

# TENTATIVE/ PROPOSED BUDGET

**Fiscal Year 2020–2021**

Presented by:

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Las Vegas–Clark County

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# FY 2020-2021 Budget Strategy

Reengineering for an Evolving Future

# Historical Background

## The Great Recession

### General Fund:

- Consolidated Sales Tax (CTX)
  - Current year is expected to drop by as much as 14% from budget in the amount of \$3.4M from \$24.2M to \$20.7M
  - Matches the downward trend seen during the last recession, bringing revenues to 2014 levels
- Property Tax
  - Drop to around 10% for 3 straight years due to:
    - Drop in Assessed Property Values
    - High foreclosures
  - Remain at that level for 2 years before rising
    - 3% Residential
    - 8% Commercial
    - Limited by CPI growth

# Historical Background (Cont.)

## The Great Recession

- Capital Projects Fund
  - Established and to be used as a Rainy Day fund under catastrophic circumstances
- There was no shut down of the economy
  - High unemployment rate for several years

# Revenues

## Economic Impact – Current FY 2019-20

### General Fund:

- Consolidated Sales Tax (CTX)
  - Current year is expected to drop by as much as 15% from budget in amount of \$3.6M from \$24.2M to \$20.7M
- Property Tax
  - We expect to collect all budgeted current year property tax revenue for FY 2019-20 of \$44.9M

# Revenues (Cont.)

## Economic Impact – Budget FY 2020-21

### General Fund:

- Consolidated Sales Tax (CTX)
  - Budgeted CTX is expected to drop an additional 14.2% (\$2.9M) from the estimated Current Year actual of \$20.7M to \$17.8M
- Property Tax
  - Collection of all budgeted current year property tax revenue for FY 2020-21 is questionable
    - Budgeted amount - \$49.3M an increase of \$4.4M over Current Year budget
- Expected and continued high unemployment rate

