

Nevada League of Cities

Presentation to the Financial Crisis Inquiry Commission

September 8, 2010

Local Governments are Hurting

- We rely on same revenues as State (except gaming taxes)
- Our workforces are bare bone
- Program/services have been reduced or eliminated (preserving PS)
- We have not seen the bottom yet

Similarity in Local Government and State Revenue Structures

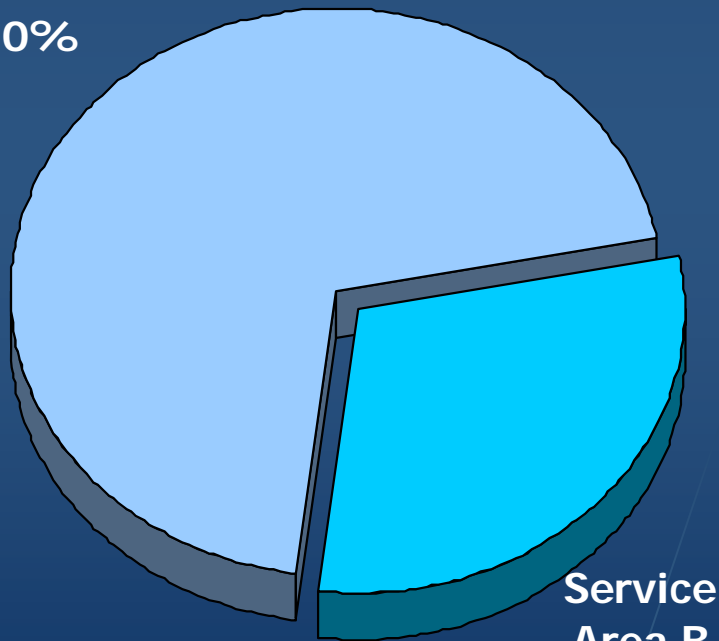
- Revenue structure heavily dependent upon growth activities
 - Sales Tax
 - Property Tax
 - Construction / Gaming Industries

Similarity in Local Government and State Expenditures

- Between 75 – 80% of expenditures are attributed to salaries and related benefits
- Over 50% of State expenditures go towards schools
- Over 50% of local government expenditures go towards Public Safety
- Primary funding source for both is sales tax and property tax revenue

Local Government General Fund Expenditures

Service
Area A
70%



Service
Area B
30%

Service Area A

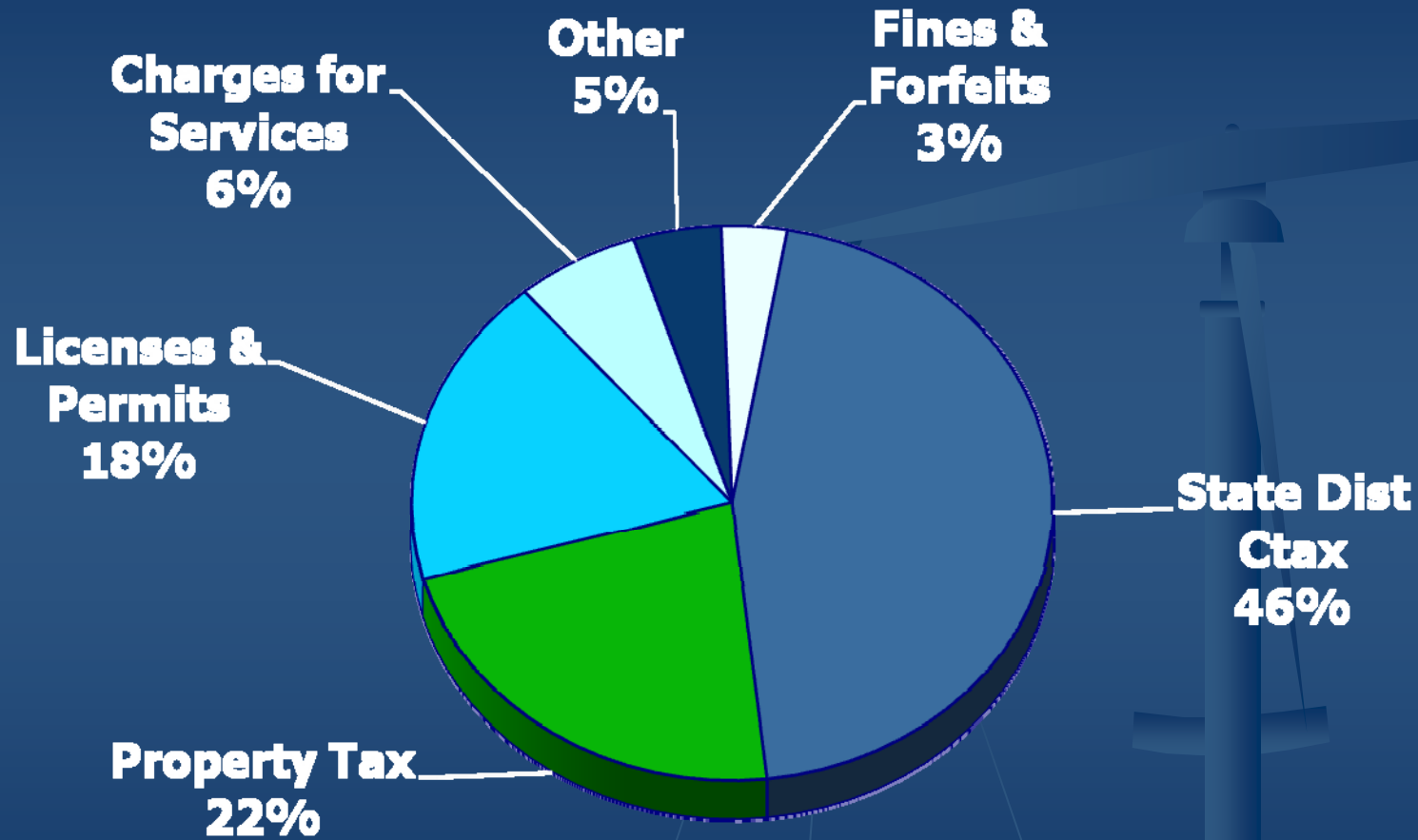
- Public Safety
- Judicial
- Public Works

