



# Tentative Budget FY2024

City Council Meeting  
*April 5, 2023*

Submitted at City Council

Date 4/5/23 Item 23

By: Staff



# FY24 Budget Themes

- Responds to Council Priorities
  - Public Safety
  - Healthcare
  - Diversify the Economy
- Organizational Health
  - Employee Career Development
  - Enhance Behavioral Health Resources
  - Enhance Recruitment Efforts to Address Turnover
  - Enhance Training Budgets
- Fiscal Health
  - Conservative Budget
  - Reserve Levels at or Above Targets
  - S&P Bond Rating Upgrade to AA+
- Capital Improvement Projects
  - New major projects
  - Civic Center Construction
  - Skye Canyon FS opening
  - ARPA Capital Projects



# FY24 Budget Summary

- Tentative budget responds to:
  - Public Safety
    - Fire Training Officers at the Fire Training Academy
    - Additional Fire Training Academy
    - Mental Health and Wellness Programs
    - Psychiatric Stabilization Treatment Program in the Municipal Court
    - Animal Protection Officers
  - Diversifying the Economy
    - American Rescue Plan Projects/Allocations
  - Healthcare
    - Call Reduction Initiative/Crisis Response Team
    - Completion of Homeless Resource Center
    - Wellness Centers/Recuperative Care Center
  - Internal Support/Other
    - New Positions
    - Hourly Staff Funding
    - Cybersecurity/Network Redundancy
    - Contractual and Inflationary increases
    - Travel/Training



# FY23 GF Year-End Estimate Summary

- **Current Estimate of Revenues are greater than budget - \$78.3M**
  - C-Tax year-end estimate is \$32.4M greater than budget
  - \$46.2M was transferred into the General Fund as revenue replacement under the American Rescue Plan
- **Current Estimate of Expenditures exceeding budget - \$78.8M**
  - Services and Supplies is projected to exceed budget by \$17.9M (\$23.1M reflects American Rescue Plan City-sponsored projects)
    - Services and Supplies without those expenses is underrunning budget by \$5.2M
  - Salaries and benefits is underrunning budget by \$13.0M
  - Assumes \$29M to CIP from FY22 excess beginning fund balance, \$20M to CIP from additional FY23 revenue, and \$23.1M to CIP for American Rescue Plan City-sponsored projects



# FY24 GF Summary Highlights

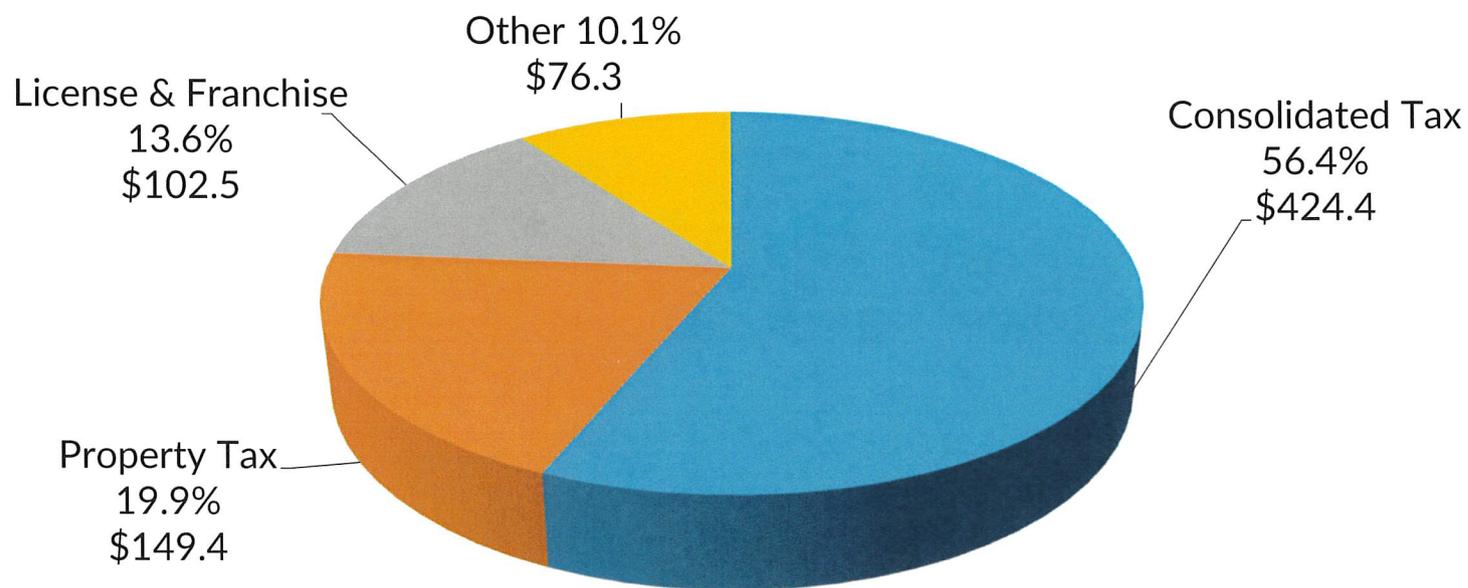
Revenues - overall (projection to budget) decrease of 3.5%

