

City of North Las Vegas

Strategic Budget Priorities Process (SBPP) Update

July 8, 2010



Actions Taken

Fiscal Years 2009 - 2011



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What Actions Have Already Been Taken Fiscal Year 2009 and 2010 (as of December 2, 2009)

	<u>FY 2009</u>	<u>FY 2010</u>
Hiring "Chill"	(\$8.6 M)	(\$3.0 M)
Deleted Vacant Pos.	-	(\$3.3 M)
3%-6% Reduction of Budgets	(\$6.0 M)	(\$9.3 M)
2% Reduction of Budgets	-	(\$1.8 M)
Cancellation of Events (BP/TT)	-	(\$0.5 M)
CIP Projects Delayed / Cancelled	-	(\$2.1 M)
Salary Concessions*	-	(\$8.7 M)
Voluntary Separation Package	-	(\$4.0 M)
Add'l Budget & T/T Cuts <i>(Pending Council approval)</i>	-	(\$5.5 M)
Total General Fund Savings Per Year	(\$14.6 M)	(\$38.2 M)

*Salary Concessions include: Fire Clothing Allow. 50% cut, Deferred COLA's for all FY 2010, Deferred Holiday & Sick Leave Sell Back for all FY 2010.



Budget Stabilization Recommendations

General Fund 0100

(Implemented December 2, 2009)

Recommendations	FY 2009-10 Estimate	FY 2010-11 Estimate
Complete Freeze on all Positions including Public Safety	2,600,000	3,000,000
Reduce Citywide Overtime by 25% (GF \$6million)	375,000	1,500,000
Voluntary furlough days	250,000	250,000
Eliminate City paid executive physicals	17,500	35,000
Eliminate/reduce City-paid non-essential cell phones/PDA's	50,000	100,000
Eliminate City-paid refreshments, such as water and coffee	32,500	65,000
Eliminate City-paid lunches	50,000	100,000
Reduce or temporarily suspend the Internship program	100,000	200,000
Transfer \$1.5M/Yr from Fund 268 to support Roadway Ops	1,500,000	1,500,000
Transfer OPEB Savings to General Fund	4,000,000	2,500,000
Eliminate 401A matching program	100,000	200,000
Reduce Transfer to Graffiti Fund	400,000	0
Eliminate Temps-Utilize Existing Workforce	250,000	500,000
Sub Total Non-Staffing	9,708,500	9,917,000

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What Actions Have Been Taken To Fill the Tier 2 Gap of \$58.3M

(Presented to Council January 20, 2010)

Tier 2 Gap December 2, 2009	\$ 58.3 M
Adjustments:	
December 2 nd Council Approval	(9.9 M)
Delay/Reduce O & M on Court 3/Skyview	(2.0 M)
Department Review FY 2010 Recommendations	(2.9 M)
Building Lease Savings	(0.5 M)
Savings on City Hall FF&E's to offset Debt Service	(4.0 M)
Audited 06/30/09 Ending Fund Balance Increase	(3.1 M)
Eliminate Budget Stabilization Fund	(2.5 M)
Remaining to be identified	(33.4 M)



Capital Project Changes O & M Savings by Year (General Fund)

(Presented to Council January 20, 2010)

PROJECT	FY 2011	FY 2012
Delay South Area Command O & M		\$ 829,000
Delay Fire Station 50 O & M		3,624,900
Delay Opening Court Room 3	\$ 956,000	1,004,000
Reduce Scope of Skyview O & M	1,000,000	1,100,000
Vehicle Replacement Changes	54,500	336,800
	\$ 2,010,500	\$ 6,534,700



Capital Project Changes Construction

(Presented to Council January 20, 2010)

PROJECT	Savings
Fund 287:	
Reduce Scope of Range Improvements	(\$ 1,500,000)
Bond Projects:	
City Hall FF&E's	(\$4,000,000)
Reduce Scope of Dorm A Renovation	(\$1,061,000)
Tropical Breeze Off-sites	\$800,000



FY 2010 Savings as Identified by Departments

(Presented to Council January 20, 2010)