Service Area B

- General Government
- Culture & Recreation
- Economic Development
- Other

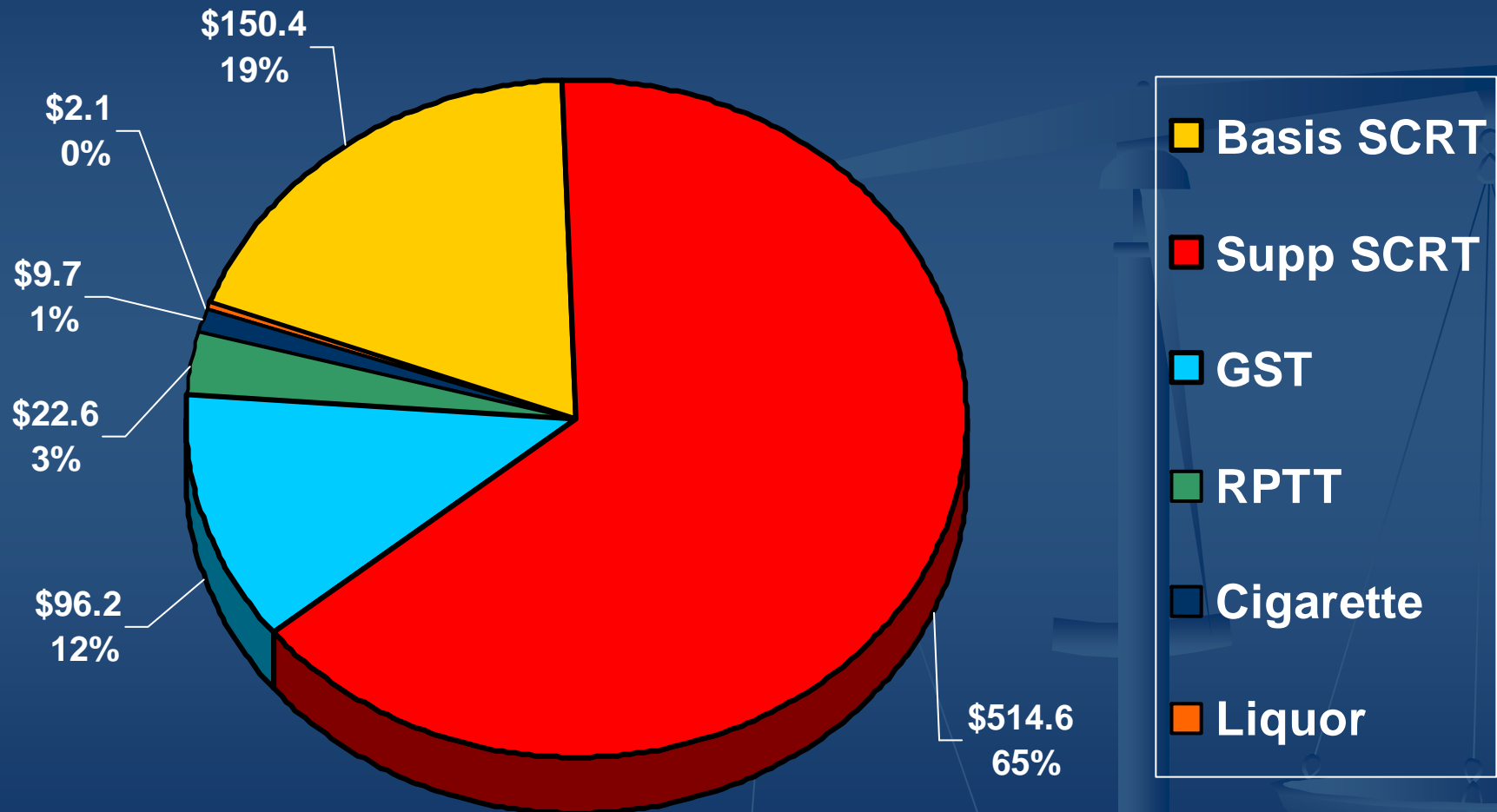
General Fund Revenues

(5 largest cities)