# Consolidated Sales Tax

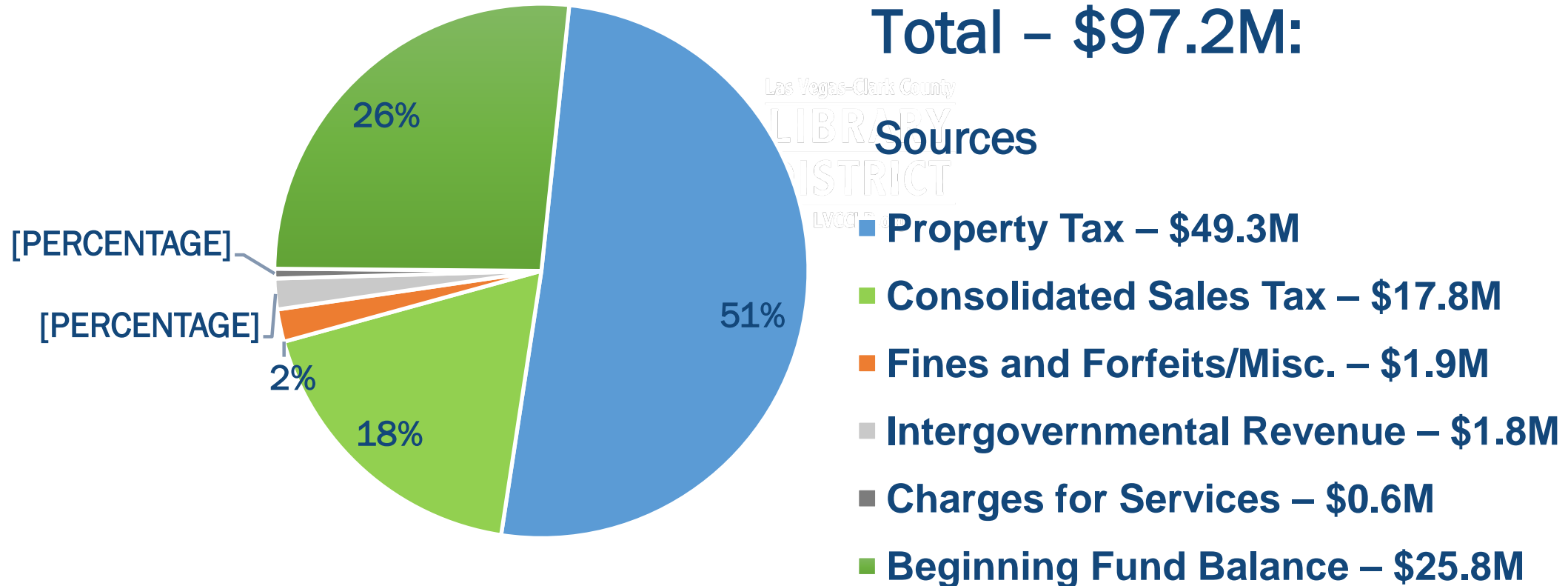
## Economic Impact

	Consolidated Tax 19-20				Consolidated Tax 20-21			
			% Increase				% Increase	
	FY19	FY20	Over FY18		FY20	FY21	Over FY19	
July	1,826,540.60	1,911,539.33	4.65%		1,911,539.33	1,624,808.43	-15.00%	85%
August	1,832,910.32	1,977,855.19	7.91%		1,977,855.19	1,681,176.91	-15.00%	85%
September	2,021,329.13	2,129,047.65	5.33%		2,129,047.65	1,809,690.50	-15.00%	85%
October	1,795,589.90	1,975,666.37	10.03%		1,975,666.37	1,679,316.41	-15.00%	85%
November	1,917,307.97	1,989,189.12	3.75%		1,989,189.12	1,690,810.75	-15.00%	85%
December	2,221,539.92	2,445,754.63	10.09%		2,445,754.63	2,078,891.44	-15.00%	85%
January	1,810,148.73	1,923,222.53	6.25%		1,923,222.53	1,634,739.15	-15.00%	85%
February	1,721,369.96	1,734,892.48	0.79%		1,734,892.48	1,474,658.61	-15.00%	85%
March	2,215,572.16	1,421,123.23	-35.86%	60%	1,421,123.23	1,279,010.91	-10.00%	90%
April	1,928,303.84	1,236,862.17	-35.86%	60%	1,236,862.17	1,113,175.95	-10.00%	90%
May	1,995,526.81	959,985.49	-51.89%	45%	959,985.49	863,986.94	-10.00%	90%
June	2,157,180.02	1,037,751.79	-51.89%	45%	1,037,751.79	933,976.61	-10.00%	90%
	<b>23,443,319.36</b>	<b>20,742,889.98</b>	<b>-11.52%</b>		<b>20,742,889.98</b>	<b>17,864,242.62</b>	<b>-13.88%</b>	