Savings Recommendation	FY 2010
Cost Shift to Other Funds (Capital Projects, Redev, Self Ins)	\$ 2,072,200
Miscellaneous Services & Supplies	264,300
Remaining Unspent Parks Projects	175,000
Suspend / Eliminate Fire Dept Non-Mandated Training	123,300
Elimination/Reduction of Citywide Training Programs	122,300
Reduction in Bank Fees	90,000
Elimination of Training, Marshall Briefings, & Night Court	28,000
Total	\$ 2,875,100



Reduction Strategies to meet Council Priorities

(Approved by Council April 1, 2010)

Strategy	Main Impact	Annual Impact	FTE
Workload	Public Works, Support Departments, Planning and Zoning	\$7.6 million	59.0
Streamlining	General Services, Public Works, Planning & Zoning, Economic Development	\$5.1 million	15.0
	Executive Incentive Package	\$2.4 million	10.0
Cost Recovery	Fire, Public Works, City Attorney, Municipal Court	\$4.1 million	0.0
Service Reductions	All Departments	\$17.5 million	114.0



NOTE: VSP II savings for all funds of approximately \$2.6M not included in the above table.
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FY 2011 Budget Process

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Consolidated Tax Revenue Trend

- ▶ Drop in Consolidated Tax directly related to decrease in consumer spending and construction activity



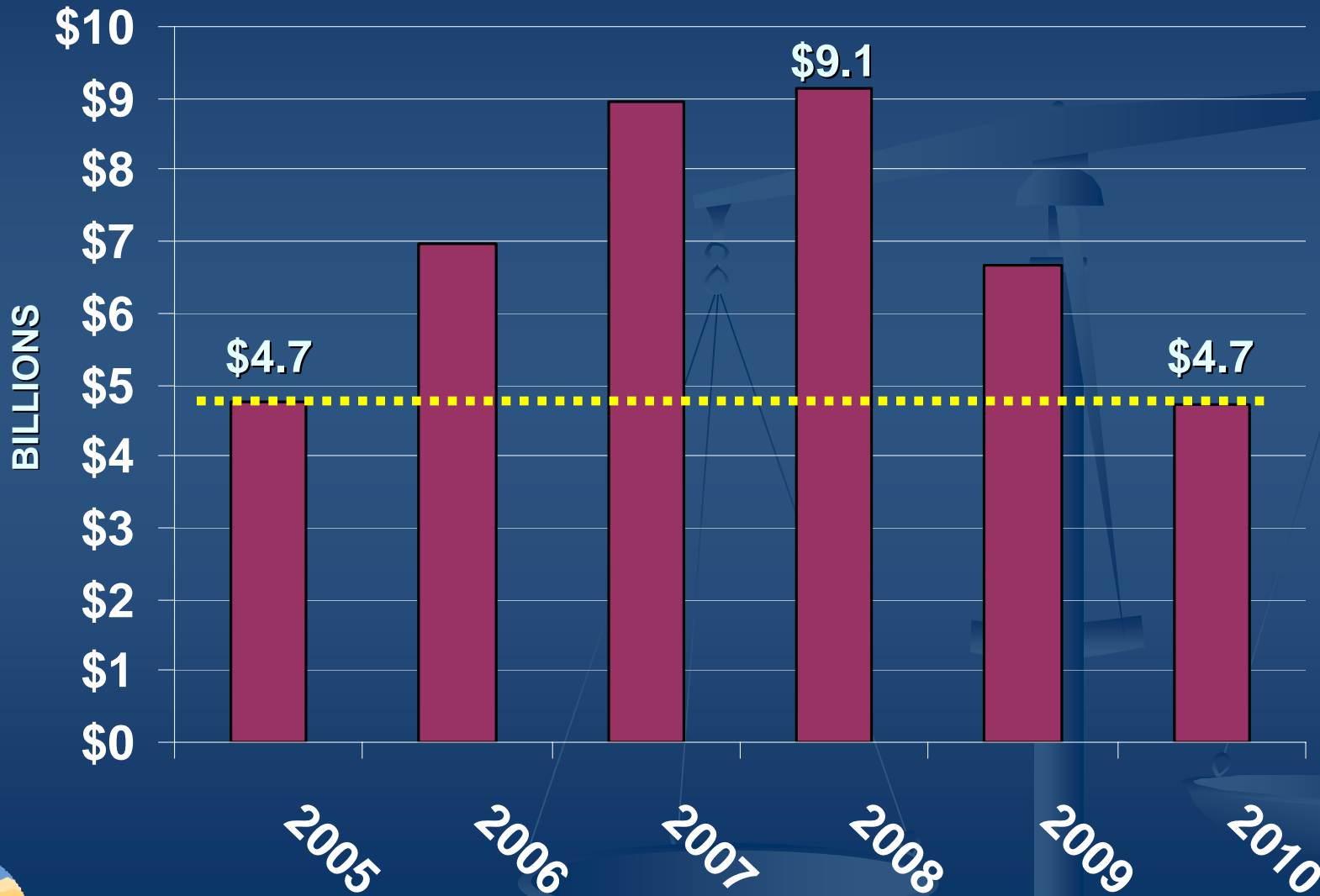
Consolidated Tax Monthly Change FY 2009 vs FY 2010 Through April 2010