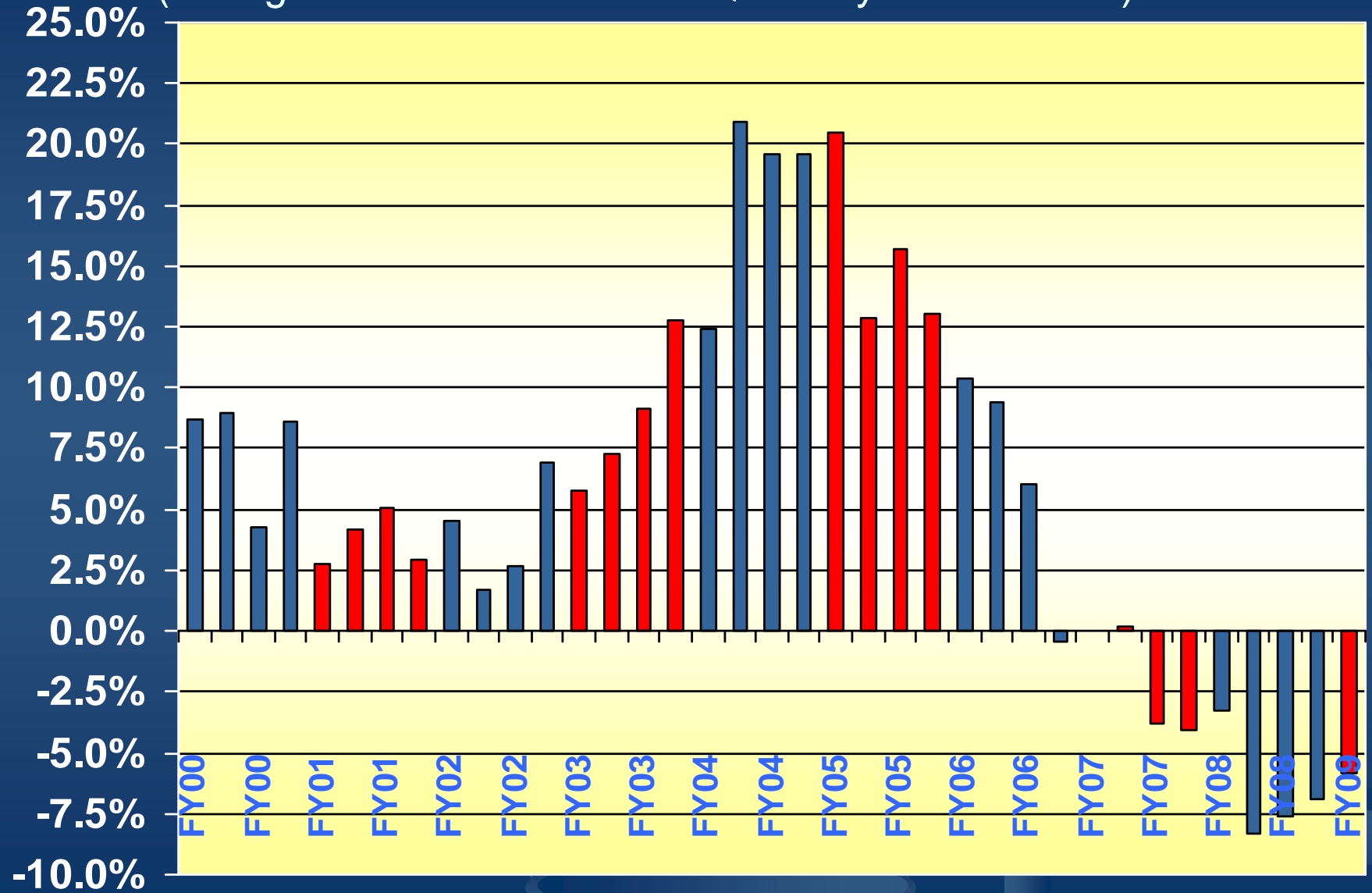
CTX Composition

(Clark County Dollars in Millions for FY09)