# Total Available Resources – All Funds

**Total – \$97.2M:**

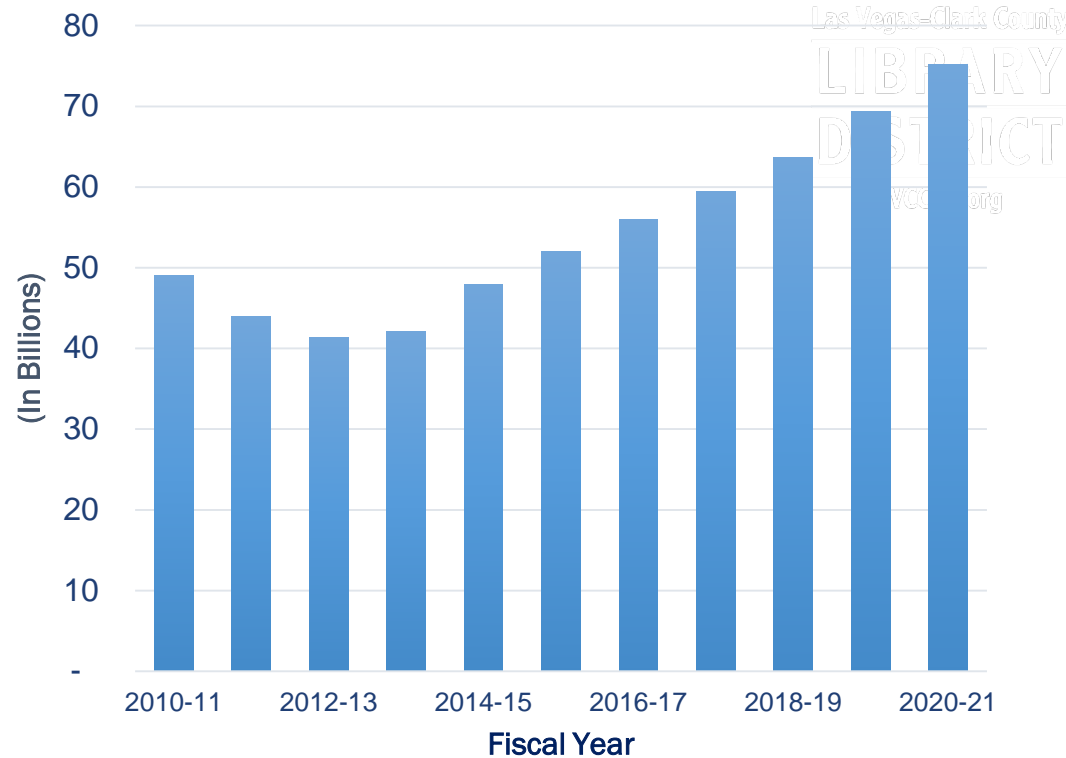
## Sources





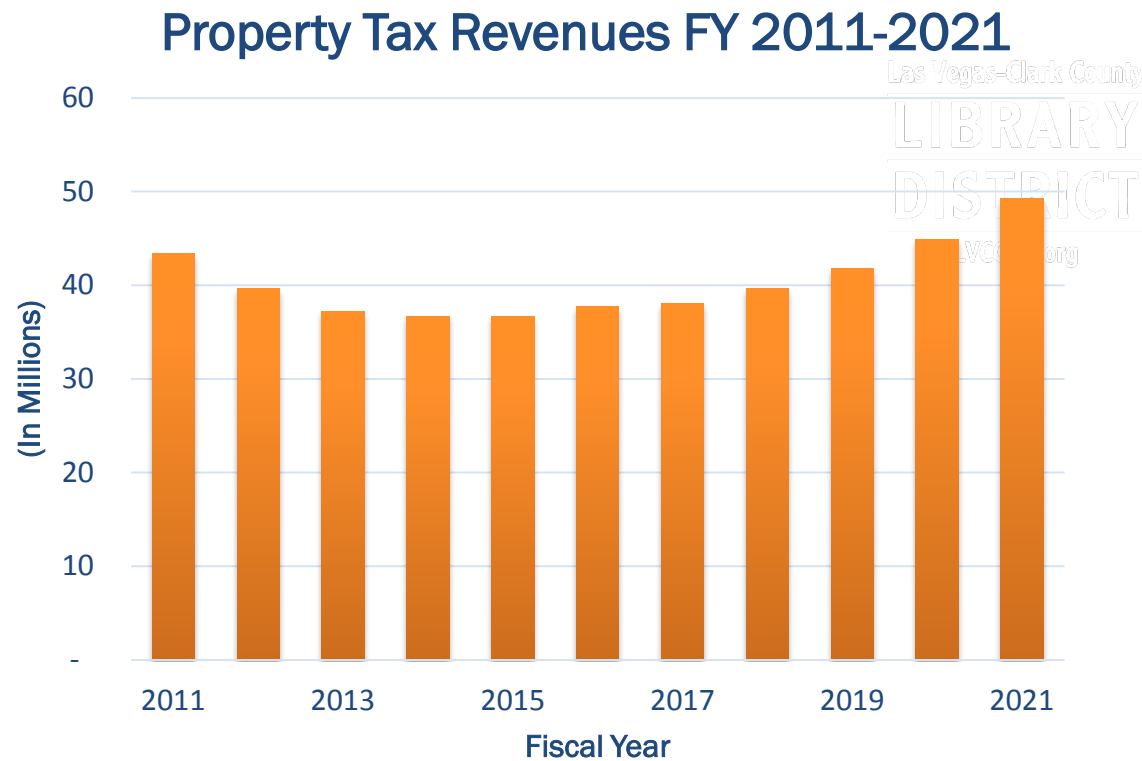
# Assessed Value

## Assessed Valuation FY 2011-2021



- Property tax is based on Assessed Valuation (AV) of property
- 2020-2021 AV: \$75.2B, an 8% increase over 2019-2020
- Property tax represents **69%** of total revenues (\$49.3M)

# Property Tax Revenues



## Property taxes

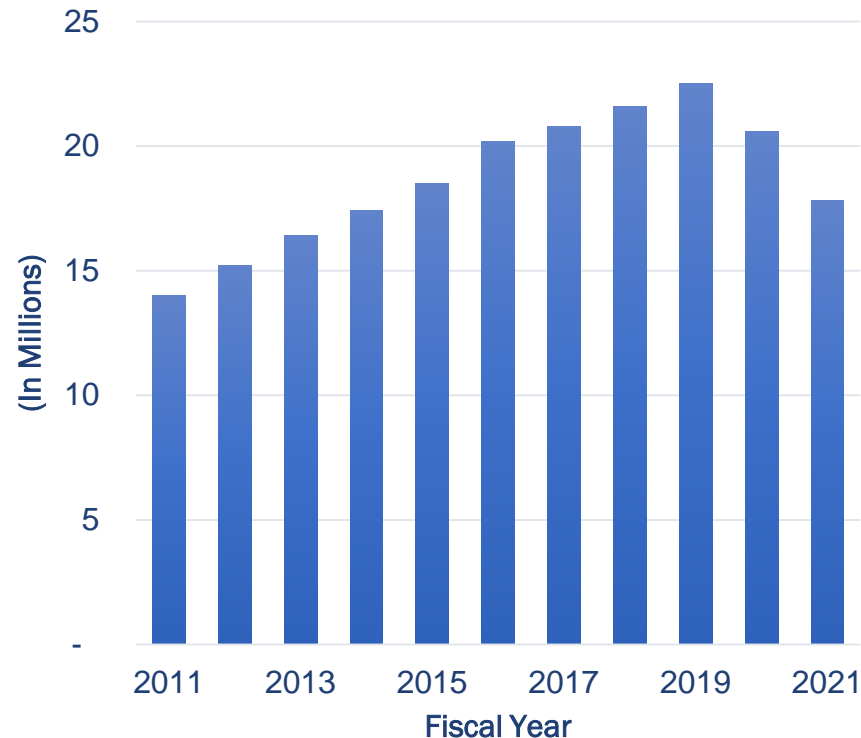
FY 2021 – \$49.3M Budgeted  
FY 2020 – \$44.9M Budgeted  
FY 2019 – \$43.0M Actual  
FY 2018 – \$40.6M Actual  
FY 2017 – \$38.6M Actual  
FY 2016 – \$37.9M Actual  
FY 2015 – \$36.7M Actual  
FY 2014 – \$36.7M Actual  
FY 2013 – \$36.2M Actual  
FY 2012 – \$39.6M Actual  
FY 2011 – \$43.4M Actual

# The District's Property Tax Rate

- Tax rate: General Fund \$.0942
- Total tax rate: \$.0942 per \$100 AV
- Property tax rate per \$100K pays about \$32.97 yearly or \$2.75 monthly

