

CARSON CITY

FY 2007/2008

FY 2008/2009



General Fund Budget Projections

2008 Plan Assumptions / Goals

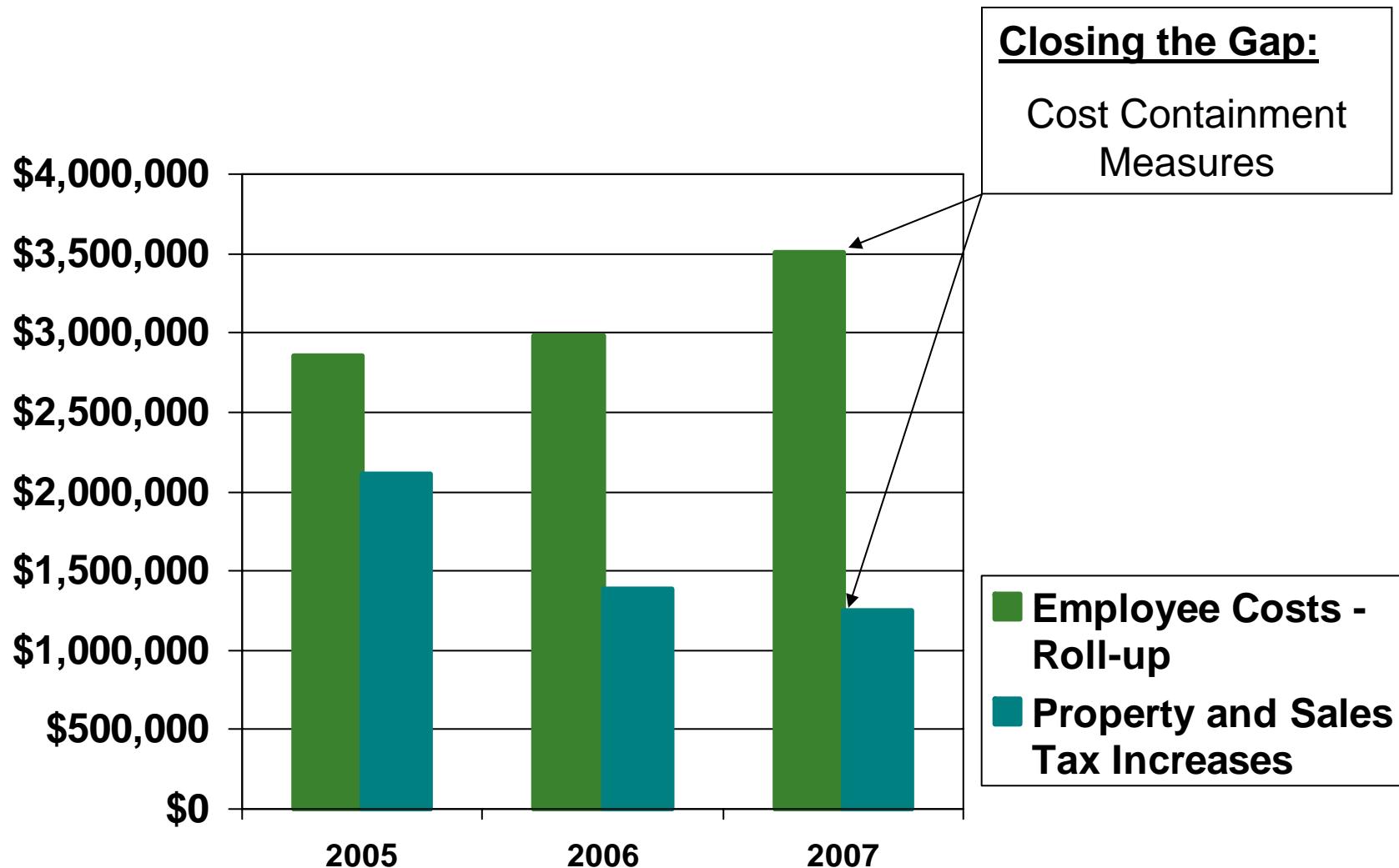
- Assumption:

- Taxable Sales growth will be soft due to anticipated softness in the general economy.