Month	\$	%
July	(874,104)	- 24.55%
August	(1,138,654)	- 29.67%
September	(1,068,753)	- 25.99%
October	(733,530)	- 21.41%
November	(427,847)	-14.04%
December	(531,570)	- 13.03%
January	(194,361)	- 7.27%
February	(111,821)	- 4.34%
March	(209,045)	- 6.2%
April	55,820	2.0%



Assessed Valuation Trend

(2010 – State April 15th Projection)



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FY 2011 Budget Assumptions

- Includes current COLA and Step Increases
- Implementation of Budget Reduction Program
 - Elimination of 188 FTE's (Originally 204)
- Complete Hiring Freeze
 - 214 Positions remain unfunded
 - excludes 188 identified in the BRP
- No Health Insurance Increases



FY 2011 Budget Assumptions

- New Debt / Debt Restructure
 - \$55M Building bond restructure
 - Aliante Library debt restructure
 - New \$145M Wastewater Reclamation Facility Bond
- 18 Cent Tax Override moved to Public Safety Tax Fund
- Fuel Taxes moved to new Special Revenue Fund
 - Support of Street related functions only



Organizational Structure Change

- Administrative Services Department
 - Information Technology Division
 - General Services Division
- Community Development Department
 - Planning and Zoning Division
 - Economic Development Division
 - Neighborhood Services Division
 - Sr. Assistant to the City Manager moved into the City Manager's budget



