



City of North Las Vegas

PROPOSED FINAL BUDGET

Fiscal Year 2017-18

and

FINANCIAL OVERVIEW

2018 Proposed Final Budget and Financial Overview

- Workshop to Final Budget
- How we got here
- Where we are
- Moving the Mountain
- What's next

Workshop to Final Budget

Departments - All Funds	2018 FTE BASE	"CRITICAL" FTE'S	2018 TOTAL FTE'S	"NEEDED" FTE'S	2018 TOTAL FTE'S
Mayor and Council	8.00	-	8.00	-	8.00
City Manager	13.00	-	13.00	-	13.00
City Attorney	18.00	1.00	19.00	3.00	22.00
City Clerk	4.00	1.00	5.00	3.50	8.50
Community Dev. & Compliance	51.50	4.00	55.50	11.00	66.50
Finance (I.T.)	46.00	2.00	48.00	16.75	64.75
Fire	182.00	-	182.00	39.00	221.00
Library	18.50	1.00	19.50	-	19.50
Municipal Court	44.00	-	44.00	-	44.00
Neighborhood & Leisure Srvcs	127.72	1.00	128.72	7.00	135.72
Police	424.00	39.00	463.00	40.00	503.00
Public Works	111.80	4.50	116.30	5.20	121.50
Utilities	135.20	4.00	139.20	8.75	147.95
Total Staff	1,183.72	57.50	1,241.22	134.20	1,375.42

Final Proposed Budget – General Fund

General Fund	2016	2017	2018 Final	Net Change
	Actuals	Estimated	Budget	
Operating Revenues				
Consolidated Taxes	49,903,290	52,089,973	54,705,706	2,615,733
Property Taxes	8,052,022	8,146,679	8,428,094	281,415
Licenses and Permits	36,778,344	36,408,640	36,606,250	197,610
Intergovernmental revenues	4,278,389	4,261,820	4,116,306	(145,514)
Charges for Services	5,724,957	4,775,510	5,528,825	753,315
Fines and Forfeits	4,926,011	3,535,500	3,665,500	130,000
Miscellaneous	2,515,541	1,302,110	1,425,610	123,500
Sale of Equipment	226,042	25,000	25,000	-
Transfers In	23,522,649	23,277,283	23,060,285	(216,998)
Total Revenues	135,927,245	133,822,515	137,561,576	3,739,061
Operating Expenditures				
Salaries & Wages	53,647,184	55,766,833	54,893,642	(873,191)
Benefits	39,519,530	35,411,959	36,167,137	755,178
Supplies & Services	30,318,241	31,038,687	33,916,919	2,878,232
Capital Outlay	19,927	342,070	1,707,242	1,365,172
Debt Service	9,455,344	5,310,758	6,635,987	1,325,229
Intergovernmental Expense		1,791,023	1,770,271	(20,752)
Contingency	500,000	482,300	500,000	17,700
Transfers Out	1,167,097	299,698	1,519,407	1,219,709
Total Operational Expenditures	134,627,323	130,443,328	137,110,605	6,667,277
Net Change	1,299,922	3,379,187	450,971	(2,928,216)
Beginning Fund Balance	12,596,352	13,896,274	17,275,461	3,379,187
Ending Fund Balance	13,896,274	17,275,461	17,726,432	450,971
Percent of All Expenditures	10.3%	13.2%	12.9%	