- C-TAX increase at 1.0%
- Property Tax increase at 6.0%
  - Assessed value increase 15.6%
  - Tax cap for residential at 3% and non-residential at 8%
  - Abatement \$59.4M
- License & Franchise increase at 1.6%
- Fines and Charges for Services & Other revenues increase at 4.8%
  - \$7.4M Medicaid Reimbursement
- Contribution from Redevelopment Agency of \$3.0M
- Transfers In decrease 74.5% due to American Rescue Plan revenue replacement recognized in FY23



# FY24 General Fund Revenues

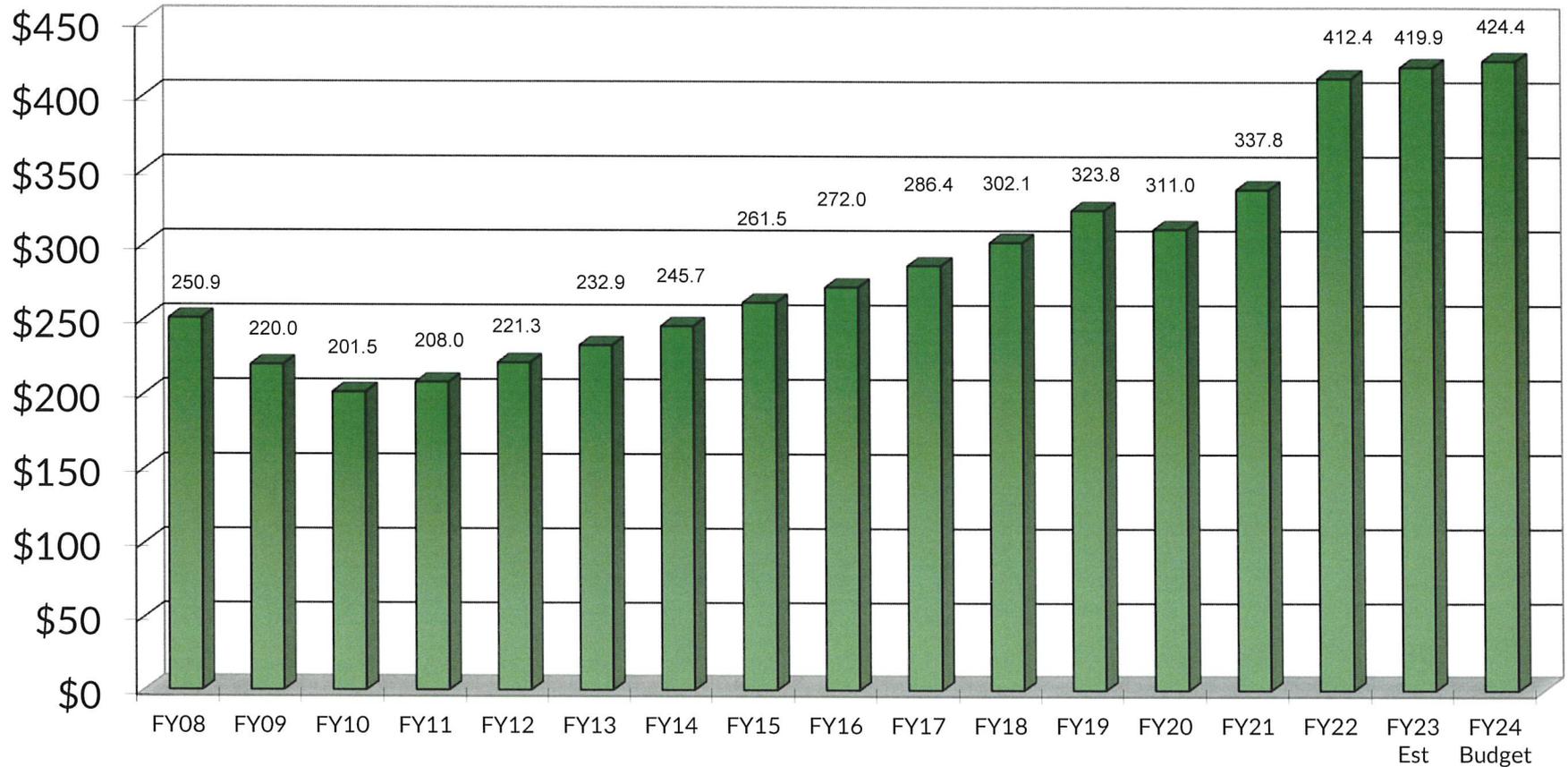
(Total \$752.6 by category expressed in millions)