- Goals:

- Office of Business Development will drive efforts to enhances sales tax and property tax revenue base.
 - Modify expense structure through strategic reductions; aligning roll-up costs with forecasted revenue growth.
 - Analyze fees and charges for fairness, competitiveness and cost recovery where appropriate.

2008 Annual Increases

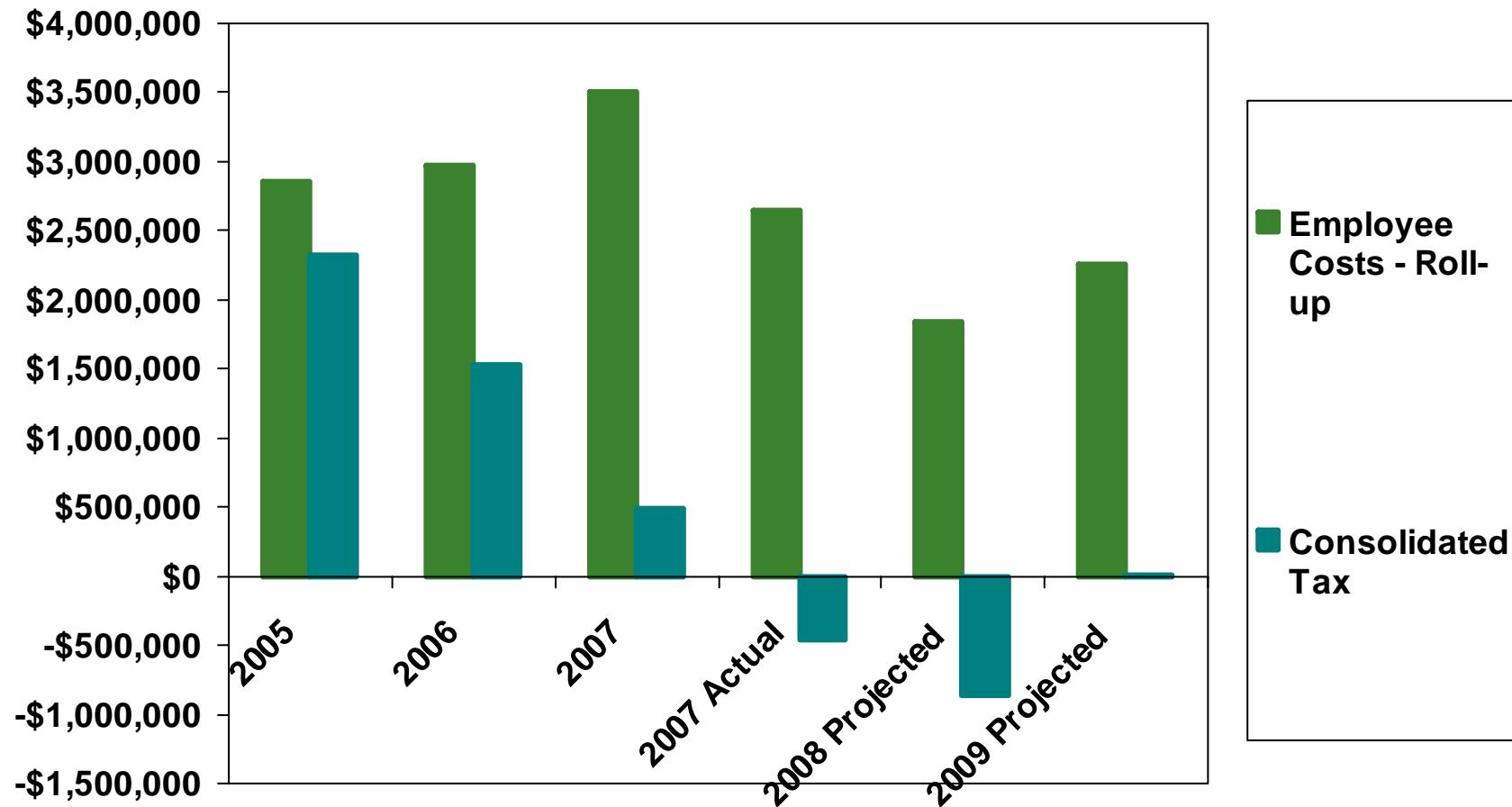


Presented to BOS May 3, 2007

2008 Cost Containment - Payroll

- Increases in annual payroll costs will be managed to meet anticipated annual increases in revenue.
 - An overall reduction in FTE's through attrition
 - Re-allocation and restructuring of resources.
 - Increases in salaries will be managed utilizing performance management objectives.
 - Control merit increases in compensation practices
 - Setting realistic expectations and measurements
 - Compensation shall be set to ensure internal equity and market comparativeness.