Final Proposed Budget – All Funds

All Funds	2018 Revenues	2018 Expenditures	Net Chg	BFB / Cash Equivalent	EFB / Cash Equivalent	FB % of Expenses
General Fund	137,561,576	137,110,605	450,971	17,275,461	17,726,432	12.93%
Community Development	11,123,259	10,396,484	726,775	9,367,144	10,093,919	
Public Safety Support	8,492,669	7,346,541	1,146,128	4,552,441	5,698,569	
Special Purpose	16,480,796	19,475,326	(2,994,530)	23,130,584	20,136,054	
Park Construction Tax	275,020	332,200	(57,180)	1,711,508	1,654,328	
Parks and Rec Support	2,852,409	3,543,117	(690,708)	2,579,331	1,888,623	
Municipal Court Support	700,000	964,245	(264,245)	1,458,611	1,194,366	
Public Safety Tax	31,763,079	33,556,208	(1,793,129)	12,796,513	11,003,384	
More Cops Sales Tax	13,080,150	12,527,072	553,078	6,314,520	6,867,598	
Redevelopment Funds	1,442,262	5,084,319	(3,642,057)	13,210,315	9,568,258	
Library	4,638,434	4,791,224	(152,790)	351,691	198,901	4.15%
Capital Projects	132,904,533	134,692,608	(1,788,075)	16,675,599	14,887,524	
Debt Service	12,356,974	15,362,779	(3,005,805)	7,623,984	4,618,179	
Water	69,851,500	79,088,877	(9,237,377)	40,160,691	30,923,314	
Wastewater	87,955,500	94,636,067	(6,680,567)	29,942,756	23,262,189	
Golf	2,343,514	2,427,533	(84,019)	262,722	178,703	
Fleet	7,028,477	11,041,957	(4,013,480)	11,341,921	7,328,441	
Self Insurance funds	30,025,360	29,199,336	826,024	45,281,951	46,107,975	
Totals	570,875,512	601,576,498	(30,700,986)	244,037,743	213,336,757	

Note: Resolution 2471 adopted by City Council requires General Fund to maintain an 8% ending fund balance.

State of Nevada NAC.354.650 Requires Library District to maintain a 4% ending fund balance.

How we got here – January 2014

- Total 7 year shortfall identified, (\$152.5M)
- Resolved shortfall for 2015 of (\$17.9M)
- Reorg/consolidation/eliminated all vacant positions \$8.6M
- GF concessions from bargaining groups \$9.7M
- Public Safety Tax and Library concessions reduces GF subsidy by \$2.6M
- Reduction to Health Ins rate from \$22K to \$19.5K in budget saves \$1.0M
- Reduction in Grant matching transfer \$0.5M
- GF Actual Beginning Fund balance greater than projected by \$1.7M
- Resolved outstanding liability settlement (\$6.2M) reduces EFB to 6.2%
- S&P Bond rating for the City fell from BBB+ to BB-

As of: January 07, 2014

2015-2021 Estimated 7-yr shortfall **152,552,351**

Fund 100 General Fund	Adopted											
	Actuals 2011	Actuals 2012	Actuals 2013	Budget 2014	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
GF Revenues	133,612,987	122,663,422	118,888,626	120,607,405	121,029,372	123,793,053	126,793,917	129,917,499	133,124,474	136,470,142	139,942,518	118,484,524
GF Expenditures						138,354,538	138,319,523	140,248,145	148,125,890	151,257,621	156,916,020	160,047,235
Other Funds Support	148,842,172	121,207,010	118,790,024	120,209,246	120,212,602	3,502,007	3,592,233	4,752,051	5,729,122	5,084,097	2,920,959	2,787,837
Net Change Shortfall/Subsidy *	(15,229,185)	1,456,412	98,602	398,159	816,770	(18,063,492)	(15,117,839)	(15,082,697)	(20,730,537)	(19,871,576)	(19,894,460)	(44,350,548)
Adjusted Total Expense						124,029,290	126,576,732	129,669,646	132,912,701	136,193,218	139,663,122	120,040,218
Adjusted Net Change						(236,237)	217,186	247,854	211,773	276,924	279,396	(1,555,694)
BFB Prior Period Adjustment	22,953,382	7,724,198	9,180,610 59,732	9,577,266	9,338,944	10,155,714	9,919,478	10,136,663	10,384,517	10,596,290	10,873,214	11,152,610
100 - EFB	7,724,198	9,180,610	9,338,944	9,975,425	10,155,714	9,919,478	10,136,663	10,384,517	10,596,290	10,873,214	11,152,610	9,596,916
% EFB of Adj. Total Exp	5.19%	7.57%	7.86%	8.30%	8.45%	8.00%	8.01%	8.01%	7.97%	7.98%	7.99%	7.99%