# Consolidated Sales Tax Revenue

Consolidated Sales Tax  
Revenue FY 2011-2021



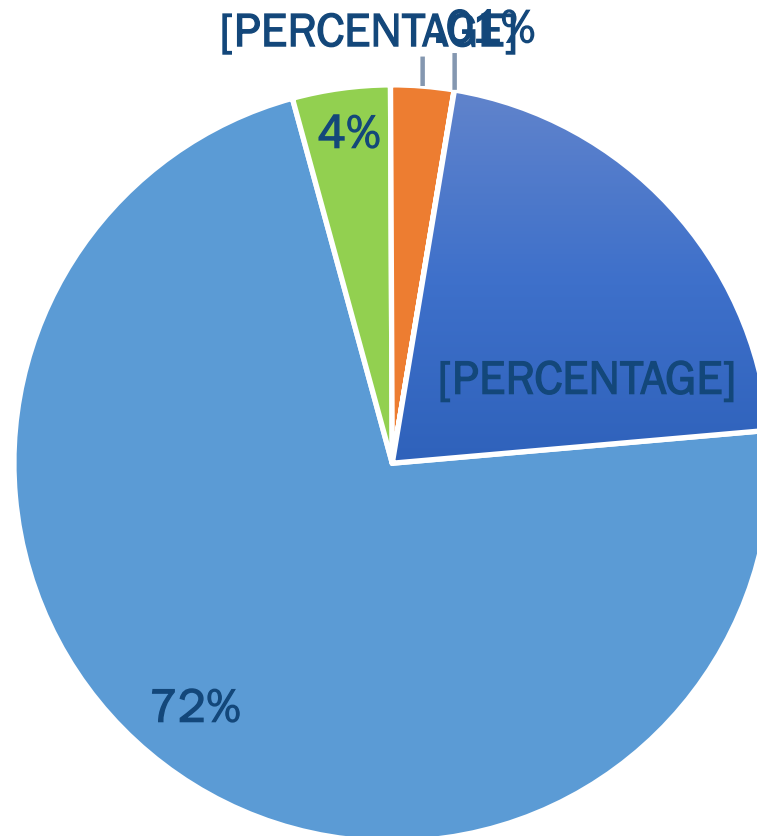
CTX is a combination of City/County Relief (sales) and miscellaneous taxes distributed to most Clark County public entities according to State formula

- 2020-2021 estimate: \$17.8M, a decrease of \$6.4M
- CTX revenue accounts for 6.0% of all revenues
- CTX revenue is volatile

All other revenues account for:

- Grants and Gifts, Fines and Forfeits, Interest, Contracts
- \$4.3M or 11.5% of the budget

# Total Uses of Available Resources – All Funds




**Total – \$97.2M:**

**Uses and Fund Balance –**

- **General Fund – \$70.1M**
- **Capital Projects Fund – \$4.1M**
- **Special Revenue Funds – \$2.6M**
- **Debt Service Fund – \$.01M**
- **Ending Fund Balance – \$20.4M**

# General Fund

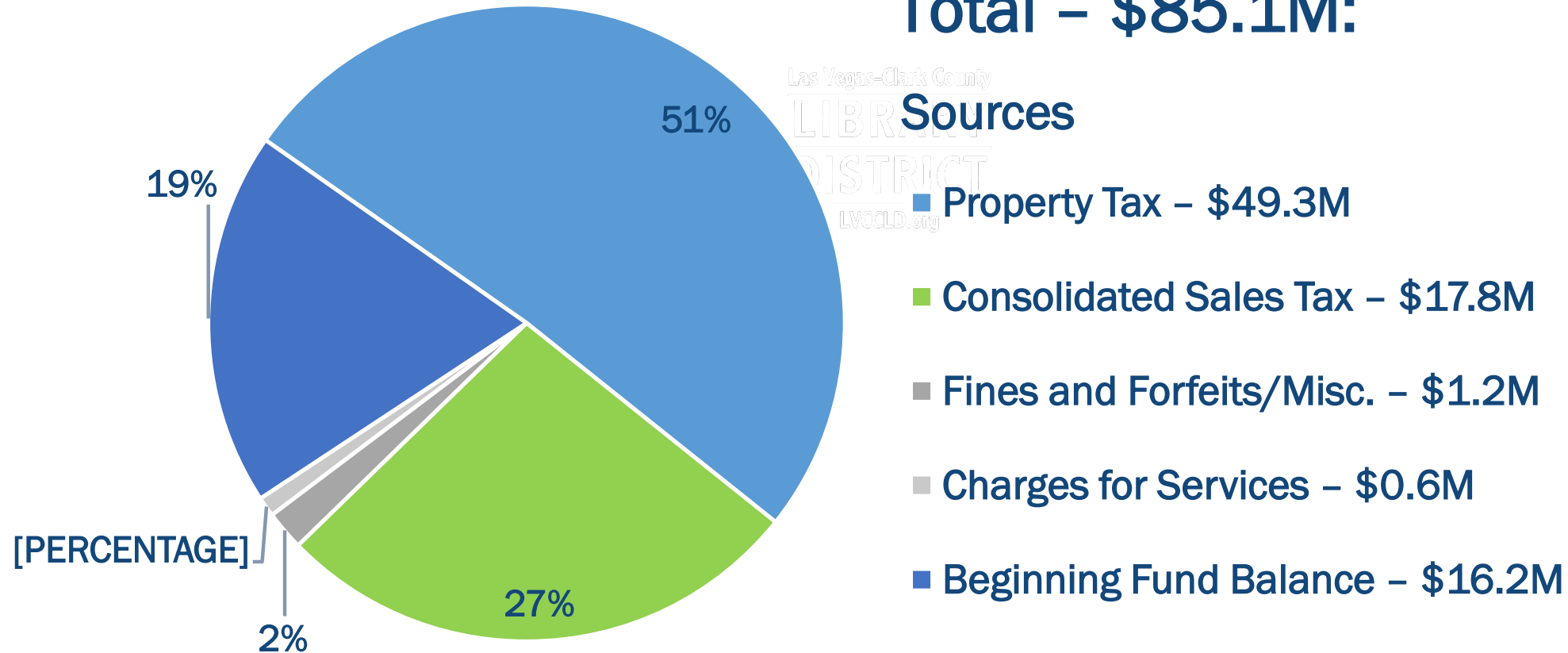
A close-up photograph of a person's hands working on financial documents. One hand holds a black pen over a document featuring various charts, including a pie chart and bar graphs. The other hand is positioned near a calculator. The documents are spread out on a dark wooden table. The image is partially obscured by a large, diagonal, semi-transparent blue and purple graphic element that covers the right side of the slide.