# Consolidated Tax History

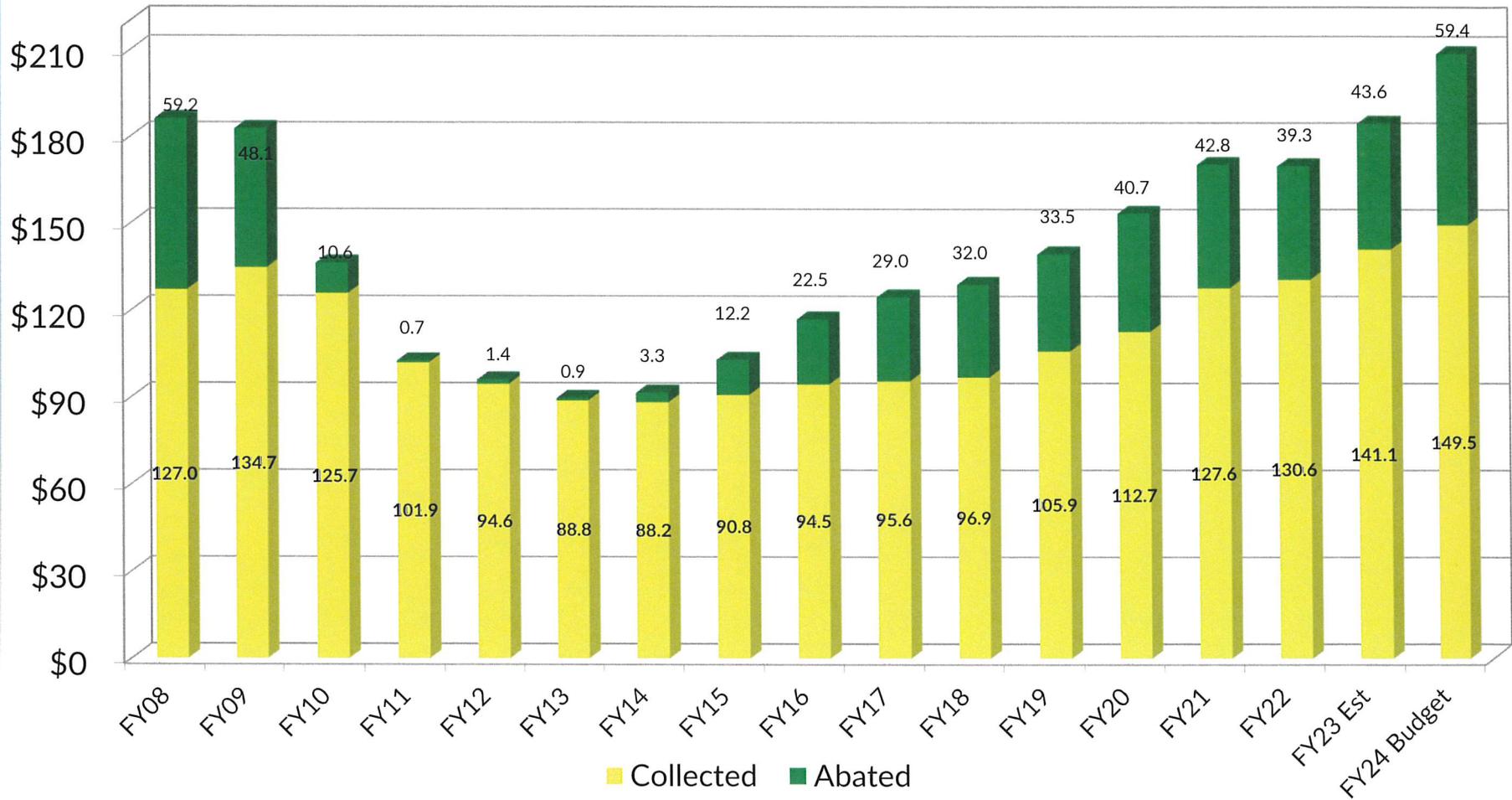
(\$ in millions)