How we got here – August 2014

- Revised projection identifies shortfall of (\$74.3M)
- Actions taken reduced long term deficit by \$78.2M
- Identified need for 7% reductions to eliminate 2017-2020 shortfalls
- Identifies 2016 shortfall of (\$6.3M)
- Concessions from bargaining groups \$3.8M
- Savings used to reduce transfer needed for Self Ins/Golf Course funds \$1.6M
- Net increase in Revenues \$1.5M
- 2015 Critical hiring committee efforts realized savings of \$4.0M
- Commercial water rate established fall 2014 and stringent spending guidelines realizes savings in S&S of \$4.8M
- Revenues exceed budget \$3.4M
- Savings and increase in revenues used for:
 - \$7.7M to shore up Self Insurance funds (increase in payouts / claims)
 - \$2.3M to restore EFB to 8%
 - \$2.2M increases EFB to 9.8%

As of: 07/28/14

Preliminary Projections - Financial Summit

2016-2021 Estimated 6-yr shortfall **74,337,760**

Fund 100 General Fund	Adopted				2016-2021 Estimated 6-yr shortfall							
	Actuals 2011	Actuals 2012	Actuals 2013	Projected 2014	Budget 2015	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
GF Revenues	133,612,987	122,663,422	118,888,626	125,115,923	124,345,278	124,357,389	127,289,583	130,261,216	133,501,789	136,896,930	140,438,897	121,968,689
GF Expenditures	148,842,172	121,207,010	118,790,024	122,624,533	125,182,125	125,182,125	130,795,560	133,513,231	138,973,918	141,928,633	147,378,178	150,382,831
Other Funds Support					935,314	935,314	2,562,160	3,759,155	3,989,927	5,454,218	2,969,801	3,051,179
Net Change Shortfall/Subsidy *	(15,229,185)	1,456,412	98,602	2,491,391	(1,772,161)	(1,760,050)	(6,068,137)	(7,011,171)	(9,462,056)	(10,485,922)	(9,909,082)	(31,465,321)
Adjusted Total Expense					126,117,439	126,117,439	127,084,802	130,023,804	133,226,125	136,621,504	140,222,232	123,242,566
Adjusted Net Change					(1,772,161)	(1,760,050)	204,781	237,413	275,664	275,426	216,665	(1,273,878)
BFB Prior Period Adjustment	22,953,382	7,724,198	9,180,610	9,338,944	11,883,258	11,830,335	10,070,285	10,275,066	10,512,478	10,788,142	11,063,568	11,280,233
100 - EFB	7,724,198	9,180,610	9,338,944	11,830,335	10,111,097	10,070,285	10,275,066	10,512,478	10,788,142	11,063,568	11,280,233	10,006,355
% EFB of Adj. Total Exp	5.19%	7.57%	7.86%	9.65%	8.02%	7.98%	8.09%	8.09%	8.10%	8.10%	8.04%	8.12%
GF OPERATING EXP LESS TRFS							128,308,196	129,443,837	132,237,130	135,743,071	138,748,605	
SHORTFALL PERCENTAGE							5.65%	7.52%	8.14%	7.46%	21.76%	
AVE %										7.19%		

How we got here – 2015 - 2016

- Winter 2015 Director's identify need for PLAN A - 290 positions Citywide 2017-2021
- Projections identify status quo reduces six year shortfall to (\$21.5M)

As of: 12/01/15
NO GROWTH

2016-2021 Estimated 6-yr shortfall **21,532,552**

Fund 100 General Fund	Actuals	Actuals	Actuals	Actual	Unaudited	Adopted	Projected	Projected	Projected	Projected	Projected	Projected
	2011	2012	2013	2014	Actual	Budget	2016	2017	2018	2019	2020	2021
GF Revenues	133,612,987	122,663,422	118,888,626	127,518,783	133,009,164	132,205,201	135,257,195	138,622,489	141,990,532	145,513,102	149,250,291	131,073,285
GF Expenditures	148,842,172	121,207,010	118,790,024	128,779,027	124,532,409	130,664,116	131,112,116	135,225,296	143,037,689	145,618,884	150,377,855	153,130,764
Other Funds Support					3,935,314	968,654	968,654	1,898,563	2,028,514	1,780,129	-	-
Net Change Shortfall/Subsidy *	(15,229,185)	1,456,412	98,602	(1,260,244)	4,541,440	572,431	3,176,425	1,498,630	(3,075,672)	(1,885,911)	(1,127,564)	(22,057,479)
Adjusted Total Expense					128,467,723	131,632,770	132,080,770	137,123,859	145,066,203	147,399,014	149,538,994	132,437,073
Adjusted Net Change					4,541,440	572,431	3,176,425	1,498,630	(3,075,672)	(1,885,911)	(288,703)	(1,363,788)
BFB Prior Period Adjustment	22,953,382	7,724,198	9,180,610	9,338,944	8,078,700	10,136,612	12,620,140	15,796,565	17,295,195	14,219,524	12,333,612	12,044,909
100 - EFB	7,724,198	9,180,610	9,338,944	8,078,700	12,620,140	10,709,043	15,796,565	17,295,195	14,219,524	12,333,612	12,044,909	10,681,122
% EFB of Adj. Total Exp	5.19%	7.57%	7.86%	6.27%	9.82%	8.14%	11.96%	12.61%	9.80%	8.37%	8.05%	8.07%

