



CARSON CITY, NEVADA
CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

MEMO TO: Board of Supervisors
Larry Werner, City Manager

FROM: Nick Providenti, Finance Director

DATE: April 16, 2008

RE: FY 2009 Budget Analysis

MAP

LATE MATERIAL
MEETING DATE 4/17/08
ITEM # 13C

GENERAL FUND REVENUE ASSUMPTIONS

Property Taxes – Budgeted Property Tax Revenues are expected to increase about 4.5%, or \$600,000 for FY 2009.

Consolidated Taxes - We followed the model provided to us by Mary Walker. We input Consolidated Taxes (CTX) for FY 2008 through January, 2008. The projection is indicating CTX revenues will be about 8% lower than prior year (FY 2007) or a decrease in FY 2008 revenues of \$2.8 million. For FY 2009, we lowered the projected FY 2008 amount by 3% and added approximately \$900,000 in new sales tax for the planned opening of Burlington Coat Factory, Sportsman's Warehouse, and Home Depot in FY 2009.

Franchise Fees - We increased Franchise Fees by \$200,000 to account for the full year's revenues due to the increase in fees to Sierra Pacific Power and Southwest Gas.

Landfill Revenues - Although we increased the rates charged at the Landfill, we are expecting the revenues for FY 2009 to stay at budgeted FY 2008 levels. This is due to economic conditions and the general lack of commercial dumping we are experiencing at the landfill.

Investment Income- We decreased Investment Income by \$470,000 due to the lower interest rate environment anticipated in FY 2009.

DEPARTMENT OF FINANCE

201 North Carson Street, Suite #3, Carson City, NV 89701 - (775) 887-2133 (775) 887-2107 fax

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GENERAL FUND EXPENDITURES

Reductions as a result of Board of Supervisors direction - In preparing the general fund budget, we used the direction the Board of Supervisors gave us at the February 7, 2008 Board Meeting. The main items addressed at that meeting were:

1. Specific line item reductions of \$556,260 – we reduced the specific line items that were identified by department heads and were implemented in the FY 2008/09 Tentative Budget.
2. Charge 80% of the Office of Business Development to the Redevelopment Agency using tax increment from both redevelopment areas - \$200,000. This was implemented in the FY 2008/09 Tentative Budget.
3. Salary savings through suspending, eliminating and restructuring of positions. Staff has identified 28.7 positions that have been temporarily suspended by departments, or will not be refilled pending retirement of the incumbent. This has provided approximately \$2 million in general fund savings and was implemented in the FY 2008/09 Tentative Budget.

The above reductions resulted in approximately \$2.75 million in general fund savings that have been implemented in the FY 2008/09 Tentative Budget.

Worker's Compensation Premium Savings – Because of a decrease in worker's compensation premiums charged to the City by the POOL/PACT, I was able to lower the premiums charged to all departments by 20% in both FY 2007/08 and FY 2008/09. This resulted in general fund savings of \$335K in FY 2007/08 and \$350K in FY 2008/09.

Debt Service – I was able to move approximately \$175K of debt service from the general fund and pay this amount with the \$.05 property tax collected in the Capital Projects fund.

Carson City Transit subsidy – the amount of the subsidy was reduced by \$50K in FY 2008/09.

Ambulance Fund subsidy – we had to provide a subsidy to the ambulance fund in the amount of \$100K in order for the fund to break even and maintain a positive cash flow in FY 2008/09.

Basically, by implementing the above measures, staff believes that the \$1 million of Stabilization Fund money will not be needed in FY 2008/09.

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GENERAL FUND ENDING FUND BALANCE

The General Fund's Ending Fund Balance at June 30, 2009 is projected to be \$4,650,000 which is approximately 8.33% of estimated expenditures. This is after a budgeted transfer to the Capital Acquisition Fund of \$868,918

OTHER FUNDS

Staff has implemented the plan to stabilize Carson City's Sewer Fund, Water Fund, and Building Permits Fund as directed by the Board of Supervisors at the February 7, 2008 meeting. This includes the following:

1. **Sewer Fund** – we have implemented the following recommendations:

- The Tentative Budget includes the 24% rate increase effective July 1, 2008.
- We have not included any bond issuances in the FY 2008/09 budget.
- We have postponed as much of the capital improvement programs as possible for at least this year until the economy begins to recover.
- We will base future rate increases on the financial requirements of the fund.

2. **Water Fund** – we have implemented the following recommendations:

- The Tentative Budget includes the 6% rate increase effective July 1, 2008.
- We have not included any bond issuances in the FY 2008/09 budget.
- We have postponed as much of the capital improvement programs as possible for at least this year until the economy begins to recover. Most of the capital budgeted in FY 2008/09 will be spent from last year's bond proceeds.
- We will base future rate increases on the financial requirements of the fund.

