

Tentative Budget FY2026

City Council Meeting

April 2, 2025



Submitted at Meeting
Date: 04/02/2025 Item: 25
By: Staff



FY26 Budget Themes

Fiscal Challenges

- Badlands Settlement
 - Requires "belt tightening"
 - Significant impact on GF reserves
- PERS increases
 - Early by 8.75% to 58.75%
 - Judicial by 1.5% to 19.25%
 - Regular by 3.75% to 36.75%
- Consolidated tax (C-Tax) has softened
 - Depts were asked to present a 5% and 10% decrement
 - Expanded requests were kept to a minimum

Public Safety Remains #1 Priority In This Budget

Capital Projects

- Some projects must be delayed
 - Proposed C-Tax Revenue Bond and LVCVA Park Bond can limit CIP Project delays
- Key Public Safety projects are moving forward
- Overall available funding is less than FY25



FY26 Budget Summary

Fiscal Challenges

- Personnel Vacancy Factor
 - Assumes 3% for most departments
 - Recognizes higher Public Safety vacancy rates based upon historical vacancy rates in these positions (largely due to limitations in police and fire academies, much higher retirement rates, resignations and non-confirmations)
 - 6% PPA – Marshals
 - 8% POA – Corrections
 - 7% IAFF – Early retirement only
 - Most departments are using current vacant positions to contribute to the 5% and 10% decrements
 - Positions remain in the staffing plan but with zero budget (potential to add funding to some during fiscal year depending on status of revenues)
 - No uniformed officers / firefighters impacted by decrements
 - City does not have a hiring freeze. We are hiring
- Voluntary Separation Program (VSP) resulted in savings of \$6,122,430
 - Savings is over 2.5 years and after the separation payouts
 - 21 positions funded by the general fund
- Departments have identified reductions to Services & Supplies to contribute to the 5% and 10% decrement

FY25 GF Year-End Estimate Summary

- **Current Estimate of Revenues is greater than budget: \$14.4 M**
 - Property & Room Tax year-end estimate is \$7.0M greater than budget
 - C-Tax year-end estimate is \$7.0M less than budget
 - Year-end revenue estimates for Licenses, Service Charges, and Fines are \$4.7M greater than budget
 - Settlements & Judgements and Other Revenue year-end estimates are \$3.9M greater than budget
 - \$5.8M transferred into General Fund is ARPA Revenue Replacement deadline of 12/31/24 for obligated funds
- **Current Estimate of Expenditures exceeding budget: \$64.7 M**
 - Services and Supplies are projected to exceed budget by \$18.1M due to spending of ARPA projects that was not budgeted for in FY2025
 - Salaries and Benefits are underrunning budget by \$9.8M (largely due to PJC vacancy management)
 - Contributions, Capital Outlay, and Debt Related Expenditures are exceeding budget by \$1.5M
 - Transferred an additional \$53.3M to the Liability and Property Damage ISF for Badlands settlement and \$1.6 to Capital Projects



FY26 Revenue Assumptions

Revenues: overall (FY25 projection to FY26 budget) increase of 4.5%

(Includes \$30M bond proceeds)

- C-Tax increase at 1.0% (flat projection consistent with other agencies and input from the City's Financial Advisory Committee)
- Property Tax increase at 7.1%
 - Assessed Value increase at 11.2%
 - Tax cap for residential at 3% and non-residential at 8%
 - Abatement \$60.7M
- License & Franchise fee increase at 1.5%
- Fines, Charges for Services and Other revenues decrease at 6.95%
 - Reimbursables decrease by 10% due to lower RTC funding
 - Other revenue decrease by 50% related to one time Franchise audit revenue in FY25
 - \$8.3M Medicaid Reimbursement