# Property Tax History

(\$ in millions)





# FY24 Expenditure Highlights

- Metro requested increase at 10.5%
  - 23 additional civilian positions
  - Additional commissioned positions, half to the new Employee Health, Wellness and Safety Bureau
  - Remaining increase is due to COLAs, increased workers' compensation charges and increased PERS contributions
- Addition of 3<sup>rd</sup> Fire Academy and dedicated Fire Training Officers
- Expansion of the Call Reduction Initiative/Crisis Response Team
- Additional Animal Protection officers
- Shores up City-wide support services with additional positions
- Addresses neighborhood needs with additional positions for Neighborhood Beautification, Housing Rehabilitation and Code Enforcement Programs



## **FY24 Expenditure Highlights (cont.)**

- City Hall Security Technology
- Responds to inflationary cost increases on utilities and services and supplies
- Includes funding for Nevada Public Employee Retirement System (NVPERS) employer rate increases
- Collective Bargaining Agreements
  - PPA and POA - Valid through 6/30/25
  - IAFF and CEA - Valid through 6/30/24
  - POSA - Open for FY24



# FY24 Expenditure Assumptions (cont.)

## Full-Time Equivalent (FTE) Staffing Level

- FY24 Position Recommendations
  - 69.88 new positions

General Fund	52.88	Non-Public Safety	44.88
Other Funds	<u>17.00</u>	Public Safety	<u>25.00</u>
	69.88		69.88



# New Position Recommendations

- ✓ **General Fund – 52.88**
  - 1 – City Attorney – Investigator
  - 1 – Communications– Graphic Artist I
  - 1 – Community Development – Engineering Technician
  - 2 – Community Development – Code Enforcement Officer I
  - 1 – Finance– Senior Financial Analyst
  - 1 – Finance– Financial Analyst I
  - 1 – Finance– Management Analyst I
  - 1 – Finance– Accounting Technician I
  - 4 – Fire and Rescue – Fire Training Officer
  - 15 – Fire and Rescue – 3<sup>rd</sup> Fire Academy (30 candidates)
  - 1 – Fire and Rescue – Customer Service Representative
  - 1 – Fire and Rescue – EMS Captain
  - 1 – Fire and Rescue – Materials Management Supervisor



# New Position Recommendations (cont.)

## ✓ General Fund

1 – Human Resources– HR Analyst

1 – Human Resources– Senior Management Analyst

1 – Human Resources– Temporary HR Technician

1 – Human Resources– Behavioral Health Administrator

1 – Innovation and Technology– IT Business Partner

1 – Neighborhood Services– Neighborhood Beautification Program Specialist

1 – Parks, Recreation & Cultural Affairs – Customer Service Representative (Centennial Hills Active Adult Center)

1 – Parks, Recreation & Cultural Affairs – Administrative Support Assistant (Charleston Heights Art Center)

1 – Parks, Recreation & Cultural Affairs – Cultural Specialist (West Las Vegas Arts Center)



# New Position Recommendations (cont.)

## ✓ General Fund

- 1 – Parks, Recreation & Cultural Affairs – Senior Inclusion Recreation Leader
- 1 – Parks, Recreation & Cultural Affairs – Crew Leader
- 1 – Parks, Recreation & Cultural Affairs – Senior Aquatic Leader
- 2 – Public Safety– Animal Protection Officer
- 1 – Public Safety– Senior Management Analyst
- 1 – Public Works– Traffic Systems Technician Trainee
- 1 – Public Works– Underground Utility Technician
- 1 – Strategic Services– Management Analyst II
- 1 – Youth Development & Social Initiatives– Management Analyst II
- 2.88 – Youth Development & Social Initiatives – Hourly Pool Addition



# New Position Recommendations (cont.)

✓ Other Funds – 17.00

-Special Revenue Funds (Housing Federal Grants) – 4.00

- 1 – Neighborhood Services – Housing Rehabilitation Specialist
- 1 – Neighborhood Services – Management Analyst I
- 1 – Neighborhood Services – Administrative Support Assistant
- 1 – Neighborhood Services – Community Program Technician

-Enterprise Funds – 4.00

- 1 – Parking– Parking Enforcement Officer
- 1 – Sanitation– Senior Technical Systems Analyst
- 1 – Sanitation– Technical Training Specialist
- 1 – Sanitation– Maintenance Planner