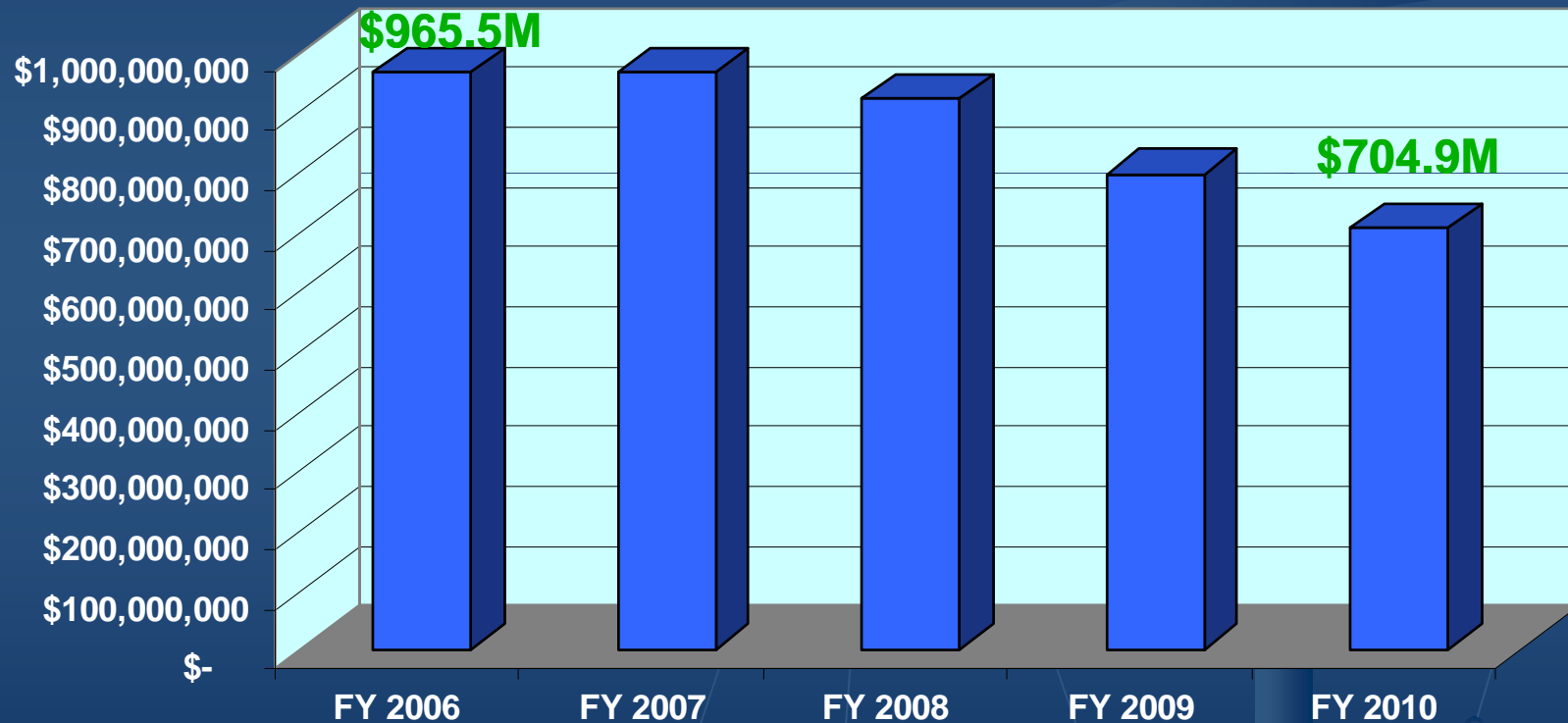


Historical C-Tax Revenue

(5 Largest Cities – Combined Quarterly Growth Rate)