FY26 Revenue Assumptions cont'd

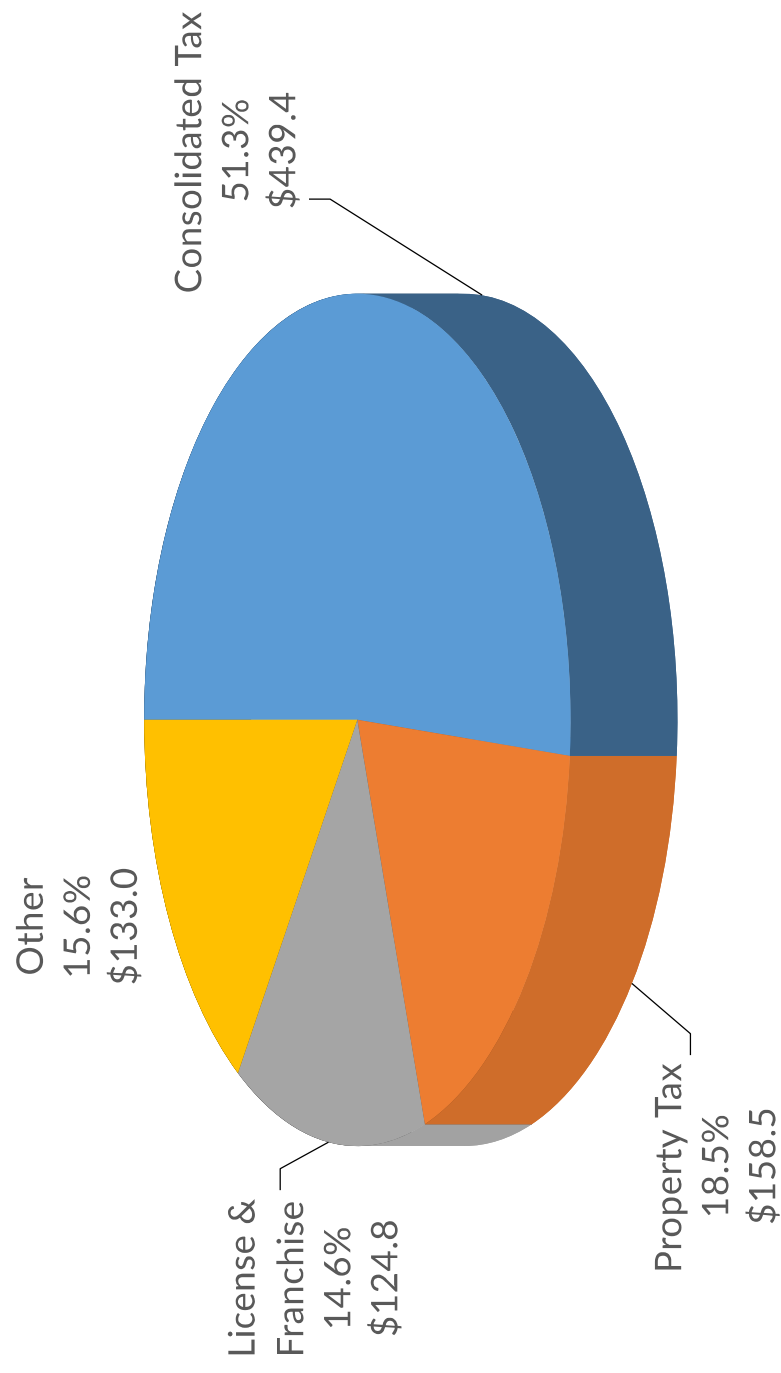
- Contribution from Redevelopment Agency of \$3.5M
- Transfers In decrease at 16.6% due to ARPA completion
- Proposed C-Tax Revenue bond for \$70M
 - \$30M allocated to GF reserves to maintain at least 20% ending fund balance
 - Bond rating protection
 - Potential to reissue FY2016 City Hall bonds at a lower interest rate
- \$20M in Capital for restoration of some delayed projects
- \$15M in Capital for additional bid reserve (to account for new tariff risks to material and supply costs)
- \$5M in Capital for Fire Apparatus and Equipment Replacements