# New Position Recommendations (cont.)

## ✓ Other Funds

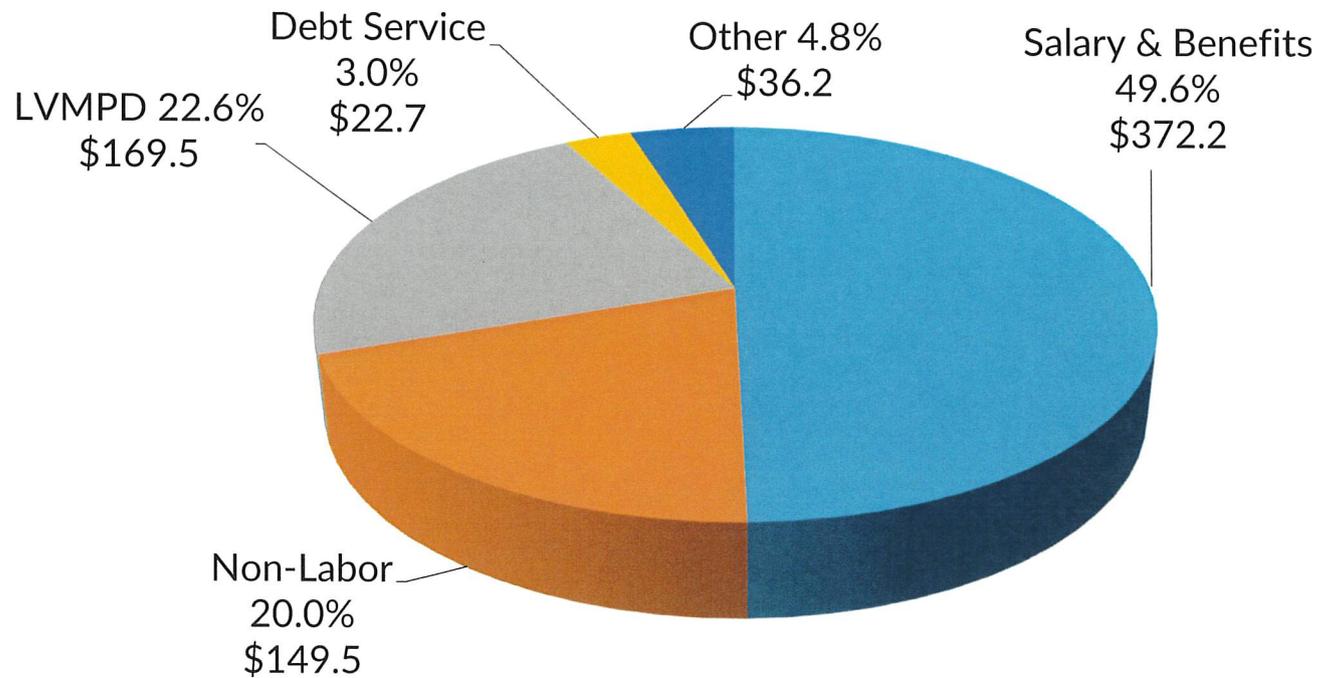
### -Internal Service Funds – 9

- 1 – Economic and Urban Development – Economic Development Specialist
- 3 – Fire and Rescue – Communications Specialist
- 1 – Fire and Rescue – IT for Communications Center
- 1 – Innovation & Technology – Security Analyst II
- 1 – Innovation & Technology – Senior Technical Systems Analyst
- 1 – Public Works– Fleet Services Worker
- 1 – Public Works– Heavy Mechanic