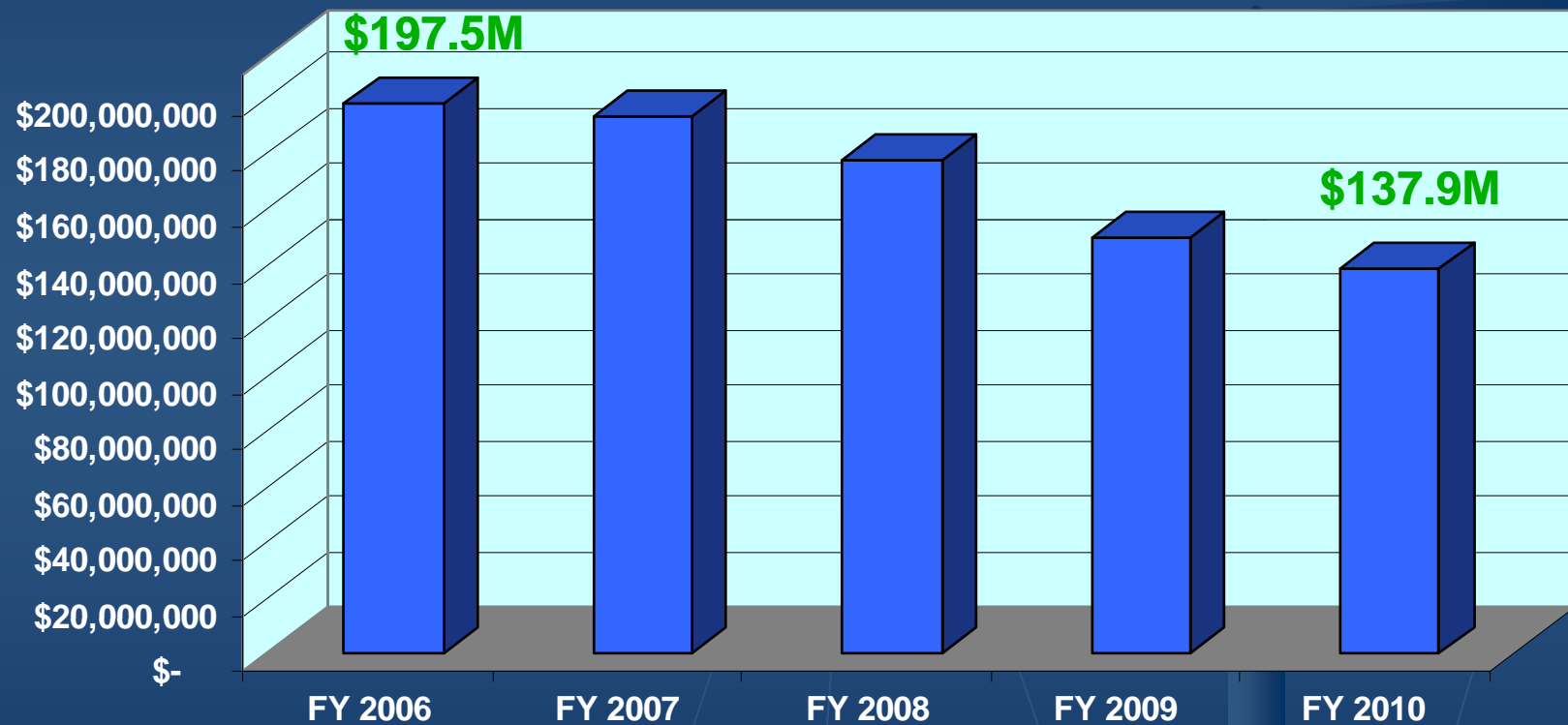


Clark County CTX Analysis FY 2006 – FY 2010 (*)



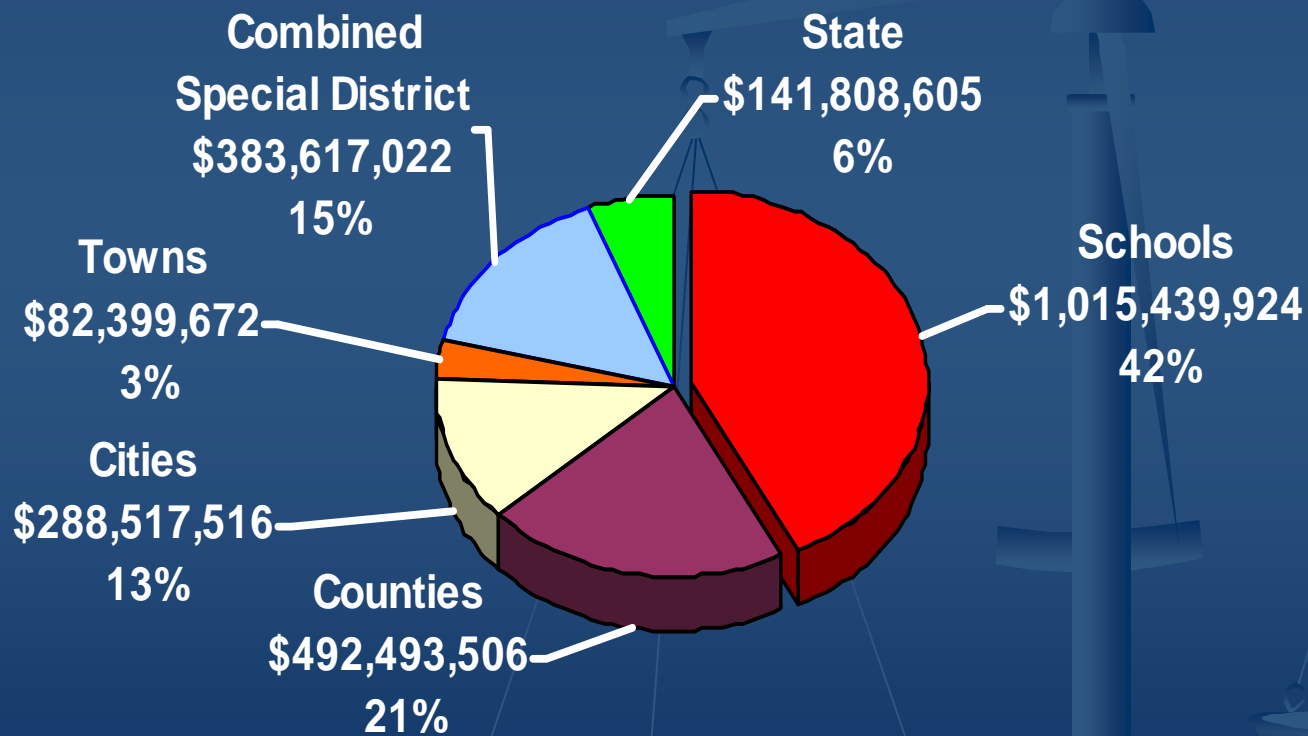
(*) 2010 estimates are annualized based upon YTD October 2009 actuals

Washoe County CTX Analysis FY 2006 – FY 2010 (*)



