

# Financial Review November 16, 2011

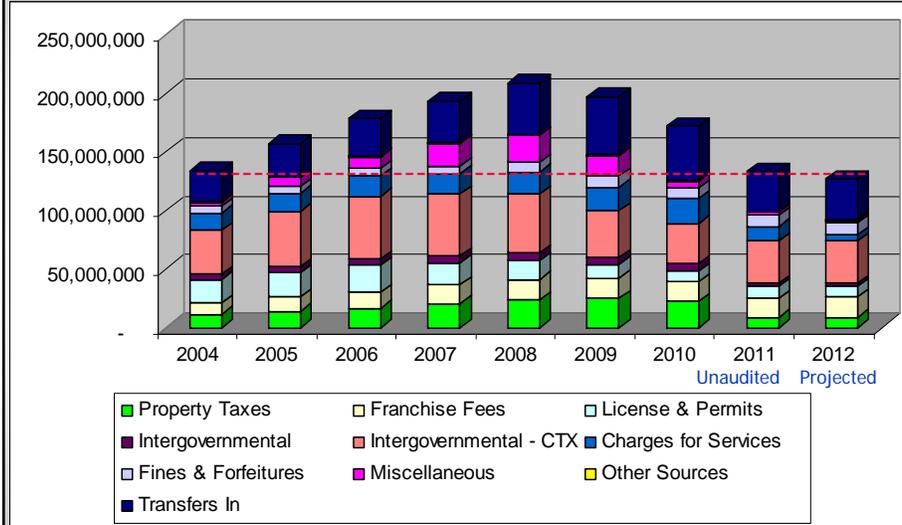
Al Noyola  
Acting Finance Director

## ECONOMIC INDICATORS

- Las Vegas Valley unemployment Sept 2011 13.6%, down 2% from 15.6% in Sept 2010
  - The labor force though has been reduced by 18,000 in that same period
- August visitor volume is up 2.8% from August 2010 but is 5.3% down from a month ago
- August Gaming revenue is down 6.7% from August 2010
- August occupancy rate at 84% is about 2.6% higher than August of 2010
  - In the past 6 months though average room rates have fallen by 13%
- CTX through August is about 2.74% higher than a year ago
- Case Shiller home price index for the valley has fallen in 11 of the last 12 months
- CPI has risen steadily throughout the year to nearly 4% for September from a year ago

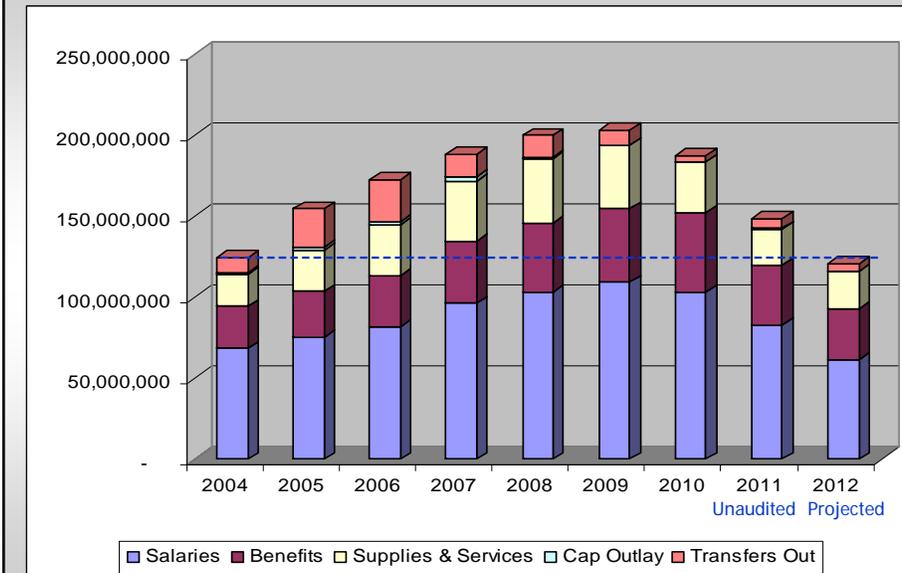
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## General Fund Revenue Trend



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## General Fund Expenditure Trend