- Projections identify PLAN A creates six year shortfall of (\$107.6M)

As of: 12/01/15
PLAN A - GROWTH

2016-2021 Estimated 6-yr shortfall **107,576,959**

Fund 100 General Fund	Actuals	Actuals	Actuals	Actual	Unaudited	Adopted	Projected	Projected	Projected	Projected	Projected	Projected
	2011	2012	2013	2014	Actual	Budget	2016	2017	2018	2019	2020	2021
GF Revenues	133,612,987	122,663,422	118,888,626	127,518,783	133,009,164	132,205,201	135,257,195	138,622,489	141,990,532	145,513,102	149,250,291	131,073,285
GF Expenditures	148,842,172	121,207,010	118,790,024	128,779,027	124,532,409	130,664,116	131,112,116	143,747,051	156,308,453	164,167,442	173,128,709	176,504,659
Other Funds Support					3,935,314	968,654	968,654	1,652,243	1,839,353	1,773,027	-	-
Net Change Shortfall/Subsidy *	(15,229,185)	1,456,412	98,602	(1,260,244)	4,541,440	572,431	3,176,425	(6,776,804)	(16,157,274)	(20,427,367)	(23,878,418)	(45,431,374)
Adjusted Total Expense					128,467,723	131,632,770	132,080,770	142,837,873	142,067,779	145,286,640	149,010,151	132,341,534
Adjusted Net Change					4,541,440	572,431	3,176,425	(4,215,384)	(77,247)	226,462	240,140	(1,268,249)
BFB Prior Period Adjustment	22,953,382	7,724,198	9,180,610	9,338,944	8,078,700	10,136,612	12,620,140	15,796,565	11,581,182	11,503,934	11,730,396	11,970,536
100 - EFB	7,724,198	9,180,610	9,338,944	8,078,700	12,620,140	10,709,043	15,796,565	11,581,182	11,503,934	11,730,396	11,970,536	10,702,287
% EFB of Adj. Total Exp	5.19%	7.57%	7.86%	6.27%	9.82%	8.14%	11.96%	8.11%	8.10%	8.07%	8.03%	8.09%

How we got here – 2016 - 2017

■ 2016

- Hiring strategies and attrition realize savings of \$5.9M
- S&S savings realized \$7.4M
- Increase in revenues, one-time development fees \$3.2M
- Increase in Worker Comp claims causing deficit, need to restore fund (\$5.5M)
- Vehicle replacement reserves needed as fleet nears end of life cycles (\$5.0M)
- Increase to Emp Bene fund reserves to cover future liabilities (\$2.5M)
- Debt Service transfer increased to help offset \$4.3M hike expected in 2018 (\$3.0M)
- Net Change increases General Fund EFB to 10.3%

■ 2017

- Tentative budget includes PLAN A staffing, creates shortfall of (\$7.7M)
- Final budget removes PLAN A, but includes 50 FTE's
- Budget funded by spending down reserves (\$1.2M)