# FY24 General Fund Expenditures

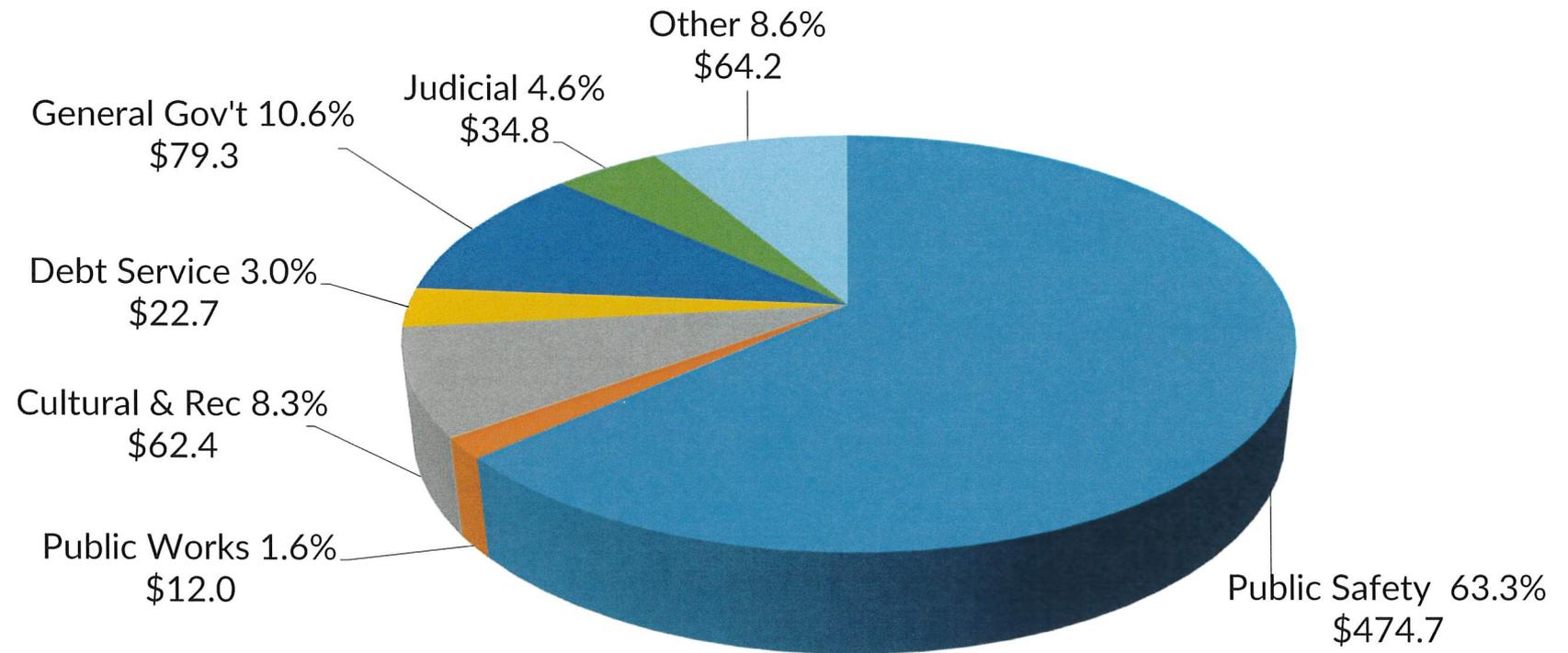
(Total \$750.1 by category expressed in millions)





# FY24 General Fund Expenditures

(Total \$750.1 by function expressed in millions)





## FY24 General Fund Tentative Budget

(\$ in millions)

	FY22 Actual	FY23 Estimate	FY24 Tentative
Beginning Unrestricted Fund Balance	\$ 172.4	\$ 195.6	\$ 205.5
Consolidated Tax	412.4	419.9	424.4
Property Tax	116.9	126.3	133.9
License & Franchise	104.7	100.9	102.5
Other	70.3	72.1	76.3
Transfers In from Other Funds	13.7	61.0	15.5
<b>Revenues</b>	<b>\$ 718.0</b>	<b>\$ 780.2</b>	<b>752.6</b>
Wages & Benefits	\$ 309.6	\$ 334.0	\$ 372.2
Non-Labor	107.7	148.2	149.5
LVMPD - Operations	151.5	153.4	169.5
Transfer out - Debt Service	21.7	19.3	22.7
Transfer out - Capital One Time	87.7	72.1	10.0
Transfer out - Capital	10.0	37.7	10.0
Transfer out - Other Funds	6.6	5.6	16.2
<b>Expenditures</b>	<b>694.8</b>	<b>\$ 770.3</b>	<b>\$ 750.1</b>
Excess (Shortfall)	\$ 23.2	\$ 9.9	\$ 2.5
Ending Unrestricted Fund Balance	\$ 192.0	\$ 201.9	\$ 204.4
Ending Unrestricted Fund Balance Percent	27.6%	26.2%	27.3%