3. **Building Permits Fund** – we have implemented the following recommendations:

- Reassigned inspectors to other public works areas.
- Retain the budget cuts that were implemented in the FY 2007/08 budget.
- Reduce staff by 2 by not rehiring the positions of the people who will retire at the end of FY 2007/08.

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Budget Worksheet					
Revenues		Actual 2007	Estimate 2008	Re-estimated 2009	\$ change Budget
Taxes					
Property		12,492,864	13,373,252	13,972,620	599,368
Sales		22,151,021	23,860,620	23,432,133	-428,487
Gasoline					
Motor Vehicle		2,847,650	0		
		71,479	0		
		354,884	0		
		538,952	0		
		163,674	160,000	160,000	0
Gaming					
Candidate Filing Fee					
Total		38,620,524	37,393,872	37,564,753	170,881
Licenses and Permits					
Business		816,837	775,225	802,500	27,275
Liquor		152,227	135,000	135,000	0
Gaming		565,878	685,000	685,000	0
Right of way toll		123,017	140,000	160,000	20,000
Marriage		19,348	20,000	20,000	0
Building		79	10,000	10,000	0
Animal		8,970			
Mobile home permits		65			
Total		1,686,421	1,765,225	1,812,500	47,275
Franchise Fees					
Gas		1,236,505	1,515,000	1,615,000	100,000
Electric		1,607,672	2,200,000	2,300,000	100,000
Telephone		861,240	810,000	810,000	0
Sanitation		386,534	405,000	405,000	0
Cable		405,016	405,000	430,000	25,000
Total		4,496,967	5,335,000	5,560,000	225,000
Grants					
Federal		190,125	98,000	98,000	0
State		42,960	34,245	34,245	0
Local		164,456	166,284	162,640	-3,644
Total		397,541	298,529	294,885	-3,644

		Budget Worksheet			
		Actual 2007	2008 Estimate	Re estimated 2009	\$ change Budget
Charges for Services					
General Government	5,375,681	5,218,020	5,136,878	-81,142	
Judicial	686,724	671,000	691,000	20,000	
Public Safety	350,160	383,188	383,144	-44	
Public Works	1,263	10,000	10,000	0	
Health	162,955	179,732	231,960	52,228	
Landfill Fees		4,945,805	3,940,000	-1,005,805	
Parks and Recreation	1,291,811	1,382,220	1,351,107	-31,113	
Total	7,868,594	12,789,965	11,744,089	-1,045,876	
Fines and Forfeits					
Library	25,125	24,000	24,000	0	
Court	864,139	838,995	876,070	37,075	
Animal Services	24,414	30,000	30,000	0	
Total	913,678	892,995	930,070	37,075	
Miscellaneous					
Investment Income	944,896	1,200,000	730,000	-470,000	
Other	620,024	515,646	368,300	-147,346	
Total	1,564,920	1,715,646	1,098,300	-617,346	
Total Revenues	55,548,645	60,191,232	59,004,597	-1,186,635	

Budget Worksheet				Re-estimated	\$ change
		Actual 2007	2008 Estimate	Budget	
General government					
Board of Supervisors		259,245	258,292	265,563	7,271
Court Clerk		427,355			0
Clerk		324,502	350,904	358,378	7,474
Recorder		330,018	369,958	374,317	4,359
Records Management		201,010	203,227	175,049	-28,178
Public Safety Complex		396,583	406,675	398,175	-8,500
Elections		256,995	190,698	277,413	86,715
Treasurer		472,466	418,422	428,809	10,387
Assessor		587,161	632,864	624,661	-8,203
District Attorney		2,024,015	2,152,520	2,226,366	73,846
City Manager		555,098	481,296	456,324	-24,972
Public Defender		914,811	1,104,918	1,157,000	52,082
Community Support		566,796	461,498	363,150	-98,348
Central Services		976,410	885,330	808,540	-76,790
Economic Development		236,465	334,637	138,286	-196,351
Emergency Management		0	0	0	0
Building and Safety					
Finance		708,839	778,434	653,211	-125,223
Personnel		497,171	476,047	298,222	-177,825
Automation		1,397,033	1,451,693	1,360,940	-90,753
GIS		255,931	314,169	296,215	-17,954
Purchasing		176,124	176,623	192,337	15,714
City Hall		109,694	126,260	121,260	-5,000
Internal Auditor		12,807	118,987	162,146	43,159
Northgate					0
Community Development		830,263	781,764	554,879	-226,885
Business License					
Code Enforcement		117,450	72,849	-44,601	
Vehicle Maint.		0	156,876	156,876	0
Facilities Maintenance		1,407,064	1,429,329	1,404,439	-24,890
Total		13,923,856	14,021,995	13,325,405	-696,590