The General Fund is the operating fund for the District. It is used to account for all financial resources except for those required to be accounted for in another fund.

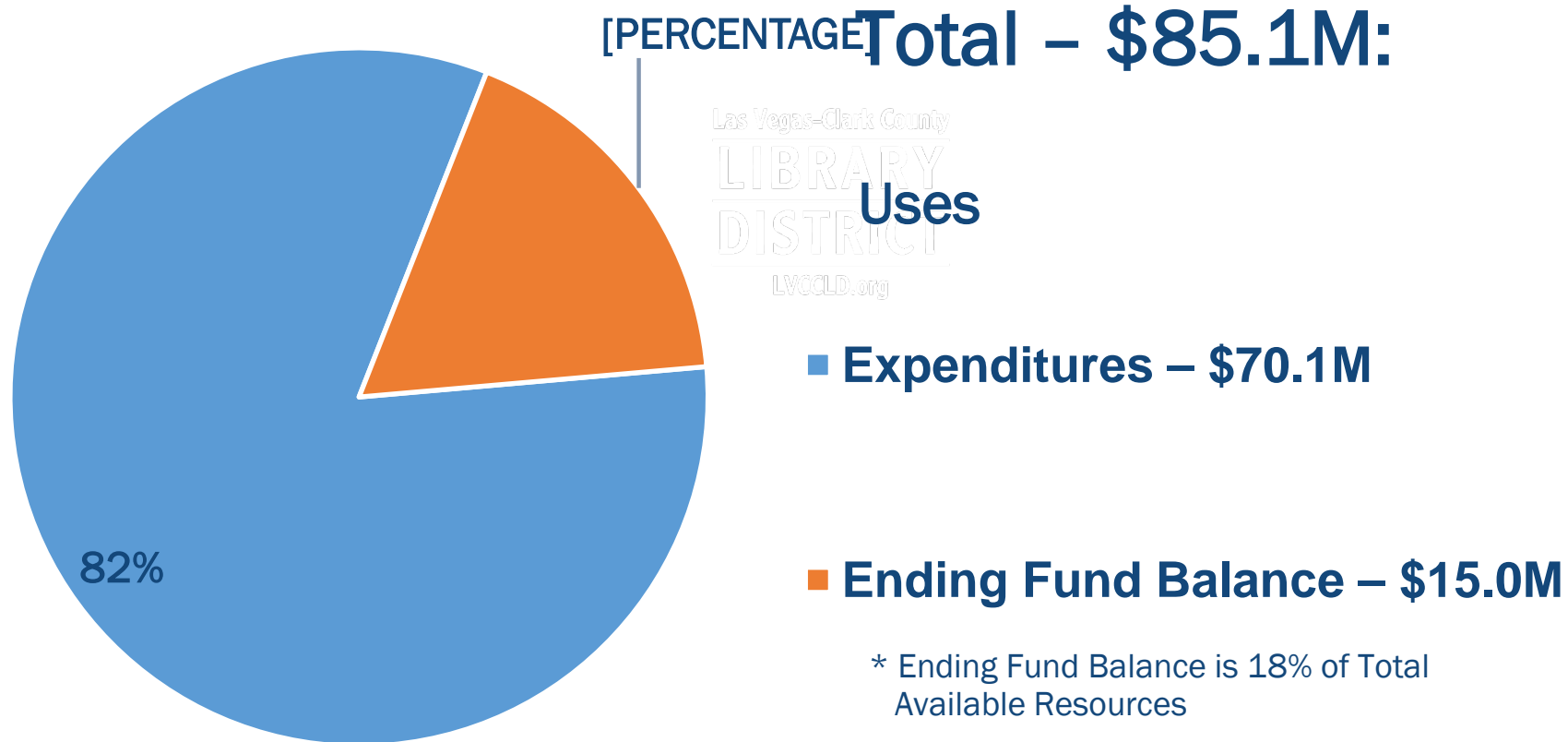
# Total Available Resources – General Fund

Total – \$85.1M:

## Sources



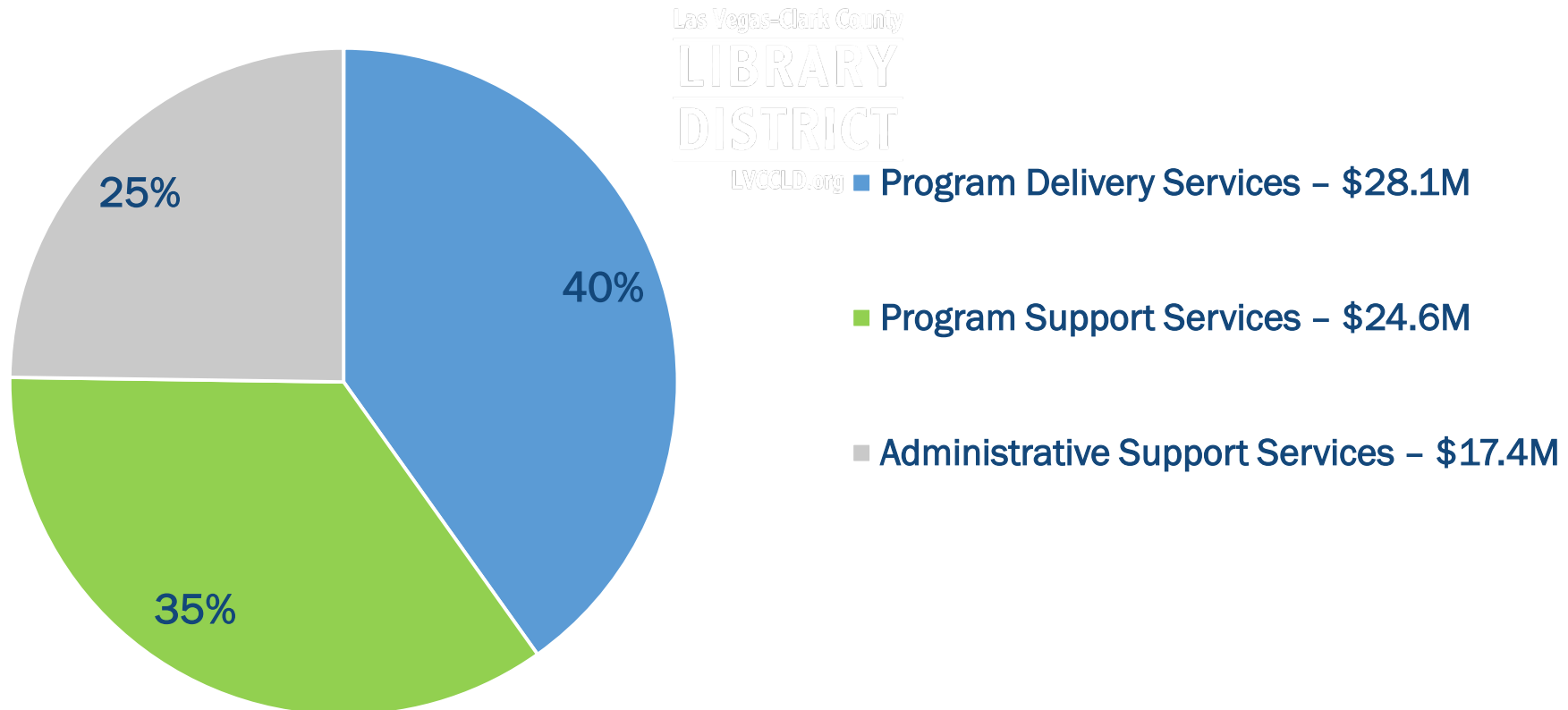
# Total Uses of Available Resources – General Fund





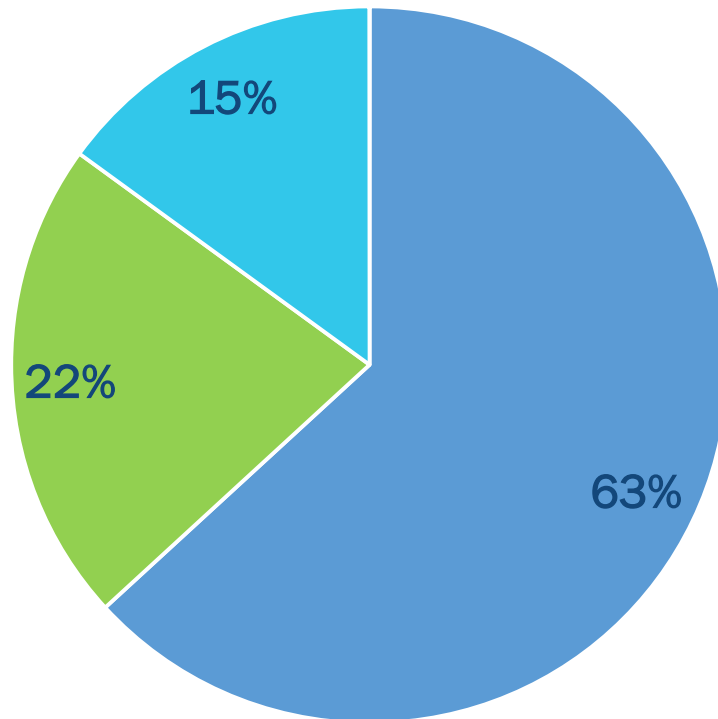
# General Fund – By Function

Total Expenditures by Function – \$70.1M:



## General Fund – By Activity

Total Expenditures by Activity – \$70.1M:



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### Sources

- Salaries and Benefits – \$44.3M
- Services and Supplies – \$15.3M
- Library Materials – \$10.5M

# Expenditure Decreases

## General Fund expenditures decreased by \$2.7M (3.7%):

- Salaries and benefits decreased by \$1.5M (3.3%):  
Primarily due to freezing vacant positions and potential concessions to reduce salary increases and health insurance costs
- Services and supplies decreased by \$898K (5.5%):  
Concerted effort to limit contracts to essential services
- Library materials increased by \$322K (3.0%)

# Ending Fund Balance

## General Fund Budget


- Ending Fund Balance of \$15.0M is 21% of FY 2020-2021 expenditures, but 18% of Total Available Resources
- Necessary to provide liquidity for cash outflows
- Acts as a cushion during economic downturns