FY26 General Fund Revenues

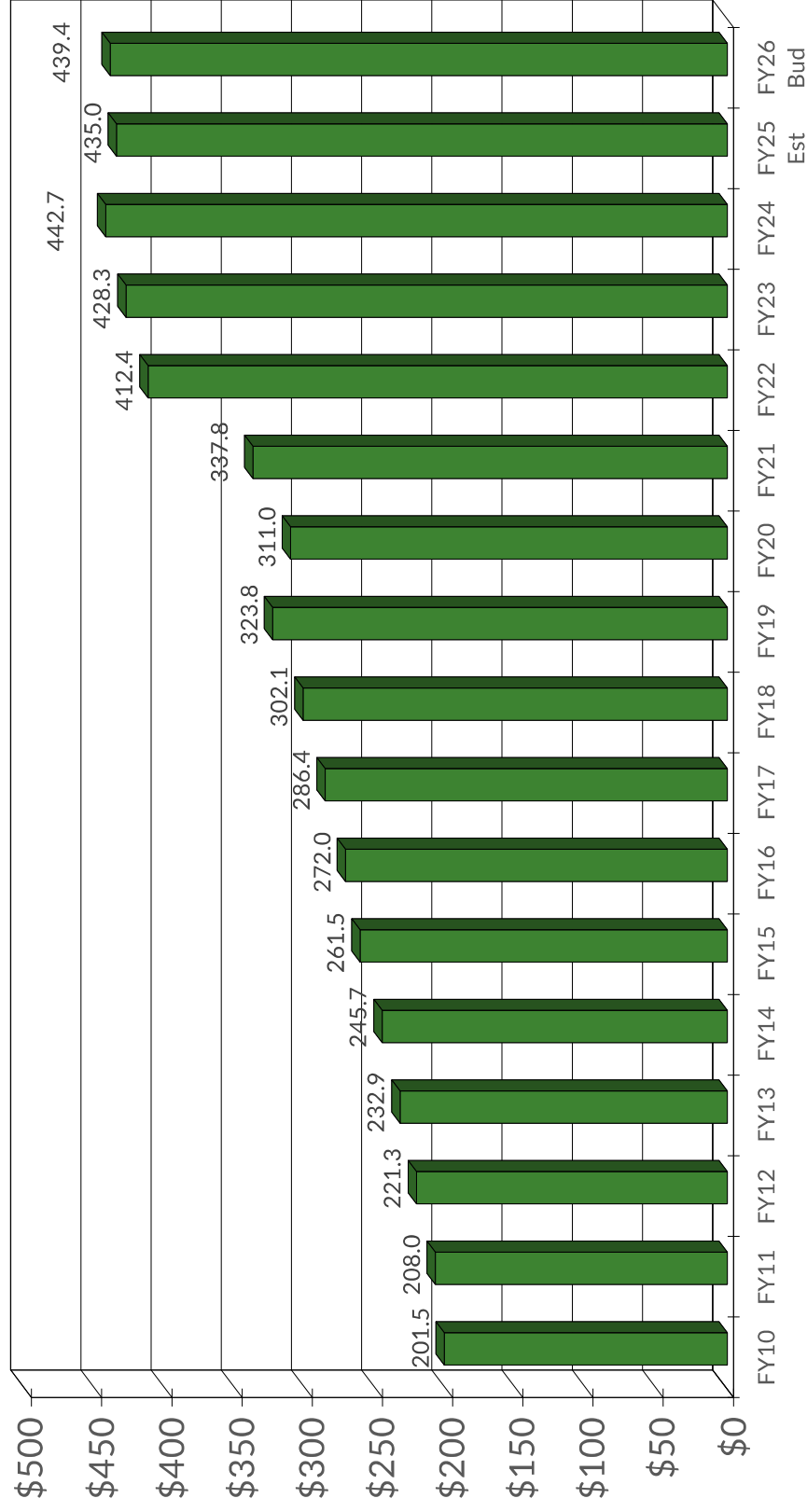
(Total \$855.7 by category expressed in millions)





Consolidated Tax History

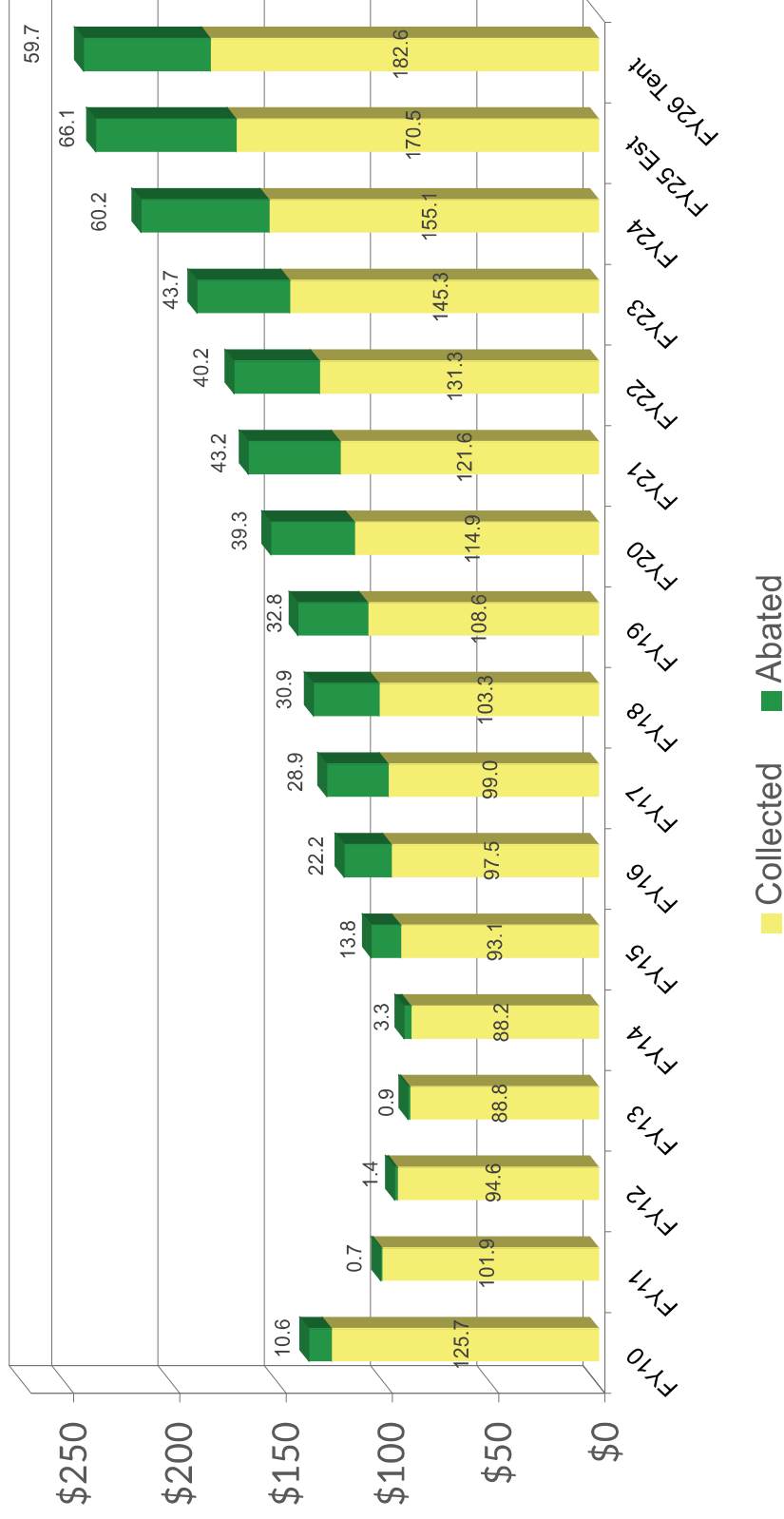
(\$ in millions)