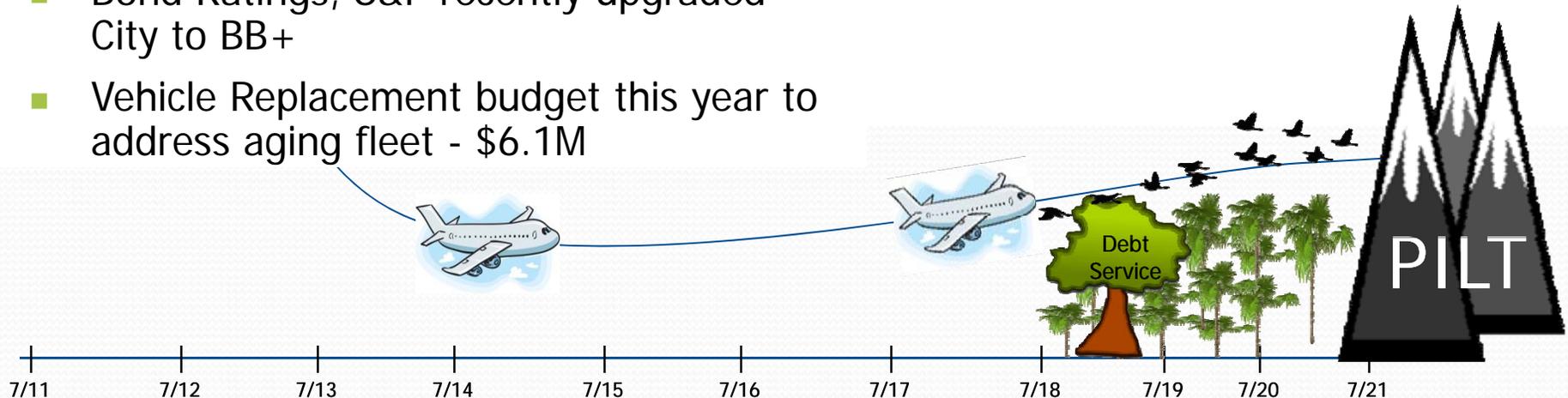
As of: 3/16/2017

2017-2021 Estimated 5-yr shortfall 0

Fund 100 General Fund	Actuals	Actuals	Actuals	Actual	Actual	Actual	Adopted	Estimated	Proposed	Projected	Projected	Projected
	2011	2012	2013	2014	2015	2016	Budget 2017	2017	Budget 2018	2019	2020	2021
GF Revenues	133,612,987	122,663,422	118,888,626	127,518,783	132,980,610	135,927,244	137,786,530	133,822,515	137,561,576	140,945,630	143,335,721	146,069,752
GF Expenditures	148,842,172	121,207,010	118,790,024	128,779,027	124,527,644	133,658,668	137,128,335	128,597,124	134,101,335	141,354,288	144,942,643	146,728,919
Other Funds Support					3,935,314	968,654	1,846,023	1,846,204	3,009,270	1,966,768	0	0
Net Change Shortfall/Subsidy *	(15,229,185)	1,456,412	98,602	(1,260,244)	4,517,652	1,299,922	(1,187,828)	3,379,187	450,971	(2,375,427)	(1,606,922)	(659,167)
Adjusted Total Expense					128,462,958	134,627,322	138,974,358	130,443,328	137,110,605	143,321,056	144,942,643	146,728,919
Adjusted Net Change					4,517,652	1,299,922	(1,187,828)	3,379,187	450,971	(2,375,427)	(1,606,922)	(659,167)
BFB Prior Period Adjustment	22,953,382	7,724,198	9,180,610	9,338,944	8,078,700	12,596,352	13,105,575	13,896,274	17,275,461	17,726,432	15,351,005	13,744,084
100 - EFB	7,724,198	9,180,610	9,338,944	8,078,700	12,596,352	13,896,274	11,917,747	17,275,461	17,726,432	15,351,005	13,744,084	13,084,917
% EFB of Adj. Total Exp	5.19%	7.57%	7.86%	6.27%	9.81%	10.32%	8.58%	13.24%	12.93%	10.71%	9.48%	8.92%