All Funds Summaries

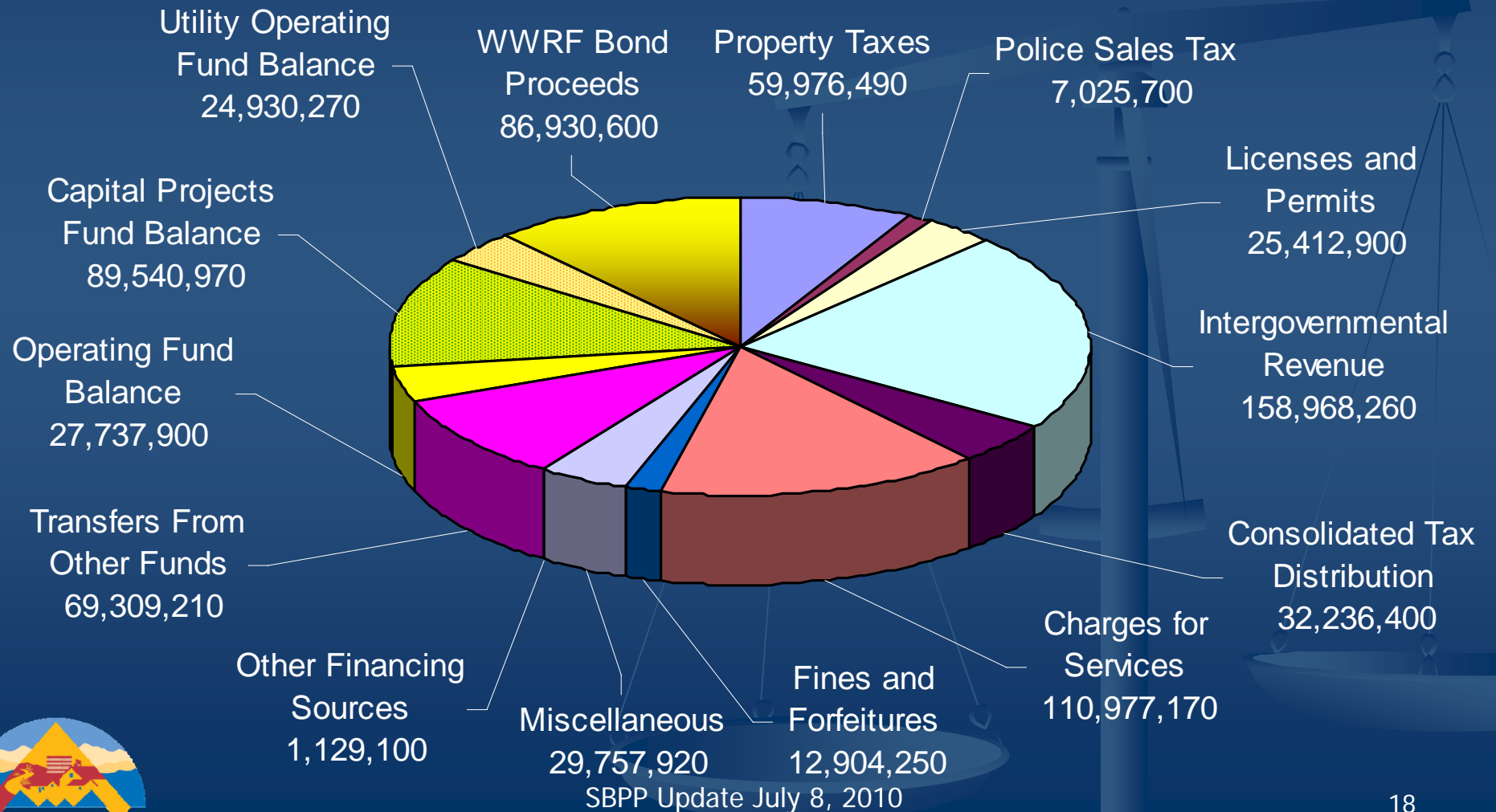


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Revenues and Other Sources

All Funds \$736.8 Million

FY 2010-11



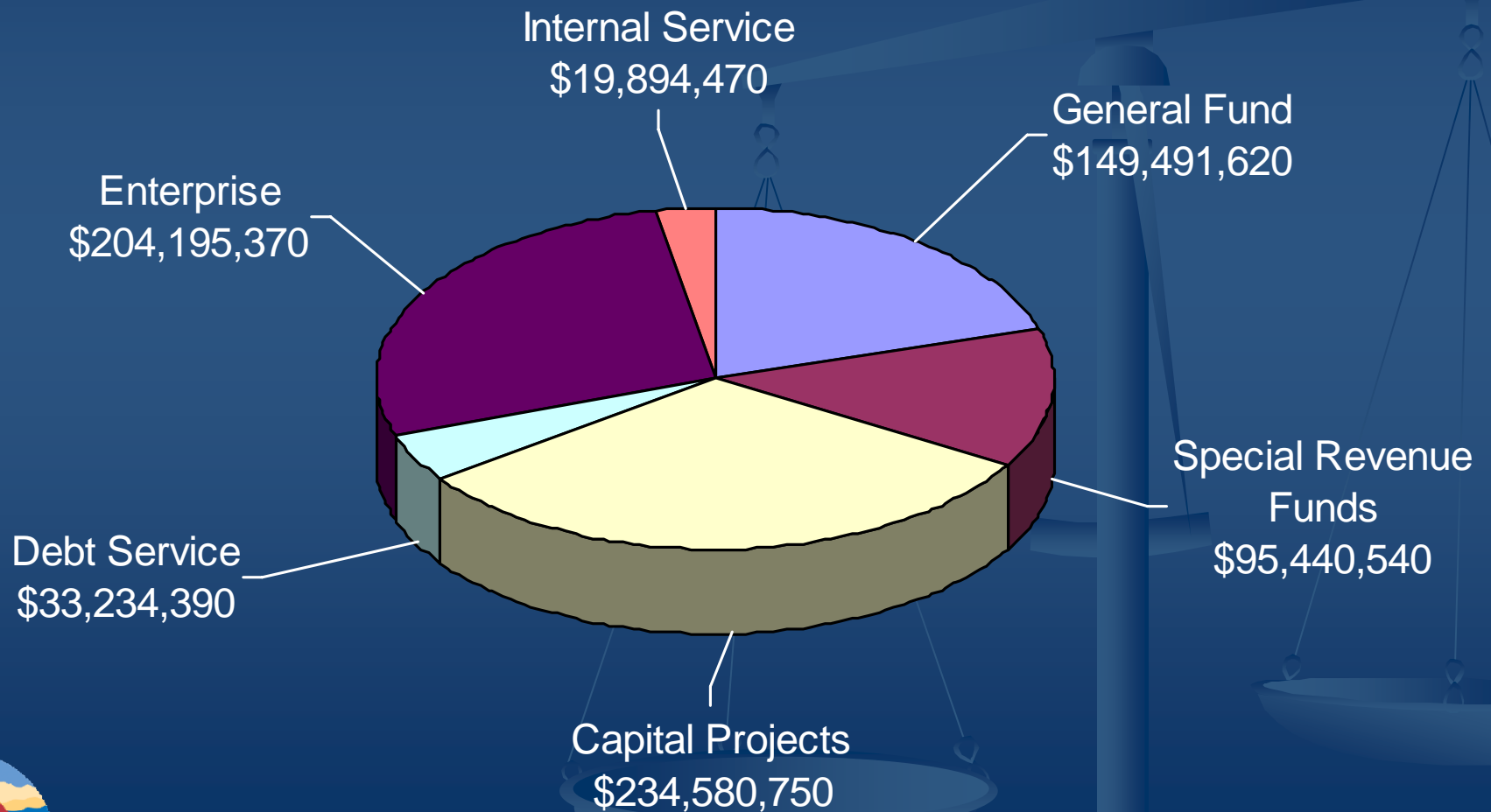
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Expenditures by Fund

All Funds - \$736.8 Million

FY 2010-11



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Recent FTE Chronology

Fund	Dept	Authorized FTE's 6/29/09	Deleted FTE's 6/30/09	Frozen FTE's 12/2/09	Frozen Since 12/2/09	BRP FTE Reductions 4/1/2010	Funded FTE's
100	Administrative Services	92.00	(3.50)	(2.50)	(2.00)	(30.00)	54.00
100	City Attorney	32.00	(1.00)	(1.00)		(5.00)	25.00
100	City Clerk	11.50	(1.50)	(1.00)		(2.00)	7.00
100	City Manager/City Council	20.25	(2.00)	-	(1.00)	(1.00)	16.25
100	Community Development	43.50	(4.00)	(1.00)	(1.00)	(8.00)	29.50
100	Finance	49.00	(5.00)	-	(1.00)	(8.00)	35.00
100	Fire	233.50	-	(11.50)	(1.00)	(4.00)	217.00
100	Human Resources	28.00	(4.00)	(2.00)		(3.00)	19.00
290	Library	38.50	-		(1.00)	(7.50)	30.00
100	Municipal Court	95.50	-	(1.00)		-	94.50
100	Parks & Recreation	125.95	(1.00)	(3.00)	(2.00)	(36.00)	83.95
100	Police / Detention	517.50	-	(49.50)	(10.00)	-	458.00
287	Police / Detention	300.00	-	(54.50)	(6.50)	-	239.00
288	Police	105.00	-	(27.00)		-	78.00
100	Public Works	273.50	(30.00)	(8.00)	(14.50)	(75.00)	146.00
	Subtotal	1,965.70	(52.00)	(162.00)	(40.00)	(179.50)	1,532.20
	Remaining Other Funds*	295.23	(15.00)	(6.50)	(5.50)	(8.50)	272.73
	GRAND TOTAL ALL FUNDS	2,260.93	(67.00)	(168.50)	(45.50)	(188.00)	1,804.93