Property Tax History (All Funds)

(\$ in millions)





FY26 Expenditure Highlights

- Metro requested increase at 2.8%
- Additional personnel of 3 commissioned, 7 civilian and 4 part-time
- Technology: Firewall hardware upgrade, increase bandwidth, Microsoft Security upgrade, Digital Subpoena software, Crime Cameras/LPRs
- Contract increases for:
 - The Animal Foundation
 - Inmate Medical Care
 - Inmate Culinary
- Regional Aquatic Center opening
- Civic Plaza and Buildings opening



FY26 Expenditure Highlights (cont.)

- Collective Bargaining Agreements
 - PPA and POA – Valid through 6/30/25
 - IAFF and CEA – Valid through 6/30/26
 - POSA – Valid through 6/30/26



FY26 Expenditure Highlights (cont.)

Full-Time Equivalent (FTE) Staffing Level

FY26 Position Recommendations 7 new positions

- **Special Revenue Funds (SID) – 2.00**
 - 1 – Finance– Financial Analyst I (X)
 - 1 – Public Works– Sr Engineering Associate
- **Enterprise Funds – 1.00**
 - 1 – Public Works– Sr. Underground Utility Technician
- **Internal Service Funds – 4.00**
 - 1 – Fire– Communications Specialist Supervisor
 - 3 – Fire– Fire Communications Specialist

| SID Information | |
|----------------------|----|
| Active Developer | 13 |
| Active Non-Developer | 3 |
| In Process | 2 |
| Anticipated | 5 |
| Closeouts/Refunding | 6 |

| | | | |
|--------------|-------|-------------------|-------|
| General Fund | 0.00 | Non-Public Safety | 3.00 |
| Other Funds | 7.00 | Public Safety | 4.00 |
| | <hr/> | | <hr/> |
| | 7.00 | | 7.00 |