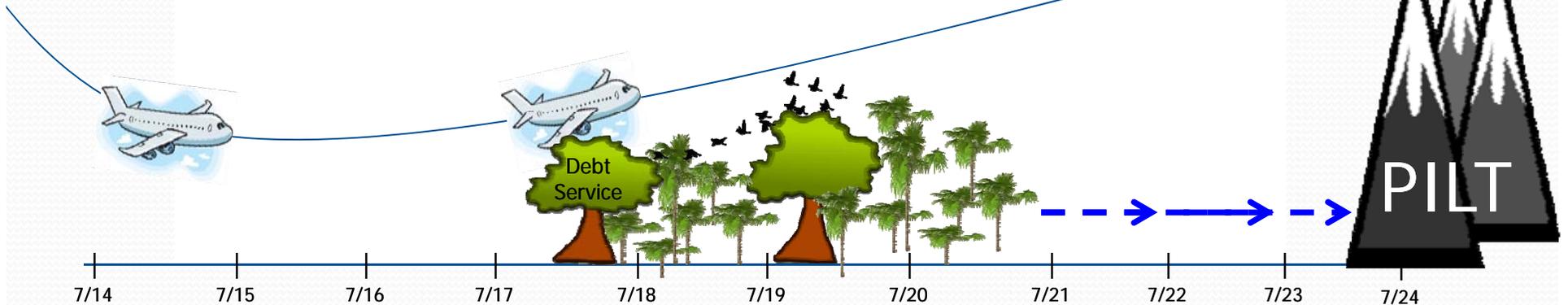
Where we are

- Balanced 2018 General fund Budget.
- Increased Staffing 57.5 FTE's all funds, addresses "Critical" need.
- Maintains 12.9% Fund balance, needed to fund rising debt & CIP future requirements.
- 2018 GF Debt Service requirement of \$9.6M, increase of \$4.3M met.
- Bond Ratings, S&P recently upgraded City to BB+
- Vehicle Replacement budget this year to address aging fleet - \$6.1M
- Improved Bond Rating necessary for future funding of CIP / Infrastructure needs.
- PILT Transfer continues up to June 30th, 2021.
- General Fund reserves sufficient to cover current level of staffing and planned Debt & Capital increases through June 2021.



Moving the Mountain

- Develop action plan with Legislative support.
- Begin reducing Utility Transfer (PILT, Orig. \$24M).
- Seek support for legislative bills/initiatives to spur development.
- Maintain general expenditure levels and operational savings.
- Position to consider financing alternatives.



What's next

	2018	2018	2019	2020	2021	Total	2021
	TOTAL	"NEEDED"	"NEEDED"	"NEEDED"	"NEEDED"	Identified	Potential
Departments - All Funds	FTE'S	FTE'S	FTE'S	FTE'S	" FTE'S	"NEEDS"	Total Staff
Mayor and Council	8.00	-	-	-	-	-	8.00
City Manager	13.00	-	-	-	-	-	13.00
City Attorney	19.00	3.00	1.00	1.00	-	5.00	24.00
City Clerk	5.00	3.50	0.50	1.00	-	5.00	10.00
Land Dev. & Community Srvcs	55.50	11.00		18.00	-	29.00	84.50
Finance (I.T.)	48.00	16.75	3.50	5.50	0.50	26.25	74.25
Fire	182.00	39.00	28.00	13.00	-	80.00	262.00
Library	19.50	-	-	4.00	4.00	8.00	27.50
Municipal Court	44.00	-	-	-	-	-	44.00
Neighborhood & Leisure Srvcs	128.72	7.00	-	-	-	7.00	135.72
Police	463.00	40.00	13.00			53.00	516.00
Public Works	116.30	5.20	10.55	5.50	1.25	22.50	138.80
Utilities	139.20	8.75	0.45			9.20	148.40
Total Staff	1,241.22	134.20	57.00	48.00	5.75	244.95	1,486.17

What's next

Fiscal Year	Population	City Staff (FTE)	Staff per 1,000 Citizens
2008	210,472	2,194.0	10.42
2009	214,661	2,260.7	10.53
2010	219,914	2,193.9	9.98
2011	223,213	1,723.8	7.72
2012	217,482	1,440.3	6.62
2013	223,873	1,275.8	5.70
2014	222,009	1,261.2	5.68
2015	226,199	1,202.0	5.31
2016	230,491	1,240.0	5.38
2017	235,395	1,308.2	5.56
2018	240,708	1,241.2	5.16
	30,236	(952.8)	Total 10 year change
	14.4%	-43.4%	Total 10 year % change
2021*	255,441	1,486.2	5.82

*Assumes 2% annual population growth

Recommendation

- Adopt FY 2017-18 Proposed Budget
Total budget \$601.6 million including:
 - City of North Las Vegas - \$591.7M
 - Library District - \$4.8M
 - Redevelopment Agency - \$5.1M



City of North Las Vegas Proposed Budget Fiscal Year 2018

Questions?