Annual Increases



“Engineering our Tax Base”

- Efforts of the Office of Business Development to enhance sales tax and property tax revenues:
 - Retaining and growing our new car sales.
 - \$4.8 million has been reserved in the General Fund for this purpose.
 - Redevelop vacant, deteriorating former big box stores.
 - Retention of existing retail stores.
 - Redeveloping downtown Carson City.

Revised Revenue Projections – FY 08

Category	Budget	Projected	Variance	Percent
Property Tax	\$12,915,000	\$13,373,252	\$ 458,252	+ 3.55%
Licenses and Permits	\$ 7,563,200	\$ 7,066,974	(\$ 496,226)	- 6.56%
Consolidated Tax	\$26,678,776	\$24,214,654	(\$2,464,122)	- 9.24%
Other Intergovernmental	\$ 350,225	\$ 404,470	\$ 54,245	+15.49%
Charges for Services	\$ 8,173,824	\$ 8,049,824	(\$ 124,000)	- 1.52%
Fines and Forfeitures	\$ 934,350	\$ 894,350	(\$ 40,000)	- 4.28%
Miscellaneous Revenue	\$ 908,500	\$ 1,061,020	\$ 152,520	+16.79%
TOTAL	\$57,523,875	\$55,064,544	(\$2,459,331)	- 4.28%

Assumes no transfer of Landfill Operations to the General Fund.

Revised Expenditure Projections – FY 08

Category	Budget	Projected	Variance	Percent
General Government	\$14,145,961	\$13,932,358	(\$ 213,603)	- 1.51%
Judicial	\$ 4,196,066	\$ 4,228,729	\$ 32,663	+ .78%
Public Safety	\$25,306,639	\$25,098,380	(\$ 208,259)	- .82%
Public Works	\$ 3,089,941	\$ 2,824,349	(\$ 265,592)	- 8.60%
Health	\$ 1,430,055	\$ 1,418,010	(\$ 12,045)	- .84%
Welfare	\$ 357,864	\$ 347,291	(\$ 10,573)	- 2.95%
Culture and Recreation	\$ 6,526,101	\$ 6,355,286	(\$ 170,815)	- 2.62%
TOTAL	\$55,052,627	\$54,204,403	(\$ 848,224)	- 1.54%

Assumes no transfer of Landfill Operations to the General Fund.

General Fund Projection – FY 08

Category	Budget	Projected	Variance
Revenues	\$57,523,875	\$55,064,544	(\$ 2,459,331)
Expenditures	\$55,052,627	\$54,204,403	(\$ 848,224)
Difference	\$ 2,471,248	\$ 860,141	(\$ 1,611,107)
Transfers	(\$ 3,789,829)	(\$ 3,789,829)	-0-
Operating Results	(\$ 1,318,581)	(\$ 2,929,688)	(\$ 1,611,107)
Beginning Fund Balance	\$11,674,720	\$11,674,720	-0-
Ending Fund Balance	\$10,356,139	\$ 8,745,032	(\$ 1,611,107)
Economic Development	\$ 4,849,572	\$ 4,849,572	-0-
Adj. Ending Fund Bal	\$ 5,506,567	\$ 3,895,460	(\$ 1,611,107)
Percent of Expenditures	10.00%	7.19%	

Assumes no transfer of Landfill Operations to the General Fund.