Full Time Equivalent History

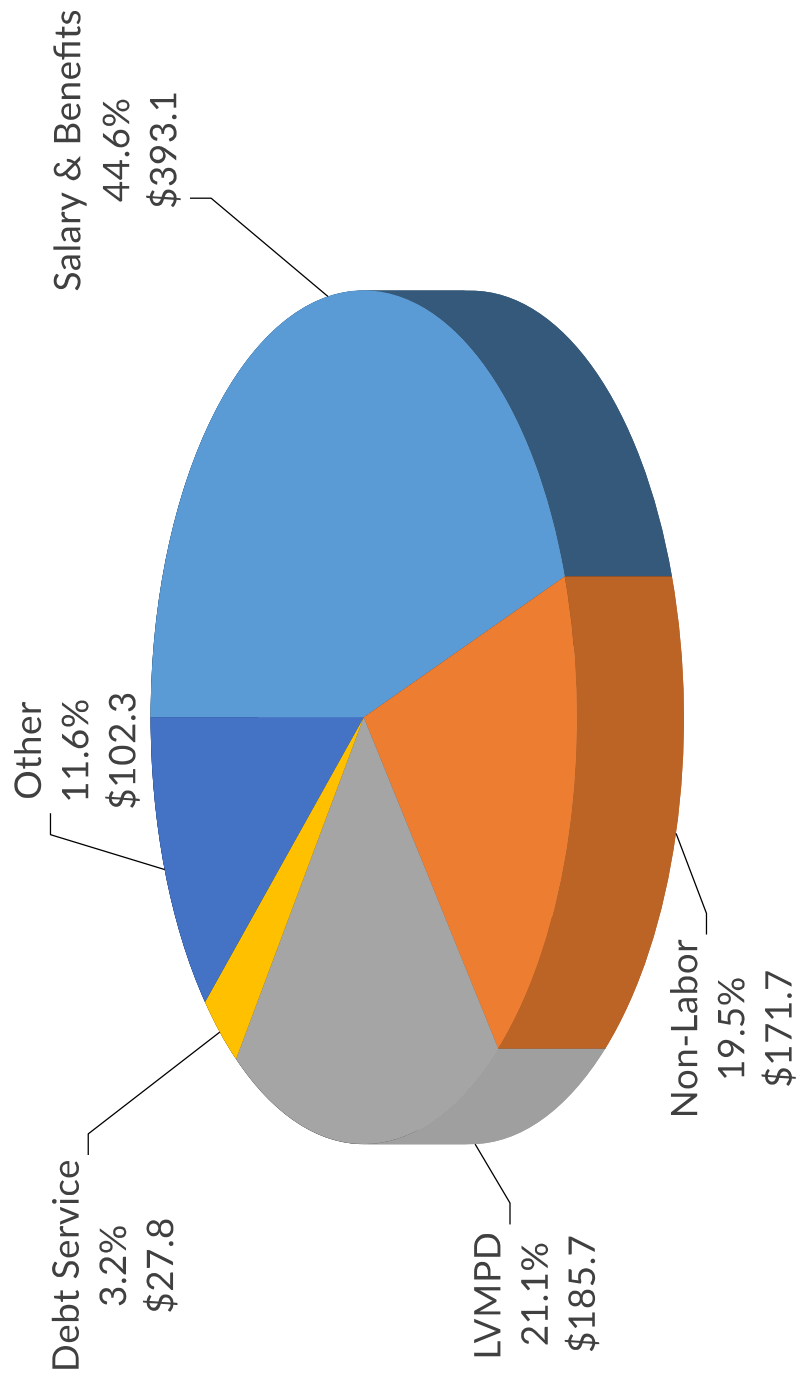
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Public Safety | 1,395 | 1,424 | 1,441 | 1,434 | 1,448 | 1,500 | 1,535 | 1,567 | 1,571 |
| All Others | 2,102 | 2,181 | 2,159 | 2,193 | 2,179 | 2,254 | 2,289 | 2,297 | 2,300 |
| Total | 3,497 | 3,605 | 3,600 | 3,627 | 3,627 | 3,754 | 3,824 | 3,864 | 3,871 |
| Difference | 0 | 108 | (5) | 27 | 0 | 127 | 70 | 40 | 7 |

*Since 2021, growth in Public Safety positions has increased by 9.6% versus 4.9% for Non-Public Safety positions