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# GENERAL FUND

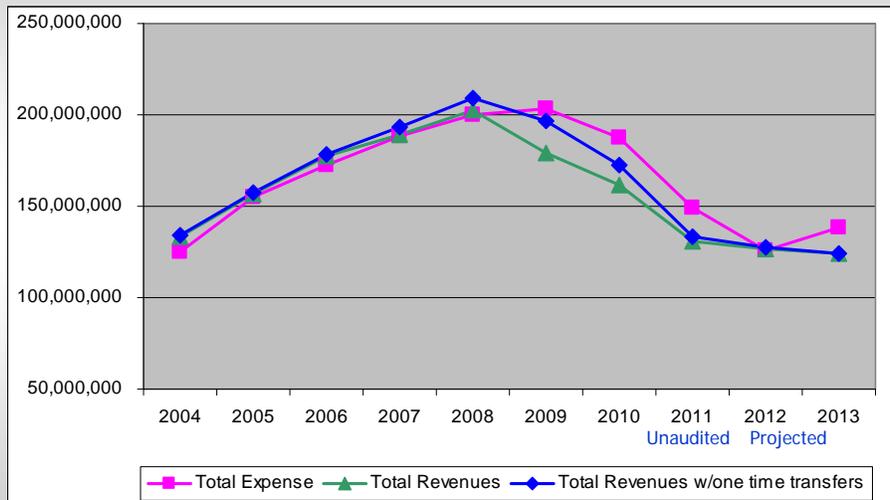
## Operating Losses

	2007-08	2008-09	2009-10 (*)	2010-11
<b>Beginning Fund Balance</b>	<b>\$37,109,959</b>	<b>\$46,094,939</b>	<b>\$38,182,553</b>	<b>\$22,953,386</b>
<b>Operating Income/(Loss)</b>	<b>(3,183,910)</b>	<b>(25,088,750)</b>	<b>(30,152,948)</b>	<b>(17,456,235)</b>
<b>How the loss was covered:</b>				
<b>One Time Transfers</b>	<b>12,168,890</b>	<b>18,355,000</b>	<b>14,923,781</b>	<b>2,227,047</b>
<b>Use of Fund Balance</b>	<b>0</b>	<b>6,733,750</b>	<b>15,229,167</b>	<b>15,229,188</b>
<b>Ending Fund Balance</b>	<b>\$46,094,939</b>	<b>\$39,361,189</b>	<b>\$22,953,386</b>	<b>\$7,724,198</b>
<b>EFB as a % of Expenditures</b>	<b>23.1%</b>	<b>19.3%</b>	<b>12.2%</b>	<b>5.3%</b>

(\*) FY 2010 Beginning Fund Balance was restated to \$38,182,553.

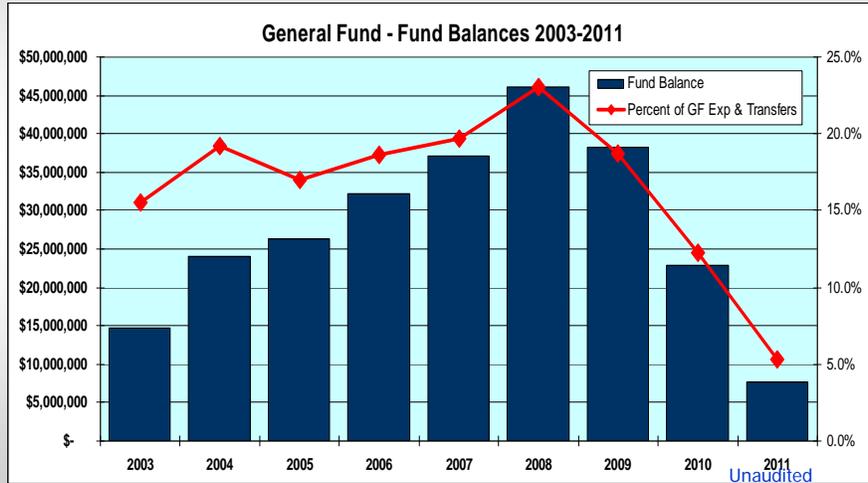
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## Revenue vs Expenditure Trend General Fund



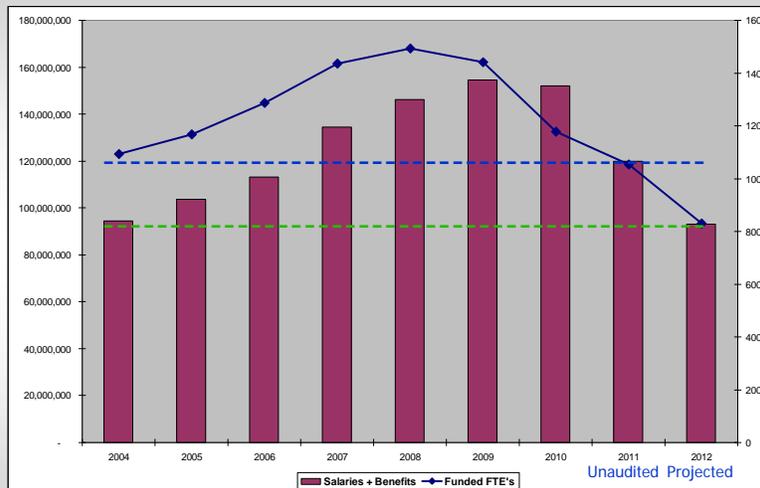
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# GENERAL FUND BALANCES FY 2003 - 2011



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# FTE versus Compensation Trend



FY 2012 General Fund Salaries and Benefits are nearly identical to FY 2004 while FTE's have been reduced by nearly 25%.