*Includes 13 FTE's for the Water Reclamation Facility – Approved By Council on 3/17/10



General Fund

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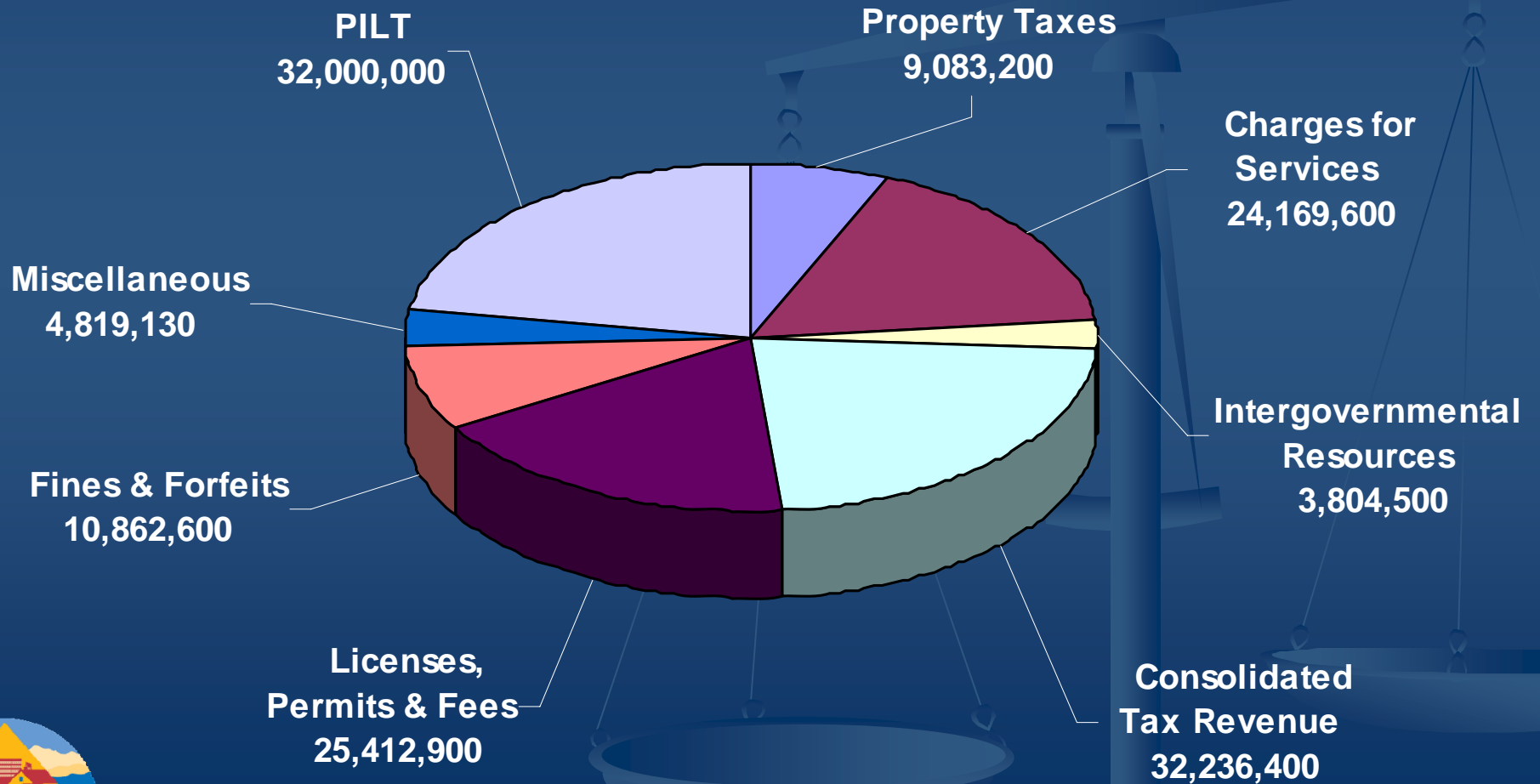
General Fund Highlights