FY26 General Fund Expenditures

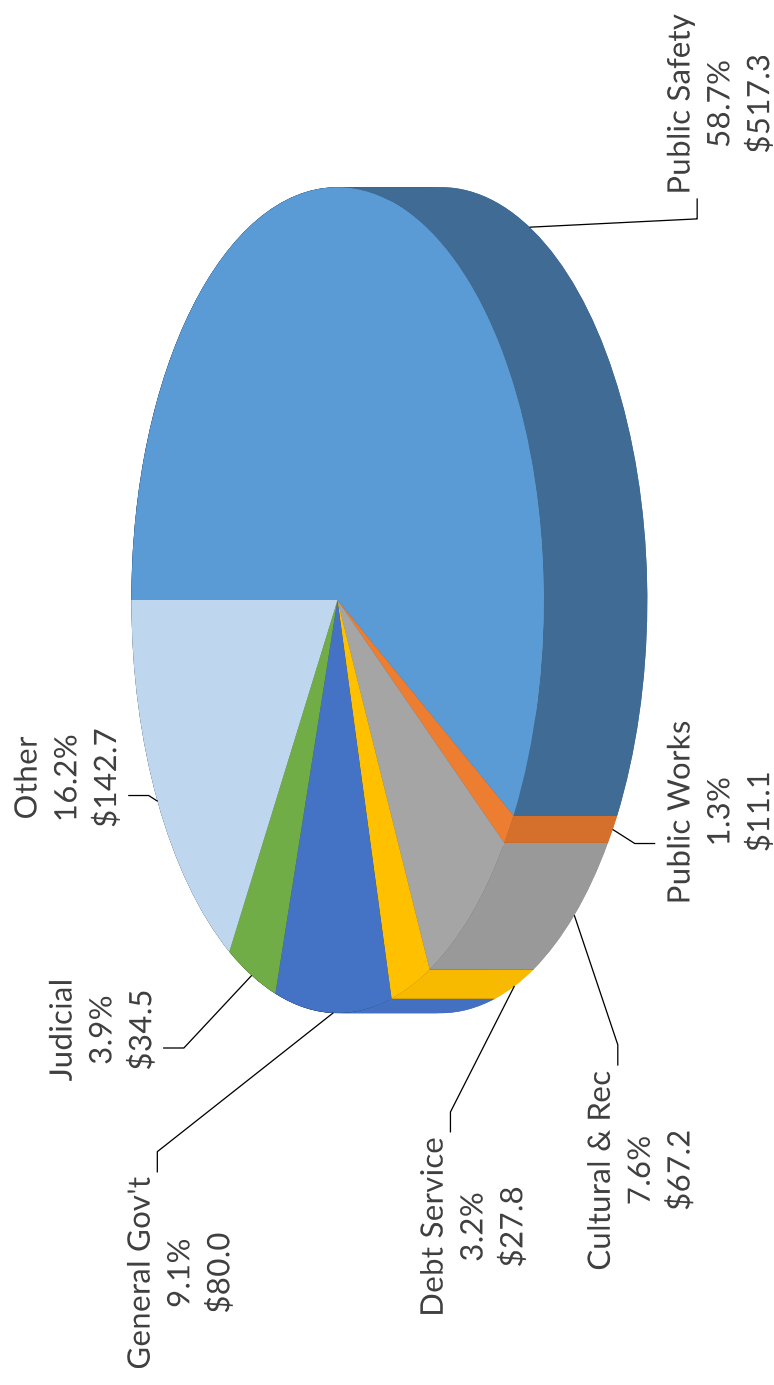
(Total \$880.6 by category expressed in millions)





FY26 General Fund Expenditures

(Total \$880.6 by function expressed in millions)





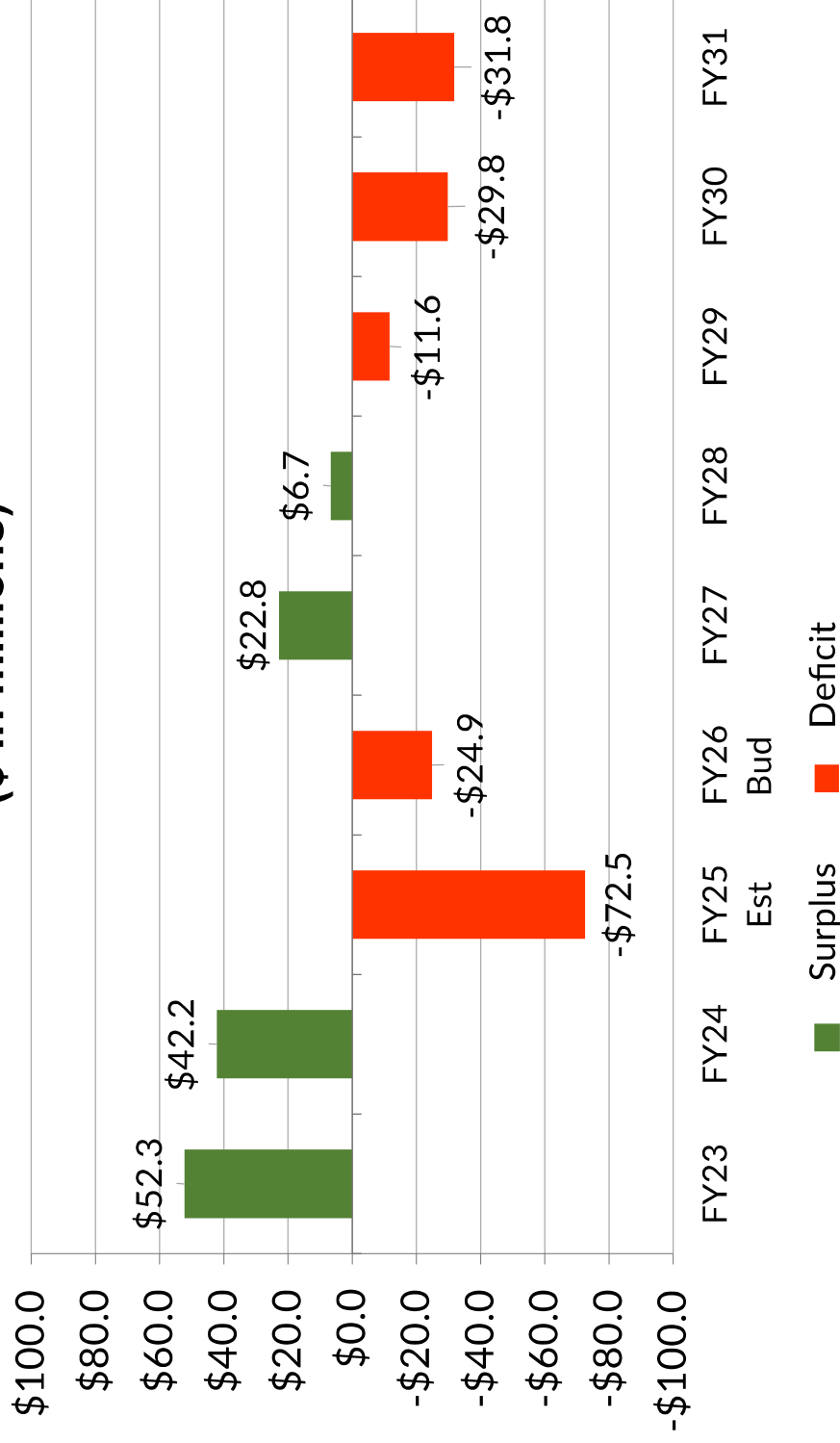
FY26 General Fund Tentative Budget (w \$30M from R-Bond) (\$ in millions)