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## FY 2012 General Fund Expenditures (through October 33%)

Department	Actual/Encumbr	Budget	% Spent
Mayor-Council	241,785	691,990	34.94%
City Manager	592,943	1,815,785	32.65%
City Attorney	642,928	2,002,831	32.10%
City Clerk	189,841	691,500	27.45%
Economic Development	96,732	152,750	63.33%
Finance	782,856	2,483,510	31.52%
Fire Dept	11,012,486	32,246,895	34.15%
General Expense	128,231	(1,865,180)	-6.87%
General Services	942,833	3,750,820	25.14%
Human Resources	494,406	1,405,320	35.18%
Information Technology	1,662,740	4,150,780	40.06%
Municipal Court	2,710,722	8,441,610	32.11%
OHNS	381,826	1,146,820	33.29%
Parks & Rec	1,896,932	6,246,912	30.37%
Planning & Zoning	375,633	1,388,800	27.05%
Police Dept	9,285,273	29,569,243	31.40%
Detention	4,813,600	16,017,173	30.05%
Public Works	2,043,320	6,245,350	32.72%
Transfers Out (*)	1,602,654	4,856,527	33.00%
<b>Total Expenditures</b>	<b>39,897,741</b>	<b>121,439,436</b>	<b>32.85%</b>

(\*) Includes adjusted debt service

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## FY 2012 BUDGET ASSUMPTIONS

- FY 2012 Beginning fund balance \$7.7M or 5.3%
- CTX on pace with 2% growth projection
- Assessed valuation dropped by 6%
- Court revenues on pace to be under budget
- Overtime on pace to be over budget
  - FY 2011 overtime \$2M over budget which comes from fund balance
- Includes Debt Service reduction due to recent bond restructure
- Includes no allowance for potential Aliante shortfall

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## **FY 2013 BUDGET ASSUMPTIONS REVENUES**

- Includes beginning of plan to reduce PILT to a more revenue and cost recovery basis
  - \$500,000 FY 2013, \$1,000,000 FY 2014
- CTX projected at 1% growth annually
- Assessed Valuation projected to drop another 3% and remain flat in following years

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## **FY 2013 BUDGET ASSUMPTIONS EXPENDITURES**

- Includes concessions as negotiated by bargaining units:
  - Elimination of furlough days, Teamster (12) and Non-represented (10)
  - Merit Increases for all eligible employees
  - COLAs for IAFF and non-represented
    - 3.75% July 1, 2012, 2.0% January 1, 2013
  - COLAs for POA
    - 4.125% July 1, 2012, 2.5% January 1, 2013
  - Non-recurring 5% IAFF salary reduction
  - Deferred uniform allowances
  - Deferred holiday payouts

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## FY 2013 BUDGET CONTRACTUAL COMMITMENTS

Description	Amount
Loss of Furlough Days (Teamster 12 / Non-Represented 10)	\$ 2.1M
Merit Increases (Approximately 163 employees)	.6
COLA's Non-Represented (3.75% July1, 2.0% Jan.1, 2013)	.4
COLA's IAFF (3.75% July1, 2.0% Jan.1, 2013)	1.1
COLA's POA (4.125% July1, 2.5% Jan.1, 2013)	.9
Overtime eliminate brownouts (half year)	.5
Overtime eliminate staffing MOU	1.1
Uniform Allowances (IAFF/POA)	.2
Holiday Payout	3.0
Fund 287 Commitments (COLA/Merit/Furlough/Holiday Payout)	2.4
<b>Total</b>	<b>12.3M</b>

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## MAJOR SPECIAL REVENUE FUNDS Fund Balances in millions

Fund	Fiscal Yr	2009-10	2010-11	2011-12	2012-13	2013-14
268	Street/Parks/Fire	\$3.3	\$3.7	\$5.5	\$5.0	\$2.3
287	Public Safety Tax	12.7	6.7	3.5	(2.9)	(8.3)
288	More Cops	6.8	5.6	4.3	1.8	(1.6)
290	Library District	2.3	2.1	1.4	.1	(1.2)

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## Operating Funds Projected Deficits with Reductions to Maintain General Fund Balance at 8.0% (\$millions)

	2010-11	2011-12	2012-13	2013-14*
General Fund Balance	\$7.7	\$12.1	(\$2.3)	(\$.7)
Reductions needed to reach EFB of 8.0%			(12.5)	(9.4)
Other Funds Balances			(3.0)	(8.2)
<b>Total Reductions Needed</b>			<b>(\$15.5)</b>	<b>(\$17.6)</b>

\*FY 2014 assumes General Fund and Other Fund reductions are recurring.

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### Questions?

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**Acting Finance Director**