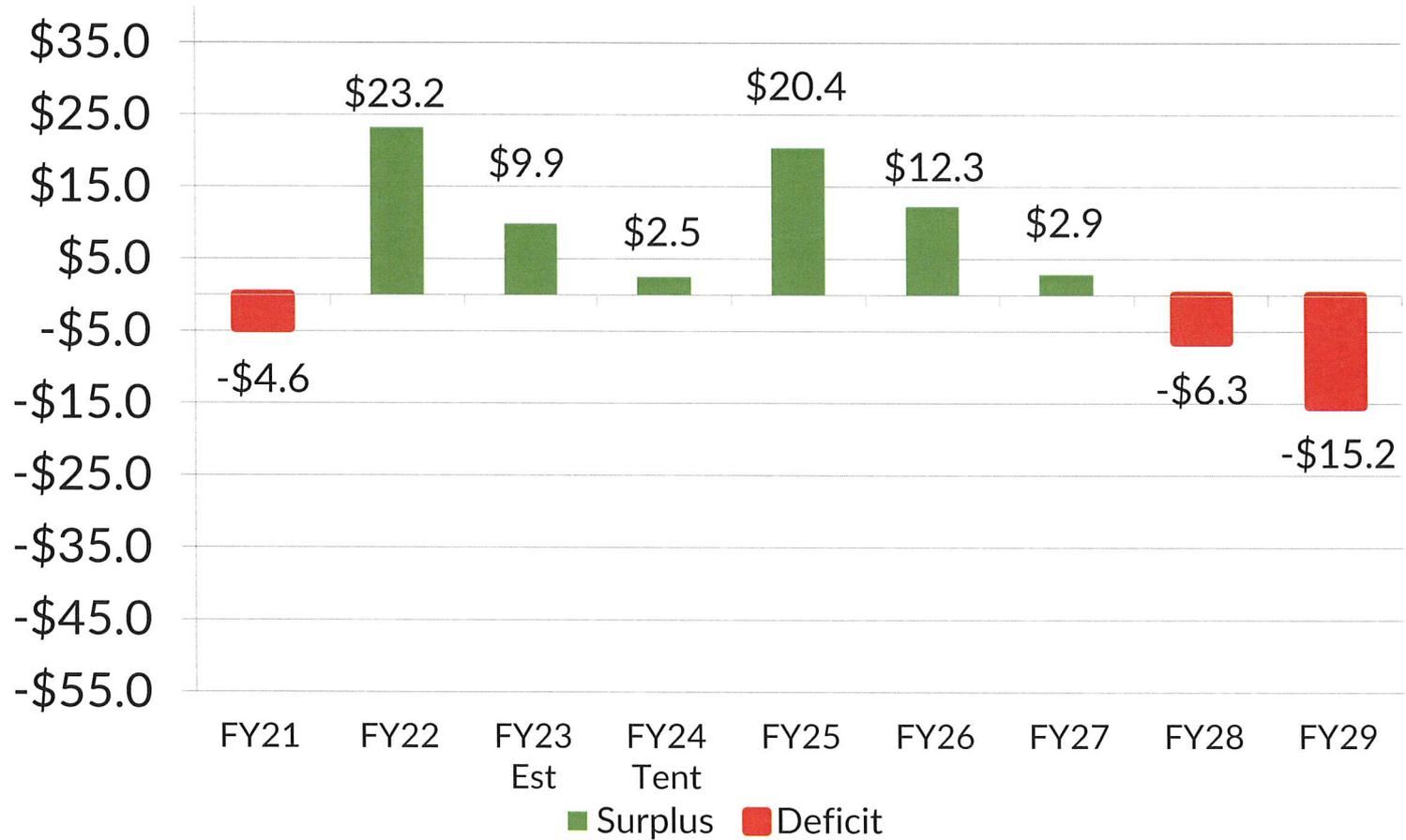
# General Fund Rev. & Exp. Trending





# General Fund Forecast

(\$ in millions)





# FY24 Capital Improvement Plan

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

- 1% Transportation Room Tax (Roadway Improvements)
- LVCVA (Parks)
- Fire Safety Initiative
- 5 Cent Ad Valorem (Facilities)
- Annual Medicaid Reimbursement
- Southern Nevada Public Land Management Act (SNPLMA)
- American Recovery Plan Act (ARPA)
- General Fund/Fund Balance Transfer-In
- Residential Construction Tax
- Reallocation of existing project funding (closed-out projects)



## FY24 Capital Improvement Plan (cont.)

- Major Projects:
  - LVMPD Backup 911 Call Center / EOC - \$6M
  - DPS Training Facilities Upgrade / Expansion - \$1.5M
  - NW Regional Park Phase 1A - \$24.4M (SNPLMA Grant)
  - Lorenzi Park Improvements - \$3.3M (SNPLMA Grant)
  - Pool Rehabs (Durango YMCA and CH YMCA) - \$8.5M
  - Park/Community Center and City Facility Asset Replacements - \$10M
  - Fire/EMS Apparatus & Other Equipment/Infrastructure Replacements/Upgrades - \$15.8M
  - Fire Training Center Rehab - \$6M
  - Fire Station #103 3-Bay Replacement (Design) - \$1.5M