General Fund Projection – FY 08 and 09

Category	Projected 08	Projected 09	Variance
Revenues	\$55,064,544	\$55,256,823	\$ 192,279
Expenditures	\$54,204,403	\$56,456,179	\$ 2,251,776
Difference	\$ 860,141	(\$ 1,199,356)	(\$ 2,059,497)
Transfers	(\$ 3,789,829)	(\$ 3,373,042)	\$ 416,787
Operating Results	(\$ 2,929,688)	(\$ 4,572,398)	(\$ 1,642,710)
Beginning Fund Balance	\$11,674,720	\$ 8,745,032	(\$ 2,929,688)
Ending Fund Balance	\$ 8,745,032	\$ 4,172,634	(\$ 4,572,398)
Economic Development	\$ 4,849,572	\$ 4,849,572	-0-
Adj. Ending Fund Bal	\$ 3,895,460	(\$ 676,938)	(\$ 4,572,398)
Percent of Expenditures	7.19%	- 1.20%	

Assumes no transfer of Landfill Operations to the General Fund.

Options - FY 2007/08

➤ Transfer of landfill operations	\$1,172,252
➤ Eliminate 2008 Transfer to Capital	\$ 722,735
➤ Utilize redevelopment funds for economic development incentives	\$ TBD
➤ Revenue Enhancements	\$ TBD
➤ Fees and Charges	
➤ Reduction in Expenditures	\$ TBD
➤ Across the Board reductions	
➤ Specific program reductions	
➤ Economic Development Fund Balance	\$4,849,572
➤ Stabilization Fund	\$3,507,869
➤ Reduce fund balances – Insurance funds	\$1,000,000

Landfill Fund Transfer - FY 2008

Revenues	Landfill Fees	\$ 5,134,068
	Interest Income	\$ 125,000
	Transfer In – Landfill Fund	\$ 1,709,800
	Elimination of internal service charges - General Fund	(\$ 262,540)
Expenditures	Operating Expense	\$ 1,835,228
	Capital Expense	\$ 1,386,594
	Transfer to Economic Development	\$ 2,000,000
	Debt Service (Paid off in 2008)	\$ 155,706
	Transfer for Post-closure costs	\$ 156,548
Net 2008 Results		\$ 1,172,252

Landfill Operating Results – FY 2009

Revenues	Landfill Fees	\$ 3,925,000
Expenditures	Operating Expense	\$ 2,065,670
	Capital Outlay	-0-
	Transfer for Post-closure costs	\$ 157,000
Net 2009 Results		\$ 1,702,330

Recommendations – FY 2007/08:

- Transfer the Landfill Operations into the General Fund and use profits for operations.
- Eliminate the transfer from the General Fund to the Capital Acquisition Fund.
 - This would normally fund future years Capital Program.
- Use any available redevelopment funds for economic development incentives

Capital Program Recommendation

- Reduce 2007/08 proposed Capital Program in half. Use other half of available revenues for 2008/09 Capital Program

Department	Description	Initial Proposal	Accumulated Cost	Revised Proposal	Accumulated Cost
Juvenile	Entrance metal detector-Detention	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100
Juvenile	Visitor lockers-Detention	\$ 2,500	\$ 7,600	\$ 2,500	\$ 7,600
Juvenile	Entrance metal detector-Court	\$ 5,100	\$ 12,700	\$ 5,100	\$ 12,700
Juvenile	Entrance metal detector-Probation	\$ 5,100	\$ 17,800	\$ -	\$ 12,700
Recreation	Sierra Room audio system components	\$ 14,800	\$ 32,600	\$ -	\$ 12,700
Library	3M theft detection device	\$ 13,499	\$ 46,099	\$ -	\$ 12,700
Recreation	Sierra Room projector system and chairs	\$ 14,800	\$ 60,899	\$ -	\$ 12,700
Courthouse	Courthouse security upgrades	\$ 71,250	\$ 76,350	\$ 5,000	\$ 17,700
Fire Department	Two-wy radio grant	\$ 35,800	\$112,150	\$ 35,800	\$ 53,500
Sheriff	Live scan fingerprint system	\$ 48,000	\$160,150	\$ 48,000	\$ 101,500
Facilities	Facilities Division Building Maintenance	\$ 150,000	\$310,150	\$ 100,000	\$ 201,500
Information Serv.	Information Technology Capital projects	\$ 200,000	\$510,150	\$ 150,000	\$ 351,500
Parks	Park Equipment replacement & repairs	\$ 117,675	\$627,825	\$ 50,000	\$ 401,500
Sheriff	Blood alcohol testing	\$ 65,330	\$693,155	\$ -	\$ 401,500
Fleet Services	Vehicle Replacement	\$ 278,500	\$971,655	\$ 278,500	\$ 680,000
Public Works	Rehabilitation of City-wide parking lots	\$ 67,325	\$1,038,980	\$ -	\$ 680,000
Facilities	Multi Year roof replacement for City facilities	\$ 324,175	\$1,363,155	\$ 200,000	\$ 880,000
Recreation	Theater Improvements	\$ 200,000	\$1,563,155	\$ -	\$ 880,000
Animal Services	Animal Shelter Planning and Design.	\$ 25,122	\$1,588,277	\$ -	\$ 880,000
Fire Department	Replacement of flooring at Fire Stations 1&2	\$ 20,000	\$1,608,277	\$ -	\$ 880,000
Public Works	Downtown revitalization	\$ 100,000	\$1,708,277	\$ 50,000	\$ 930,000
Recreation	Theater lighting	\$ 85,000	\$1,793,277	\$ -	\$ 930,000
Golf Course	1 lightweight fairway mower	\$ 39,765	\$1,833,042	\$ -	\$ 930,000