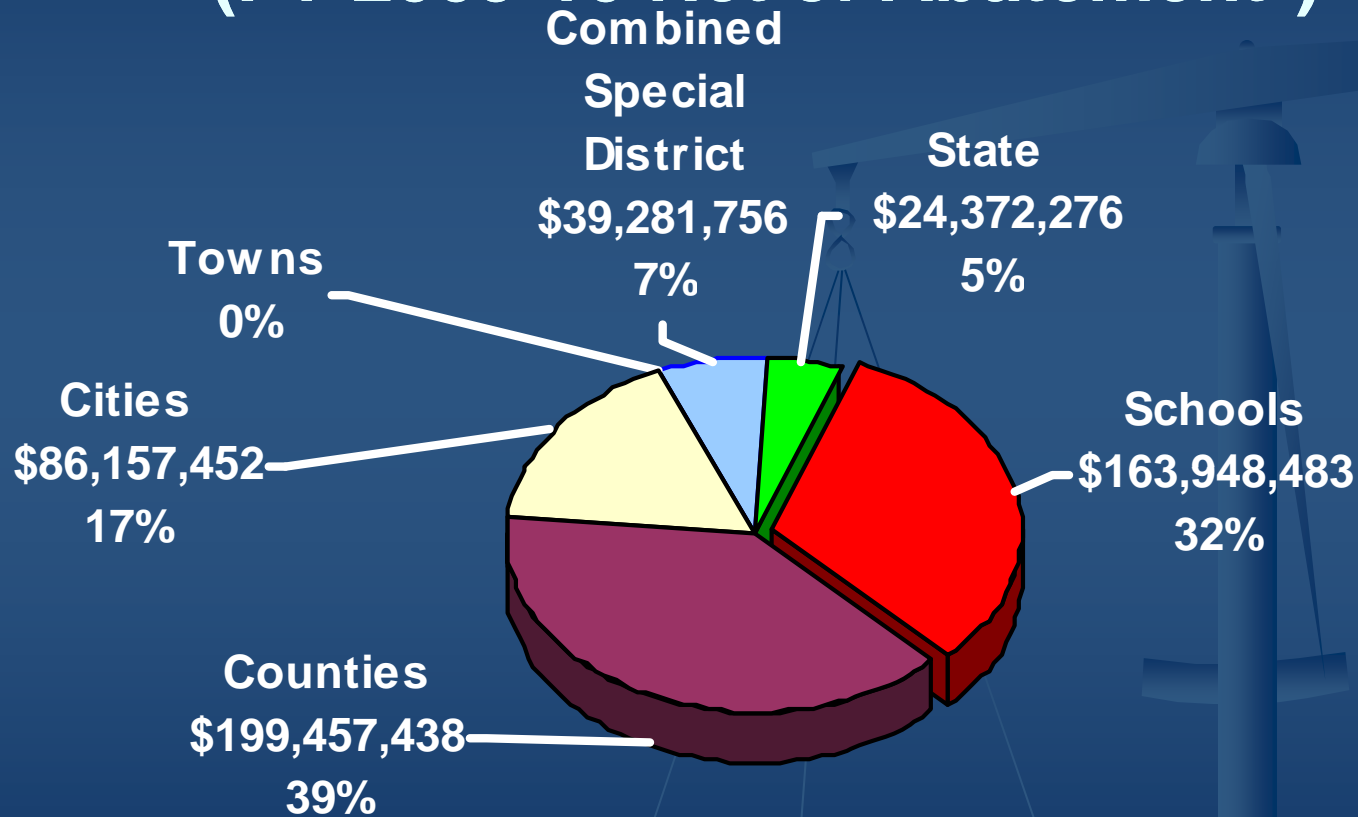
(*) 2010 estimates are annualized based upon YTD October 2009 actuals

Clark County Overlapping Property Tax Revenues (FY 2009-10 Net of Abatement*)



(*) Source: Nevada Dept. of Taxation FY2009-10 Property Tax Rates

Washoe County Overlapping Property Tax Revenues (FY 2009-10 Net of Abatement*)



(*) Source: Nevada Dept. of Taxation FY2009-10 Property Tax Rates

FY 2010-11 Preliminary Segregation of the Tax Roll

(Clark County Assessors Office as of December 4, 2009)

TAXING ENTITY	2009-10 FINAL "REDBOOK"	ESTIMATED 2010-11 TAX ROLL AS OF 12-4-09	VARIANCE FROM 2009-10 FINAL
Clark County	\$ 89,981,571,327	\$ 65,082,130,243	-27.67%
Boulder City	675,629,306	473,554,689	-29.91%
Henderson	12,969,946,316	9,600,970,957	-25.98%
Las Vegas	18,289,314,192	13,450,962,341	-26.45%
Mesquite	809,678,379	642,376,993	-20.66%
North Las Vegas	\$ 6,660,944,839	\$ 4,445,320,597	-33.26%