# FY24 Capital Improvement Plan (cont.)

FY24 new capital project allocation:

- Total allocation from various sources is \$151M (50.7% of \$297.7 FY23)
- Does not include those projects approved and allocated funding by regional agencies (RTC; RFCD; NDOT)

Allocation by category:

- City Facilities/General Govt. - \$46.4M (\$21.2M in Bid Reserve)
  - Parks and Recreation - \$59.4M (\$27.6M Grants from SNPLMA)
  - Public Safety - \$31.9M
  - Road and Flood - \$8.9M
  - Technology - \$4.4M
- 
- Total of 57 new projects for FY24



# Redevelopment Agency

- Fiscal Trends
  - Assessed value increase in FY22 at 7.9%, FY23 at 14.3% and FY24 at 11.2%
  - Tax increment Revenue growth in FY22 at 13.5%, FY23 at 20.4% and FY24 at 13.8%
- Development in Las Vegas Medical District
- Resource Partner for Hundred Plan in Action
- Symphony Park Development
- Arts District Parking Garage
- Visual Improvement Program
- Cashman Redevelopment
- Contribution to City of \$3.0M for maintenance in RDA area
- International Innovation Centers – Smart Cities Innovation
  - International Innovation Center I at 300 S. 4<sup>th</sup> Street
  - International Innovation Center II at Herbert



# Redevelopment Agency

(\$ in millions)

	FY22 Actuals	FY23 Estimate	FY24 Budget
Beginning Unrestricted Fund Balance	\$ 31.1	\$ 32.6	\$ 20.8
Tax Increment	\$ 28.8	\$ 32.1	\$ 34.0
Less 18% set aside	(5.2)	(5.8)	(6.1)
Other/Contributions	2.3	7.9	6.3
Revenues	\$ 25.9	\$ 34.2	\$ 34.2
Operations	\$ 4.7	\$ 5.6	\$ 5.7
Debt Service	10.4	10.6	10.6
Tax Increment Financing	2.8	3.2	3.5
Contribution to CLV GF	2.1	2.2	3.0
Program Expense	4.4	11.0	16.3
Contribution to CLV Capital Projects	-	13.4	-
Expenditures	\$ 24.4	\$ 46.0	\$ 39.1
Excess (Shortfall)	\$ 1.5	\$ (11.8)	\$ (4.9)
Ending Unrestricted Fund Balance	\$ 32.6	\$ 20.8	\$ 15.9



## RDA Budget Policy Recommended Updates

- First recommended update to Agency approved policies since 2014
- Revised language in the Budgets, Positions and Personnel, Capital, Revenue, and Fund Balance and Reserves sections
- Removed language in the Budgets, Capital, Revenues, and Fund Balance and Reserves sections that did not apply to the Agency
- Recommending change to Fund Balance and Reserves section to increase the reserve target from 5% to 10% of budgeted operating expenses



# FY24 Tentative Budget – All Funds

(\$ in millions)

	FY22 Actuals	FY23 Estimate	FY24 Budget
General Fund	\$ 694.8	\$ 770.3	\$ 750.1
Special Revenue Fund	150.6	207.8	212.0
Capital Program	182.3	374.1	697.2
Debt Service Fund	46.8	41.4	44.4
Permanent Fund	0.1	0.1	0.3
Enterprise Fund	134.3	238.7	253.1
Internal Service Fund	193.5	175.0	196.5
<b>Total</b>	<b>\$ 1,402.4</b>	<b>\$ 1,807.4</b>	<b>\$ 2,153.6</b>
Authorized FTE Staffing Level			
Regular Employees	2,858.00	2,947.00	3,013.00
Temporary Employees	9.00	22.00	23.00
Hourly Employees	760.00	786.18	789.06
<b>Total Authorized FTE Staffing Level</b>	<b>3,627.00</b>	<b>3,755.18</b>	<b>3,825.06</b>
City Population	665K	661K	N/A



# Key Budget Takeaways

- Responds to Council priorities of Public Safety, Healthcare and Diversifying the Economy
- Focus on Organizational and Fiscal Health
- Conservative budget for FY24
- Filing surplus General Fund budget for FY24 Tentative
  - Revenue in excess of expenditures of \$2.5M



# Next Steps

- **Filing of Tentative Budget - April 15, 2023**
- **Budget Hearing - May 17, 2023**
- **Filing of Final Budget- June 1, 2023**
- **Filing of 5-Year CIP - August 1, 2023**