| | FY24 Actual | FY25 Estimate | FY26 Tentative |
|--|----------------|------------------|-------------------|
| Beginning Unrestricted Fund Balance | \$ 244.5 | \$ 286.7 | \$ 214.2 |
| Consolidated Tax | 442.7 | 435.0 | 439.4 |
| Property Tax | 137.0 | 148.0 | 158.5 |
| License & Franchise | 132.8 | 122.9 | 124.8 |
| Other | 106.2 | 90.0 | 114.0 |
| Transfers In from Other Funds | 43.4 | 22.8 | 19.0 |
| Revenues | \$ 862.1 | \$ 818.7 | \$ 855.7 |
| Wages & Benefits | \$ 361.8 | \$ 383.4 | \$ 393.1 |
| Non-Labor | 165.5 | 196.1 | 171.7 |
| LVMPS - Operations | 169.5 | 180.7 | 185.7 |
| Transfer out - Debt Service | 22.7 | 21.8 | 27.8 |
| Transfer out - Capital One Time | 11.5 | 7.4 | 0.0 |
| Transfer out - Capital | 20.0 | 20.0 | 10.1 |
| Transfer out - Other Funds | 68.9 | 81.9 | 92.2 |
| Expenditures | \$ 819.9 | \$ 891.2 | \$ 880.6 |
| Excess (Shortfall) | \$ 42.2 | \$ (72.5) | \$ (24.9) |
| Ending Unrestricted Fund Balance | \$ 286.7 | \$ 214.2 | \$ 189.3 |
| Ending Unrestricted Fund Balance Percent | 35.0% | 24.0% | 21.5% |



General Fund Forecast

(\$ in millions)





FY26 Capital Improvement Plan

Project funding from various sources (with some restricted to eligible funding source use)

- General Fund/Fund Balance Transfer-In
- 5 Cent Ad Valorem (Facilities)
- 1% SRF room tax (Transportation)
- Medicaid Reimbursement
- Fire Safety Initiative
- LVCVA (Parks)**
- Motor Vehicle Fuel Tax
- Reallocation of existing project funding (closed-out projects)
- Residential Construction Tax
- SNPLMA

**Two park bond issues from FY16 and FY17 will be fully paid off in FY26 and FY27 opening up an opportunity to issue a new round of park bonds



FY26 Capital Improvements

Major Construction Outlook

Ward 1

- Cragin Park Soccer Field Upgrades (Construction completion Q3 2025)

Ward 2

- Regional Aquatic Center at Pavilion Pool (SNPLMA; Construction completion Q1 2026)

Ward 3

- East Las Vegas Family Dog Park (Bidding Q2 2025)



FY26 Capital Improvements Major Construction Outlook (cont.)

Ward 4

- Nevada State Veterans Memorial at Thunderbird Park (Bidding Q4 2025)

Ward 5

- WLV Library Remodel (Est Bidding Q2 2026)

Ward 6

- Floyd Lamb Park Restroom Addition (Construction complete Q3 2025)



FY26 Capital Improvement Plan (cont.)

Major Public Safety Projects:

- W1 - FS 103 3-Bay Replacement – Design Completion FY26; Bid FY27
- W2 - New Summerlin West Fire Station – Amended Development Agreement and Site finalization FY26
- W3 - Fire Training Center – Construction start Q2 FY26
- W4 - Multi-Agency Joint 911 Center – Construction start Q1 CY26
- W5 - FS1 Rehab (HVAC, ADA) – Construction start Q3 FY26
- W6 - Skye Canyon / Providence LVMPD Substation and Park – Construction start Q3 FY25



FY 26 Capital Improvement Plan (cont.)