FY 2010-11

- Revenues - \$142.4 million
- Expenditures - \$149.5 million
- Ending Fund Balance projected - \$12.4 million
 - As a percent of expenditures 8.3%
 - Additional adjustments will be required to ensure 8.3% ending fund balance



General Fund Revenues and Other Sources - \$142.4 Million FY 2010-11



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General Fund Revenues FY 2010-11



← 23% - Consolidated Tax

← 23% - PILT

← 17% - Licenses, Permits & Franchise Fees

← 17% - Charges for Services

← 10% - Fines, Forfeits, Intergovernmental

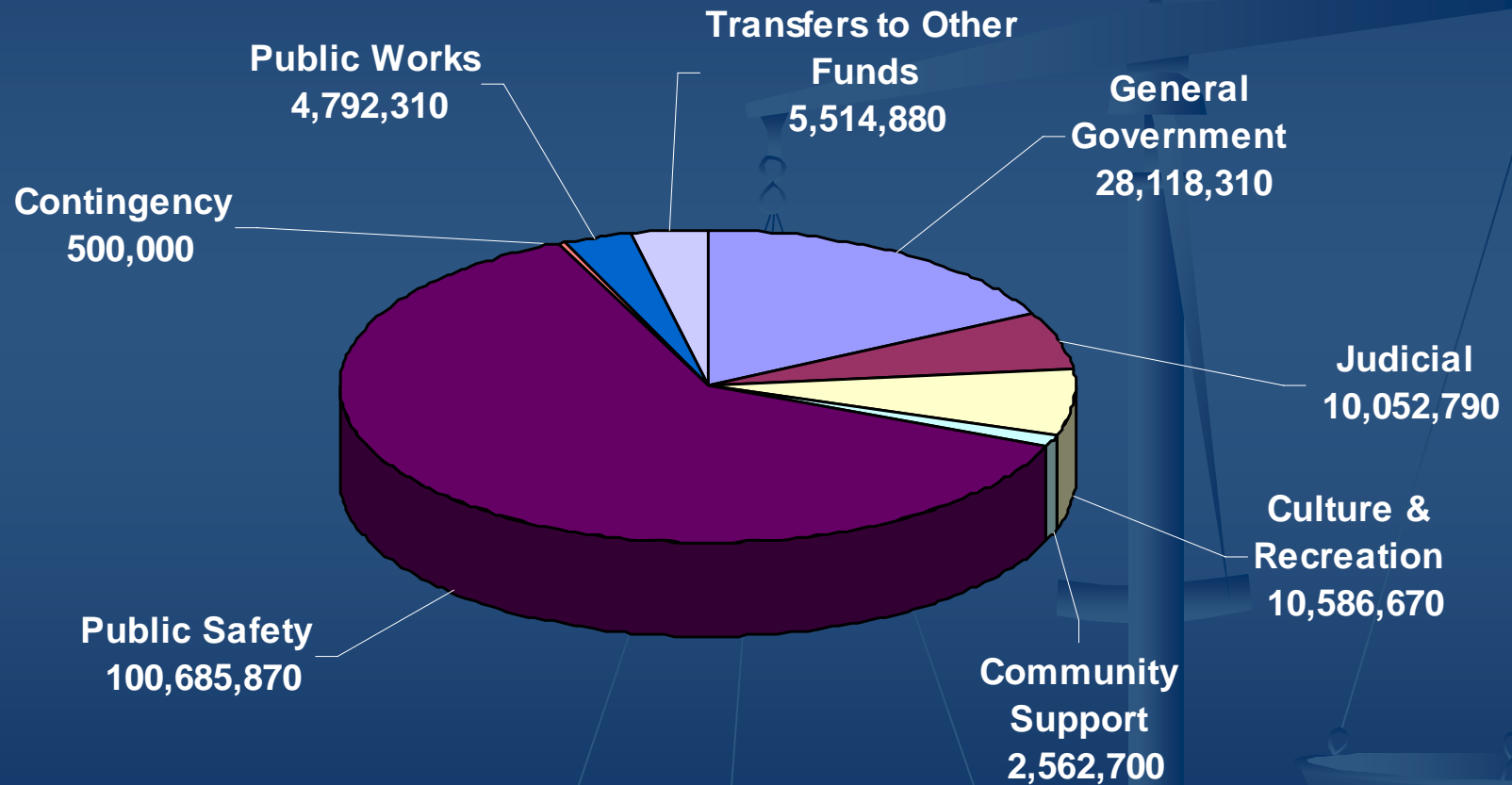
← 7% - Property Taxes

← 3% - Miscellaneous

Transfers In
Less than
.5%

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General Fund Expenditures by Function - \$149.5 Million* FY 2010-11



*Includes unallocated adjustments anticipated during the year

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Major Special Revenue Funds



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Public Safety Tax Fund

FY 2010-11

- Revenues - \$33.9 million
- Expenditures - \$41.7 million
 - Includes Debt Restructure
 - Includes 18¢ Tax Override shift from General Fund
 - Excludes 62 Vacant positions

Fiscal Yr	2009-10	2010-11	2011-12	2012-13	2013-14
Fund 287	\$10.4	\$2.6	(\$10.6)	(\$14.5)	(\$14.9)



More Cops Sales Tax Fund FY 2010-11

- Revenues - \$7.1 million
- Expenditures - \$10.4 million
 - Excludes 27 vacant positions

Fiscal Yr	2009-10	2010-11	2011-12	2012-13	2013-14
Fund 288	\$3.9	\$.6	(\$3.6)	(\$4.8)	(\$5.6)



Parks, Street Maint., & Fire

FY 2010-11

- Revenues - \$9.2 million
- Expenditures - \$9.3 million
 - Includes moving a portion of Roadway Operations from the General Fund into Fund 268