General Fund Projection FY 08

Category	Budget	Projected	Variance
Revenues	\$57,523,875	\$60,051,072	(\$ 2,527,197)
Expenditures	\$55,052,627	\$57,756,683	\$ 2,704,056
Difference	\$ 2,471,248	\$ 2,294,389	\$ 176,859
Transfers	(\$ 3,789,829)	(\$ 3,669,548)	\$ 120,281
Operating Results	(\$ 1,318,581)	(\$ 1,375,159)	(\$ 56,578)
Beginning Fund Balance	\$11,674,720	\$11,674,720	-0-
Ending Fund Balance	\$10,356,139	\$ 10,299,561	(\$ 56.578)
Economic Development	\$ 4,849,572	\$ 4,849,572	-0-
Adj. Ending Fund Bal	\$ 5,506,567	\$ 5,449,989	(\$ 1,611,107)
Percent of Expenditures	10.00%	9.44%	

Assumes transfer of Landfill Operations to the General Fund and elimination of Capital transfer.

General Fund Projection FY 08 & 09

Category	Projected 08	Projected 09	Variance
Revenues	\$60,051,072	\$59,019,283	(\$ 1,031,789)
Expenditures	\$57,756,683	\$58,521,849	\$ 765,166
Difference	\$ 2,294,389	\$ 497,434	(\$ 1,796,955)
Transfers	(\$ 3,669,548)	(\$ 3,530,042)	\$ 139,506
Operating Results	(\$ 1,375,159)	(\$ 3,032,608)	(\$ 1,657,449)
Beginning Fund Balance	\$11,674,720	\$10,299,561	(\$ 1,375,159)
Ending Fund Balance	\$ 10,299,561	\$ 7,266,953	(\$ 3,032,608)
Economic Development	\$ 4,849,572	\$ 4,849,572	-0-
Adj. Ending Fund Bal	\$ 5,449,989	\$ 2,417,381	(\$ 3,032,608)
Percent of Expenditures	9.44%	4.13%	

Assumes transfer of Landfill Operations to the General Fund and elimination of Capital transfer.

Other future factors

- Negotiations with the Carson City Employees Association
 - Each 1% increase = \$ 122,000
- COLA for Unclassified Personnel
 - Each 1% increase = \$ 107,931

Decisions required for FY 2008/09

FY 2009 - amount needed to offset the operating deficit: (\$3,000,000)

Offset by:

➤ Economic Recovery	???
➤ Reduction in Expenditures	\$ TBD
➤ Across the Board reductions	
➤ Specific program reductions	
➤ Use redevelopment fund for economic development incentives	\$ TBD
➤ Revenue Enhancements	\$ TBD
➤ Fees and Charges	
➤ Economic Development Fund Balance	\$4,849,572
➤ Stabilization Fund	\$3,507,869
➤ Reduce fund balances – Insurance funds	\$1,000,000

Recommendations – FY 2008/09:

- Address the operating deficit as follows:
 - Revenue enhancements \$1,000,000
 - Expenditure reductions \$1,000,000
 - Use of Stabilization Fund \$1,000,000