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# **LIBRARY DISTRICT**

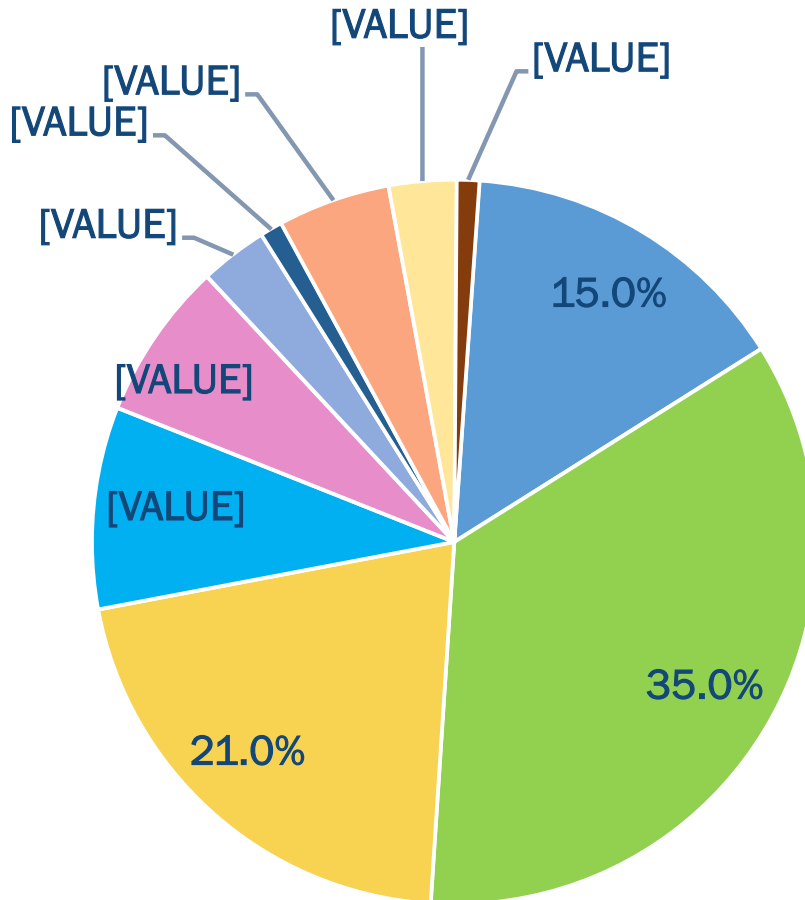
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# **Library Materials**

A photograph of a young woman with dark skin and short hair, wearing a blue headband, a light blue denim jacket over a plaid shirt, and a brown backpack. She is crouching in a library aisle, looking at books on a shelf. The shelves are filled with books of various colors. The image is partially obscured by a large, dark blue triangular graphic element that points towards the bottom right.

Library Materials are considered to be one collection, which is physically and electronically distributed among District branches.

# Materials Budget



## Materials Allocation \$10.5M:

- Adult Print – \$1.57M or 15.0%
- Downloadable eBooks & Media – \$3.68M or 35.0%
- Electronic Databases & Services – \$2.20M or 21.0%
- Adult Audio Visual – \$0.95M or 9.0%
- Juvenile Print – \$0.74M or 7.0%
- Juvenile Audio Visual – \$0.32M or 3.0%
- Reference – \$0.11M or 1.0%
- Periodicals – \$0.53M or 5.0%
- Languages – \$0.32M or 3.0%
- Nontraditional Items – \$0.11M or 1.0%

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# **LIBRARY DISTRICT**

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# Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources, which are the Grant Fund and Gift Fund.

# Special Revenue Funds

## Special Revenue – \$2.6M:

- Literacy (Adult Learning Program) and Other Grants – \$1.8M
- Donations in the Gift Fund – \$0.8M



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## Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general obligation bonds.



# Debt Service Fund

- Last debt service payment made in January 2019

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# Capital Projects Fund

The Capital Projects Fund accounts for the acquisition, replacement, or construction of major capital projects and facilities.



# Capital Projects Fund Programs

## \$8.6M Projected Available Resources:

- Library Services Platform Replacement – \$0.0M
- Technology Replacements & Upgrades – \$3.4M
- Building Repair & Maintenance – \$3.8M
- Capital Construction – \$0.0M
- Vehicle Purchase & Replacement – \$0.3M
- Library Materials – \$0.0M
- Furniture Purchase & Replacement – \$0.3M
- Financial Services – \$0.3M
- Programming & Venues – \$0.5M

## Capital Projects Fund Programs (Cont.)

### \$4.1M Budgeted Expenditures:

- Library Services Platform Replacement – \$0.0M
- Technology Replacements & Upgrades – \$1.8M
- Building Repair & Maintenance – \$1.4M
- Capital Construction – \$0.0M
- Vehicle Purchase & Replacement – \$0.05M
- Library Materials – \$0.0M
- Furniture Purchase & Replacement – \$0.05M
- Financial Services – \$0.3M
- Programming & Venues – \$0.5M

### \$4.5M Remaining Fund Balance:

- Reserved to cover Capital Projects Fund Programs in future years.