 - Includes one time \$4M transfer to City Hall and Plaza project in FY 2011

Fiscal Yr	2009-10	2010-11	2011-12	2012-13	2013-14
Fund 268	\$2.4	\$2.3	\$4.3	\$7.1	\$4.2



Fuel Tax Fund

FY 2011

- Established May 5th
 - Only to be used for expenditures related to streets and traffic control
- Revenues - \$2.9
 - Largely based upon fuel consumption so expected to remain relatively flat
- Expenditures - \$2.7

Fiscal Yr	2010-11	2011-12	2012-13	2013-14
Fund 293	\$.2	\$.4	\$.4	\$.4



Safekey Fund

FY 2010-11

- Revenues - \$950,400
 - One time reimbursement for land originally to be used for new Safekey facility included in FY 2010 (\$450K from Park Dist. 3, \$150K from Tax Override)
- Expenditures - \$1.2 million

Fiscal Yr	2009-10	2010-11	2011-12	2012-13	2013-14
Fund 277	\$.1	(\$.2)	(\$.4)	(\$.7)	(\$.9)



Library District FY 2011

- Revenues - \$3.1 million
- Expenditures - \$3.6 million
 - Includes Debt restructure of Aliante
 - Includes Debt Savings on Alexander due to project coming in under budget

Fiscal Yr	2009-10	2010-11	2011-12	2012-13	2013-14
Fund 290	\$1.8	\$1.2	(\$0.1)	(\$1.8)	(\$3.4)



Operating Funds Projected Deficits with Reductions to Return General Fund Balance to 8.3% (\$millions)

Fiscal Yr	2009-10	2010-11	2011-12	2012-13
General Fund Balance	\$14.9	\$2.4	(\$15.2)	\$3.2
Reductions needed to reach EFB of 8.3%		(10.0)	(27.2)	(9.3)
Other Funds Balances		(.2)	(14.6)	(20.4)
Total Reductions Needed		(\$10.2)	(\$41.8)	(\$29.7)



Future Challenges

- Aligning expenditures with recurring revenues
- Impact of second budget reduction program on service levels
- Continue to eliminate positions through attrition
- Continue to reprioritize major CIP projects
- Maintaining the General Fund Ending Fund Balance above 8.3% with long term plan to restore to 18%