FY 26 Parks & Recreation Bond:

- Anticipated bond amount – roughly \$25M
- Anticipated bond funds receipt – Q3 2026
- Will work with each Council office over next few months to determine needed/desired projects and priorities



FY26 Redevelopment Agency Highlights

- Fiscal Trends
 - Assessed value increase in FY24 at 11.2%, FY25 at 19.7% and FY26 at (0.2%)
 - Tax increment Revenue growth in FY24 at 14.8%, FY25 at 16.7% and FY26 at 5.7%
- Development in Las Vegas Medical District (CSN METC, NSU Juvenile Allied Health Center, Biomed Challenge Grant, UNLV Practice Institute of Mental & Behavioral Health Center)
- Symphony Park Development (Goldstein Medical Office Building, Wynn Art Museum, Cello Tower)
- Visual Improvement Program
- Safety/Security Grant Program (\$100K Additional funding to replace ARPA funded program)
- Downtown Special Event Public Safety Support Program
- RDA Area Powerline and Power Service Upgrade Program
- Issue \$50 million in bonds for development projects in the RDA (Mob Museum Expansion, Neon Museum Expansion and/or Relocation, Other Catalyst Projects)
- Contribution to City of \$3.5M for maintenance in RDA area
- Vacant/Abandoned/Boarded Up Building Program (\$150K New Program)



Redevelopment Agency

(\$ in millions)

| | FY24 Actuals | FY25 Estimate | FY26 Budget |
|--------------------------------------|-----------------|------------------|----------------|
| Beginning Unrestricted Fund Balance | \$ 29.3 | \$ 38.9 | \$ 34.9 |
| Tax Increment | \$ 35.6 | \$ 41.5 | \$ 43.9 |
| Less 18% set aside | (6.4) | (7.0) | (7.9) |
| Other/Contributions | 8.9 | 4.7 | 53.2 |
| Revenues \$ | 38.1 | \$ 39.2 | \$ 89.2 |
| Operations | \$ 5.9 | \$ 6.2 | \$ 5.9 |
| Debt Service | 10.4 | 10.4 | 10.4 |
| Tax Increment Financing | 3.9 | 4.3 | 4.4 |
| Contribution to CLV GF | 3.0 | 3.4 | 3.5 |
| Program Expense | 1.9 | 10.6 | 67.0 |
| Contribution to CLV Capital Projects | 2.1 | 2.0 | - |
| Contribution to CLV Debt Service | 1.3 | 1.3 | 1.3 |
| Contribution to Parking EF | - | 5.0 | - |
| Expenditures \$ | 28.5 | \$ 43.2 | \$ 92.5 |
| Excess (Shortfall) | \$ 9.6 | \$ (4.0) | \$ (3.3) |
| Ending Unrestricted Fund Balance | \$ 38.9 | \$ 34.9 | \$ 31.6 |



FY26 Budget Tentative – All Funds

(\$ in millions)

| | FY24 Actuals | FY25 Estimate | FY26 Tentative |
|-------------------------------------|-----------------|------------------|-------------------|
| General Fund | \$ 819.9 | \$ 891.2 | \$ 880.6 |
| Special Revenue Fund | 170.4 | 207.9 | 181.0 |
| Capital Program | 411.1 | 492.9 | 585.2 |
| Debt Service Fund | 47.4 | 47.6 | 50.0 |
| Permanent Fund | 0.0 | 0.1 | 0.3 |
| Enterprise Fund | 235.5 | 208.7 | 244.0 |
| Internal Service Fund | 545.5 | 219.0 | 369.6 |
| Total | \$ 2,229.8 | \$ 2,067.4 | \$ 2,310.7 |
| Authorized FTE Staffing Level | | | |
| Regular Employees | 3,012 | 3,052 | 3,059 |
| Temporary Employees | 23 | 23 | 23 |
| Hourly Employees | 789 | 789 | 789 |
| Total Authorized FTE Staffing Level | 3,824 | 3,864 | 3,871 |
| City Population | 661K | 667K | 673K |

Key Budget Takeaways

- Focus on Fiscal Challenges (Badlands settlement, PERS increases, C-Tax softening)
- Public Safety Remains #1 Priority in this budget
- Conservative budget for FY26
- General Fund budget will be in a deficit (leaning on GF reserve funds to pay for the Badlands settlement)



Next Steps

- Filing of Tentative Budget – April 15, 2025
- Final Budget Meeting – May 21, 2025
- Filing of Final Budget – June 2, 2025
- Filing of 5-Year CIP – August 1, 2025