		Budget Worksheet			
		Actual 2007	2008 Estimate	Re estimated 2009	\$ change Budget
Judicial					
District Court 1		287,968			
District Court 2		601,264			
Juvenile Court		297,096	318,729	345,781	27,052
Justice Court		1,717,863	2,968,311	3,092,076	123,765
Alternative Sentencing		642,941	1,036,561	1,071,346	34,785
Total		3,547,132	4,323,601	4,509,203	185,602
Public Safety					
Sheriff		13,937,740	14,685,384	15,287,459	602,075
Fire		6,880,073	6,955,181	7,562,911	607,730
China Springs/Wmryc			682,512	673,159	-9,353
Juvenile Probation		1,737,085	1,231,670	1,256,917	25,247
Juvenile Detention		1,231,424	1,324,703	1,358,695	33,992
Total		23,786,322	24,879,450	26,139,141	1,259,691
			43.1%		
Public Works					
Public Works		1,974,603	1,863,659	1,591,167	-272,492
Development Services		1,057,476	953,235	779,995	-173,240
Streets					0
Total		3,032,079	2,816,894	2,371,162	-445,732
Health					
Landfill		0	3,388,042	1,849,460	-1,538,582
Health		1,129,933	1,116,967	916,790	-200,177
Animal Services		362,165	381,496	417,474	35,978
Total		1,492,098	4,886,505	3,183,724	-1,702,781
Welfare					
		336,854	347,004	366,109	19,105

Budget Worksheet

	Actual		Re-estimated		\$ change Budget
	2007	2008 Estimate	2009 Budget		
Culture & Recreation					
Parks Admin.	451,403	480,452	427,661	-52,791	
Parks Maint.	1,762,623	1,693,729	1,582,913	-110,816	
Parks Gifts	108,608	159,602	105,200	-54,402	
Swimming Pool	812,198	889,333	848,619	-40,714	
Community Center	312,831	347,218	351,275	4,057	
Recreation	966,104	929,467	759,735	-169,732	
Pony Express	17,016	23,790	21,790	-2,000	
Sports	307,458	327,470	324,127	-3,343	
Library	1,506,672	1,577,293	1,505,659	-71,634	
Total	6,244,913	6,428,354	5,926,979	-501,375	
Total Expenditures					
Excess Revenues	52,363,254	57,703,803	55,821,723	-1,882,080	
On-going Operating Transfers					
Transfer in - Qual. of Life	-154,542	-183,448	-143,582	39,866	
Contingency	0	500,000	500,000	0	
Senior Citizens	-15,000	-15,000	-15,000	0	
Ambulance Fund			100,000	100,000	
Debt Service	2,137,494	2,376,248	2,203,500	-172,748	
Landfill Cos/Post Clos Fund	75,000	156,548	167,067	10,519	
Cemetery	350,000	75,000	75,000	0	
CC Transit	120,000	350,000	300,000	-50,000	
Supplemental Indigent	-59,177	120,000	120,000	0	
Cooperative Extension	-7,500				
Capital Facilities Fund					
Total	2,446,275	3,379,348	3,306,985	-72,363	
On-going Expenditures	54,809,529	61,083,151	59,128,708	-1,954,443	

Budget Worksheet

	Actual 2007	2008 Estimate	Re-estimated 2009	\$ change Budget
One Shot Funding				
Bond Proceeds				
Capital Leases				
Landfill Transfer In	-55,770			
Redevelopment Admin Trans out				
Capital Acquisition Fund				
Capital Facilities Fund				
Capital Projects Fund				
Ambulance				
Senior Center				
CQI Fund				
Insurance Fund				
Asset Sales				
Fleet				
Stabilization Fund				
Grant Fund				
Total	-26,971	290,200	868,918	578,718
Other Financing Uses (Sources)				
Operating Results				
Beginning fund Balance	10,898,863	11,674,720	5,643,029	
Ending fund Balance	11,674,720	10,492,601	4,650,000	
Econ Development Carryover	-4,849,572	-4,849,572		
Adjusted Fund Balance	6,825,148	5,643,029	4,650,000	
% Ending Fund Balance	13.03%	9.78%	8.33%	

Carson City
Property Tax Rates - Budgeted Funds
FY 2008-09

	Levied FY2009	Allowed FY2009	Levied FY2008	Levied FY2007
Carson City Operating	1.1974	1.1974	1.1974	1.1974
Make Up Revenue(NRS 354.59813)	0.2321	0.2321	0.0347	0.0000
Regional Juvenile Facility	0.0496	0.0496	0.0408	0.0502
	1.4791	1.4791	1.2729	1.2476
Cooperative Extension	0.0128	0.0128	0.0128	0.0128
Carson City Debt	0.0000	0.0000	0.0000	0.0321
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	0.4700	0.4700	0.4700	0.4700
State of Nevada	0.1700	0.1700	0.1700	0.1700
Eagle Valley Groundwater	0.0009	0.0009	0.0011	0.0012
Subconservancy District	0.0300	0.0300	0.0300	0.0300
Tax Rate	3.1278	3.1278	2.9218	2.9287
CV Groundwater Basin	0.0010	0.0010	0.0025	0.0029
Tax Ratw w/ CV GW Basin	3.1288	3.1288	2.9243	2.9316