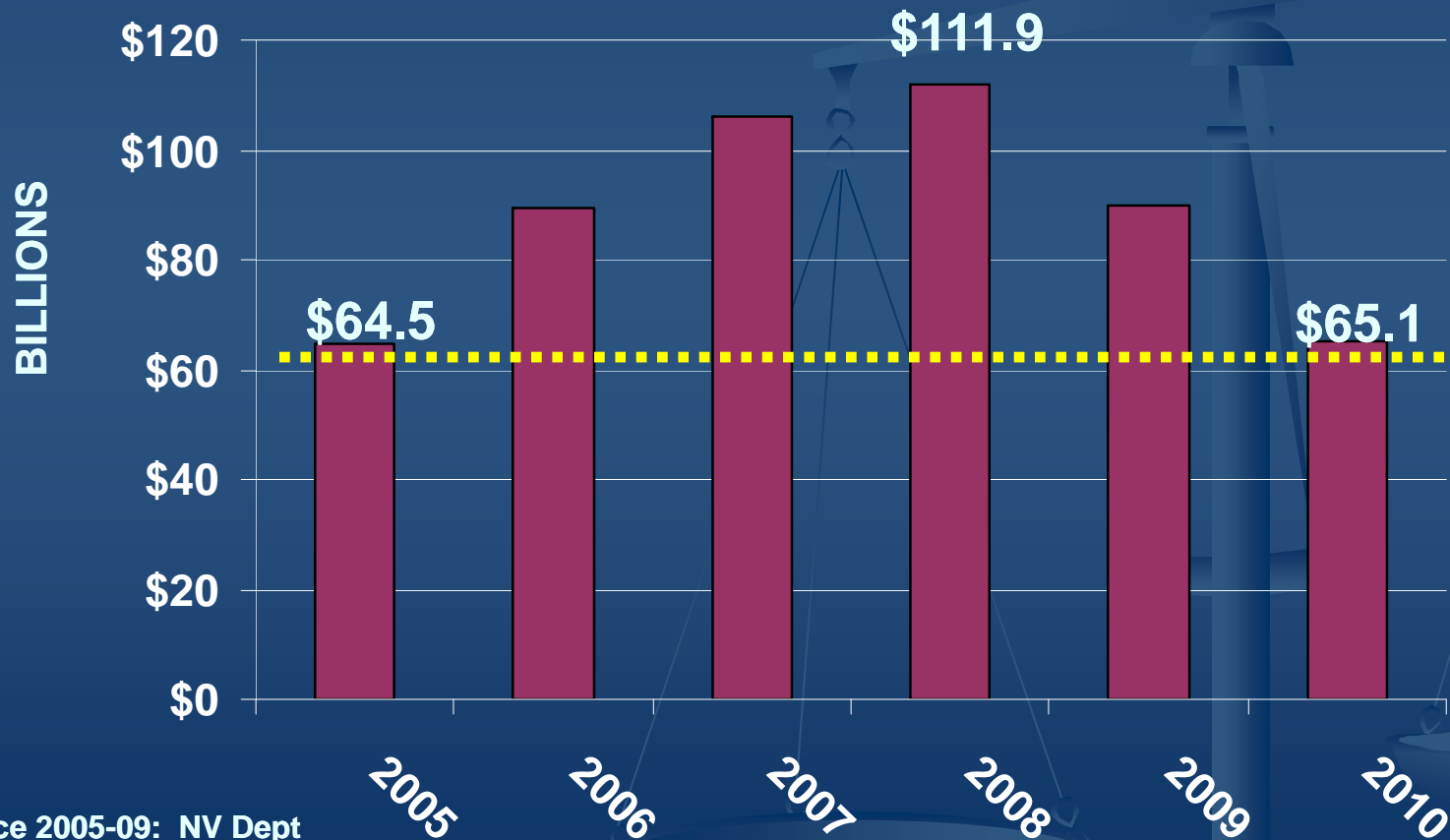
FY 2010-11 Preliminary Segregation of the Tax Roll

(Washoe County Assessors Office as of 01/25/10)

TAXING ENTITY	2009-10 FINAL "REDBOOK"	ESTIMATED 2010-11 TAX ROLL AS OF 12-4-09	VARIANCE FROM 2009-10 FINAL
Washoe County	\$ 15,099,475,662	\$14,042,512,366	-7%
Reno	\$ 7,043,707,442	\$5,987,151,326	-15%
Sparks	\$ 2,471,777,303	\$2,175,164,027	-12%

