	8,953,955.82
SCH. DEBT (V)	0.4300	0.4300	18,448	1,266,571,260	7,716.32	5,451,323.29	12,862.02	61.59	5,446,239.18	88,457.21	5,357,781.97	224,179.50	5,133,602.47
STATE OF NV	0.1700	0.1700	18,448	1,266,571,260	3,050.60	2,155,174.94	5,063.87	24.34	2,153,166.01	34,969.33	2,118,196.68	81,069.53	2,037,127.15
SUB-CONSERV.	0.0300	0.0300	18,445	1,265,382,408	538.35	379,966.72	898.03	4.30	379,611.34	6,147.17	373,464.17	15,640.41	357,823.76
S.F.FIRE PROT	0.1000	0.1000	921	115,822,466	293.71	115,605.15	76.32	7.87	115,630.41	4,816.27	111,014.14	10,954.86	100,059.28
GRAND TOTAL	0.0000	0.0000	18,448	1,266,571,260	64,177.54	45,247,124.03	105,693.88	517.89	45,206,125.58	5,112,406.58	40,093,719.00	1,728,883.23	38,364,835.77

TAX_ENTITY	TAX_RT_F	TAX_RT_C	PARC_CO	NET_ASSESS	TAX_ON_N	SBJ_TX_EXS	EXEMPTIOI	RECAPTUI	TOT_PREABT	ABATEMENT	NET_TAX	REDEVELOP	NET_LESS_R
CITY OPER.	1.4794	1.6722	18,448	1,266,571,260	30,007.48	21,199,305.30	49,581.92	196.58	21,179,927.44	2,480,207.00	18,699,720.44	825,706.39	17,874,014.05
CO-OP EXT.	0.0128	0.0128	18,448	1,266,571,260	229.67	162,272.41	380.37	1.50	162,123.21	2,634.71	159,488.50	6,671.42	152,817.08
SR. CIT.	0.0500	0.0500	18,448	1,266,571,260	897.23	633,873.11	1,490.47	5.87	633,285.74	10,281.66	623,004.08	26,060.76	596,943.32
ACCIDENT INDG	0.0150	0.0150	18,448	1,266,571,260	269.19	190,162.56	445.16	1.77	189,988.36	3,085.82	186,902.54	7,818.25	179,084.29
MEDICAL INDG	0.1000	0.1000	18,448	1,266,571,260	1,794.52	1,267,750.98	2,976.77	11.77	1,266,578.50	20,567.64	1,246,010.86	52,121.82	1,193,889.04
CAP.PROJ. (L)	0.0500	0.0500	18,448	1,266,571,260	897.23	633,873.07	1,490.47	5.87	633,285.70	10,281.66	623,004.04	26,060.75	596,943.29
SCHOOL OPER.	0.7500	0.7500	18,448	1,266,571,260	13,458.69	9,508,120.46	22,341.88	88.18	9,499,325.45	154,280.15	9,345,045.30	390,912.52	8,954,132.78
SCH. DEBT (V)	0.4300	0.4300	18,448	1,266,571,260	7,716.32	5,451,323.32	12,809.54	50.56	5,446,239.66	88,453.42	5,357,827.24	224,123.04	5,133,704.20
STATE OF NV	0.1700	0.1700	18,448	1,266,571,260	3,050.59	2,155,172.44	5,062.99	19.98	2,153,180.02	34,967.94	2,118,212.08	81,049.16	2,037,162.92
SUB-CONSERV.	0.0300	0.0300	18,445	1,265,382,408	538.35	379,966.90	894.36	3.52	379,614.41	6,148.24	373,466.17	15,636.50	357,829.67
S.F.FIRE PROT	0.1000	0.1000	921	115,822,466	293.71	115,605.17	76.32	7.49	115,630.05	4,816.28	111,013.77	10,954.37	100,059.40
GRAND TOTAL	0.0000	0.0000	18,448	1,266,571,260	59,152.98	41,697,425.72	97,552.25	393.09	41,659,415.54	2,815,724.52	38,843,695.02	1,667,114.98	37,176,580.04

TAX_ENTITY	TAX_RT_F	TAX_RT_C	PARC_CO	NET_ASSESS	TAX_ON_N	SBJ_TX_EXS	EXEMPTIOI	RECAPTUI	TOT_PREABT	ABATEMENT	NET_TAX	REDEVELOP	NET_LESS_R
CITY OPER.	1.4794	1.4794	18,448	1,266,571,260	28,547.69	18,755,084.66	43,935.63	182.23	18,737,878.95	1,441,008.97	17,296,869.98	745,849.12	16,551,020.86
CO-OP EXT.	0.0128	0.0128	18,448	1,266,571,260	229.66	162,271.59	379.46	1.57	162,123.36	2,633.96	159,489.40	6,671.63	152,817.77
SR. CIT.	0.0500	0.0500	18,448	1,266,571,260	897.24	633,874.92	1,489.01	6.16	633,289.31	10,283.25	623,006.06	26,061.19	596,944.87
ACCIDENT INDG	0.0150	0.0150	18,448	1,266,571,260	269.19	190,161.96	444.45	1.85	189,988.55	3,085.51	186,902.94	7,818.39	179,084.55
MEDICAL INDG	0.1000	0.1000	18,448	1,266,571,260	1,794.52	1,267,749.19	2,974.98	12.32	1,266,581.05	20,567.45	1,246,013.60	52,122.67	1,193,890.93
CAP.PROJ. (L)	0.0500	0.0500	18,448	1,266,571,260	897.24	633,875.02	1,489.03	6.16	633,289.39	10,283.23	623,006.16	26,061.18	596,944.98
SCHOOL OPER.	0.7500	0.7500	18,448	1,266,571,260	13,458.65	9,508,119.11	22,313.88	92.38	9,499,356.26	154,278.74	9,345,077.52	390,919.25	8,954,158.26
SCH. DEBT (V)	0.4300	0.4300	18,448	1,266,571,260	7,716.32	5,451,322.02	12,793.23	52.96	5,446,298.07	88,450.69	5,357,847.38	224,126.92	5,133,720.46
STATE OF NV	0.1700	0.1700	18,448	1,266,571,260	3,050.60	2,155,173.45	5,056.68	20.94	2,153,188.31	34,967.27	2,118,221.04	81,050.57	2,037,170.47
SUB-CONSERV.	0.0300	0.0300	18,445	1,265,382,408	538.36	379,968.02	893.33	3.69	379,616.74	6,148.72	373,468.02	15,636.77	357,831.25
S.F.FIRE PROT	0.1000	0.1000	921	115,822,466	293.71	115,605.15	76.32	7.18	115,629.72	4,816.32	111,013.40	10,954.19	100,059.21
GRAND TOTAL	0.0000	0.0000	18,448	1,266,571,260	58,693.16	39,253,205.09	91,846.00	387.44	39,217,439.71	1,776,524.21	37,440,915.50	1,587,271.89	35,853,643.61