**Capital Improvement Plan
Carson City**

Capital Improvement Description	FY 2008/2009	Source of Funding
Fund: General		
Assessor Technology	53,750	2% Pers Prop Collection Fee
Fund Total	53,750	
Fund: Cooperative Extension		
Furniture and Fixtures	9,183	Property Taxes
Fund Total	9,183	
Fund: Capital Acquisition		
General Government		
Board Designated Capital	2,368,967	Gen Revs/Trans from Gen Fund
Total	2,368,967	
Fund Total	2,368,967	
Fund: Admin Assessment		
Judicial		
Furniture and Fixtures	40,000	Administrative Assessments
Total	40,000	
Fund Total	40,000	
Fund: Carson City Transit		
Vehicles	55,000	Transit Fees/Grants/Gen Fund Support
Fund Total	55,000	
Fund: Regional Transportation		
Sealing/Overlay/Patch Program	300,000	9 Cent Gas Tax/ Bonds
Ped/Bike Projects	500,000	9 Cent Gas Tax/ Bonds
Signal Projects	350,000	9 Cent Gas Tax/ Bonds
Fairview Drive	2,150,000	9 Cent Gas Tax/ Bonds
Fairview Drive	700,000	9 Cent Gas Tax/ Bonds
N. Stewart Street	3,000,000	9 Cent Gas Tax/ Bonds
Hot Springs	586,000	9 Cent Gas Tax/ Bonds
Clearview Drive	700,000	9 Cent Gas Tax/ Bonds
Butti Way	495,000	9 Cent Gas Tax/ Bonds
Edmonds Drive	40,000	9 Cent Gas Tax/ Bonds
Edmonds Drive	40,000	9 Cent Gas Tax/ Bonds
Curry Street	3,200,000	9 Cent Gas Tax/ Bonds
Rhodes Street	250,000	9 Cent Gas Tax/ Bonds
Fairview Drive	40,000	9 Cent Gas Tax/ Bonds
Fairview Drive	40,000	9 Cent Gas Tax/ Bonds
Clear Creek Ave	425,000	9 Cent Gas Tax/ Bonds
Freeway - North Half	150,000	9 Cent Gas Tax/ Bonds
Goni Road	36,000	9 Cent Gas Tax/ Bonds
Fund Total	13,002,000	

**Capital Improvement Plan
Carson City**

Capital Improvement Description	FY 2008/2009	Source of Funding
Fund: Streets Maintenance		
Furniture and Fixtures	10,000	1/4 Cent Sales Tax/Gas Tax
Equipment	65,000	1/4 Cent Sales Tax/Gas Tax
New Equipment Storage Bldg	200,000	1/4 Cent Sales Tax/Gas Tax
	Fund Total	275,000
Fund: Quality of Life		
Furniture and Fixtures	50,000	1/4 Cent Sales Tax
Boys and Girls Club	120,000	1/4 Cent Sales Tax
New Gymnasium	2,750,500	1/4 Cent Sales Tax / Bonds
Centennial Fields	100,000	1/4 Cent Sales Tax
Edmonds Sports Complex	25,000	1/4 Cent Sales Tax
Trails, Paths, Bike Paths	25,000	1/4 Cent Sales Tax
Undesignated Projects	50,000	1/4 Cent Sales Tax
Land Acquisition	297,908	1/4 Cent Sales Tax
	Fund Total	3,418,408
Fund: Water Utility		
Equipment	35,000	Water Utility Fees/debt
Well Redevelopment	75,000	Water Utility Fees/debt
Hot Springs Road	150,000	Water Utility Fees/debt
Participation	30,000	Water Utility Fees/debt
Tank Maintenance	200,000	Water Utility Fees/debt
Replacement Pumps/Motors	50,000	Water Utility Fees/debt
Telemetry Upgrade	25,000	Water Utility Fees/debt
NDOT Bypass Non-Reimburseable	100,000	Water Utility Fees/debt
NDOT Bypass Reimbursable	100,000	Water Utility Fees/debt/Grants
Stewart Street Extension- North	950,000	Water Utility Fees/debt
SDWA requirements	500,000	Water Utility Fees/debt
	Fund Total	2,215,000
Fund: Sewer Utility		
Brunswick Reservoir Sampling PR	15,000	Sewer Utility Fees
NDOT Bypass Reimbursable	1,225,000	Sewer Utility Fees/ Grant Reimbursement
NDOT Bypass Replacement	125,000	Sewer Utility Fees
	Fund Total	1,365,000