Clark County Assessed Valuation Trend

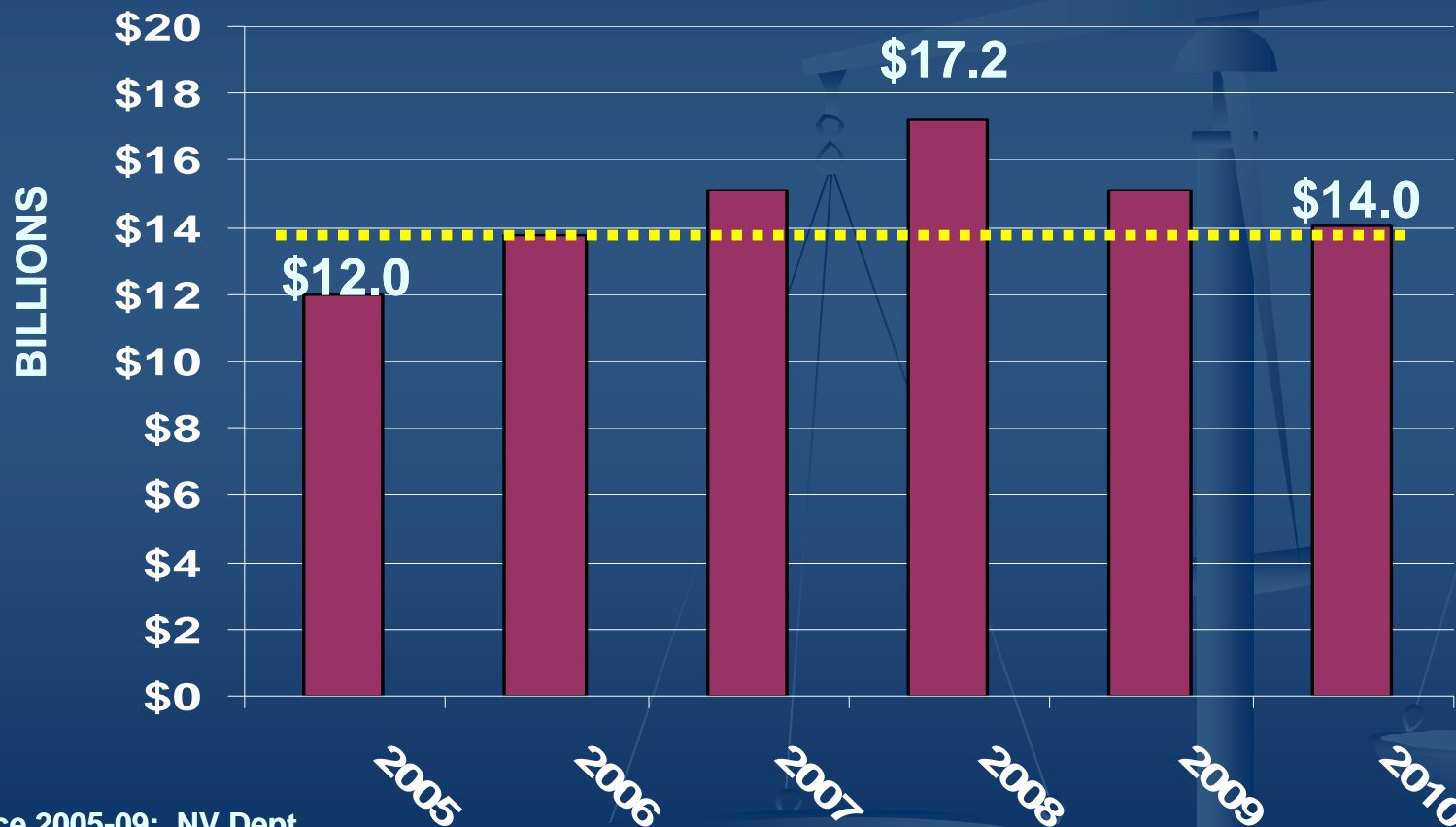
(2010 Estimate - Assessors Office as of 12/04/2009)



Source 2005-09: NV Dept
of Taxation "Redbook"

Washoe County Assessed Valuation Trend

(2010 Estimate - Assessors Office as of 01/25/10)



Source 2005-09: NV Dept
of Taxation "Redbook"

FY 2010-11 Property Tax Revenue Preliminary Estimate

(Using North Las Vegas as an Example)

- Impact will depend upon unknown remaining abatement
- Severe impact to funds solely supported by property taxes

Fund	Estimated Change FY 2010 to FY 2011
General Fund	(\$ 4 to 6 million)
Parks, Street Maint, Fire Fund	(\$ 4 to 5 million)
Public Safety Tax Fund	(\$ 9 to 11 million)
Library District	(\$ 1 to 1.5 million)
Total	(\$ 18 to 23.5 million)

Property Taxes

Potential Areas of Concern

- Impact of foreclosures
- Impact of declining land values
- Impact of declining home values
- Impact of commercial properties
- Lack of new growth
- Increase in appeals to the State Board of Equalization-Commercial

Actions Taken by Local Governments

- Hiring freeze / elimination of vacancies
- CIP project delays / eliminations
- Voluntary Separations
- Program eliminations / reductions

Budget Reductions Already Taken by Nevada Cities FY 2009/10

- Boulder City \$2.0M
- Henderson \$86.0M
- Las Vegas \$120.0M
- North Las Vegas \$51.0M
- Reno \$29.2M
- Sparks \$1.5M

Further Actions

- Request discussions with bargaining units
- Continue to reprioritize CIP projects
- Reduce / eliminate services
- Pursue privatization/outourcing
- Execute layoffs as necessary

Nevada League of Cities

Presentation

Questions?