# Capital Projects Fund Transfers and Budgeted Expenditures FY 2020-2021

	06-30-2020 Est. Ending Funding Balance	2020-21 Transfers	2020-21 Budgeted Revenues	Total Available for FY 2020-21	Program Transfers	2020-21 Budgeted Expenditures	06-30-2021 Est. Ending Funding Balance
Library Services Platform Replacement	281,992			281,992	(281,992)		-
Technology Replacements & Upgrades	1,180,776			1,180,776	2,223,037	(1,747,000)	1,656,813
Building Repair & Maintenance	1,244,904		50,000	1,294,904	2,516,099	(1,427,000)	2,384,003
Vehicle Purchase & Replacement	258,692			258,692		(50,000)	208,692
Library Materials	284,107			284,107	(284,107)	-	-
Furniture Purchase & Replacement	169,158			169,158	100,000	(50,000)	219,158
Financial Services	332,319			332,319		(305,000)	27,319
Community Engagement/Programming and Venues	503,893			503,893		(479,700)	24,193
Capital Construction	4,273,037			4,273,037	(4,273,037)	-	-
<b>Total</b>	<b>8,528,878</b>	<b>-</b>	<b>50,000</b>	<b>8,578,878</b>	<b>-</b>	<b>(4,058,700)</b>	<b>4,520,178</b>



# Budget Analysis

## Fiscal Years Comparison

General Fund	Financial Stmt					
	Actual 2018-19	Budget 2019-20	Estimated 2019-20	Tentative 2020-21	Final Budget 2020-21	Projected 2021-22
Revenue	68,548,131	71,390,000	69,337,283	77,155,000	68,900,000	68,900,000
Expenditures	62,939,189	72,794,944	64,709,669	73,157,362	70,084,868	68,900,000
Excess (Deficiency) of Revenues over Expenditures	5,608,942	(1,404,944)	4,627,614	3,997,638	(1,184,868)	0
Less transfers out	6,200,000	6,000,000	3,000,000	11,000,000	0	0
Excess (Deficiency) of Revenues over Expenditures & Transfers Out	(591,058)	(7,404,944)	1,627,614	(7,002,362)	(1,184,868)	0
Fund balance, beginning of year	15,168,032	14,576,974	14,576,974	14,113,869	16,204,588	15,019,720
Fund balance, end of year	14,576,974	7,172,030	16,204,588	7,111,507	15,019,720	15,019,720
Fund balance, end of year Adjusted	14,576,974	7,172,030	16,204,588	7,111,507	15,019,720	15,019,720
	23.16%	9.85%	25.04%	9.72%	21.43%	21.80%

- Revenue is projecting to remain level thru FY 2021-22
- Expenditures are to be reduced down by \$4.84M and maintained at that level for FY 2020-21 thru FY 2021-22
- No expected transfers to the Capital Projects Fund for two years for FY 2020-21 thru FY 2021-22
- Maintain an Ending Fund Balance at a minimum of 20%

# Final State Budget

## General Fund Revenues

	(1)	(2)	(3)	(4)
			BUDGET YEAR	ENDING 06/30/21
<u>REVENUES</u>	ACTUAL PRIOR YEAR ENDING 6/30/19	ESTIMATED CURRENT YEAR ENDING 6/30/20	TENTATIVE APPROVED	FINAL APPROVED
Property Taxes	43,021,608	46,610,528	49,300,000	49,300,000
Intergovernmental Resources	23,443,319	20,742,890	25,505,000	17,800,000
Charges for Services	603,862	486,708	670,000	570,000
Fines and Forfeits	757,254	555,000	900,000	450,000
Contributions	211,346	98,745		
Miscellaneous	399,582	745,000	765,000	765,000
Investment Income	111,160	98,412	15,000	15,000
SUBTOTAL REVENUE ALL SOURCES	68,548,131	69,337,283	77,155,000	68,900,000
OTHER FINANCING SOURCES (specify)				
Operating Transfers In (Schedule T)				
BEGINNING FUND BALANCE	15,168,032	14,576,974	14,113,869	16,204,588
TOTAL BEGINNING FUND BALANCE	15,168,032	14,576,974	14,113,869	16,204,588
TOTAL AVAILABLE RESOURCES	83,716,163	83,914,257	91,268,869	85,104,588



# Final State Budget

## General Fund Expenditures

	(1)	(2)	(3)	(4)
			BUDGET YEAR	ENDING 06/30/21
<b>EXPENDITURES</b>	ACTUAL PRIOR YEAR ENDING 6/30/19	ESTIMATED CURRENT YEAR ENDING 6/30/20	TENTATIVE APPROVED	FINAL APPROVED
<b>Culture and Recreation</b>				
Salaries and Wages	29,449,204	29,932,511	33,318,685	31,770,974
Benefits	11,182,265	12,402,714	13,032,810	12,499,828
Supplies and Services	12,089,521	12,917,207	15,896,118	15,304,682
Capital Outlay	10,218,199	9,457,237	10,909,749	10,509,384
Subtotal	62,939,189	64,709,669	73,157,362	70,084,868
OTHER USES				
CONTINGENCY (not to exceed 3% of Total Expenditures)				
Operating Transfers Out (Schedule T)	6,200,000	3,000,000	11,000,000	0
ENDING FUND BALANCE	14,576,974	16,204,588	7,111,507	15,019,720
TOTAL FUND COMMITMENTS AND FUND BALANCE	83,716,163	83,914,257	91,268,869	85,104,588

# Cost Reduction Measures

**Streamlining the budget to maintain expenditures at the same level as expected revenues over the next two to three years**

- Voluntary Employee Separation Program (VESP)
- Voluntary Furloughs
- Freezing Vacant Positions
- No Annual Pay Increases (?)
- No Merit raises (?)
- No increases in healthcare costs (?)

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*Questions?*