



CITY OF LAS VEGAS

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Office of the City Manager
1700 North Grand Avenue
Las Vegas, New Mexico 87701
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November 2010

Opening Remarks

Mayors Statement:

With our state and nation in the worst economic condition since the Great Depression, there are no easy answers or painless solutions to balancing those budgets that are currently unbalanced. What I can tell you is that the City of Las Vegas has made every possible effort to avoid furloughs and reductions in force. I am pleased to announce that we have managed to maintain services, as well as keep all city employees employed and yet preparing a fiscally responsible budget. This budget statement is a comprehensive working document that outlines the various operations around the city that leads to accomplishing the overall mission of the City which is to preserve the quality of life for all of Las Vegas through ethical government and professional administration.

City Managers Statement:

The 2011 budget planning process began early in 2010 when it became evident that that the economic downturn would negatively affect all levels of state and local government. Subsequently, several municipalities across the state soon experienced serious revenue shortfalls leading many to make drastic cuts, including mass employee layoffs and furloughs. To avoid those avenues, we developed a very conservative budget to ensure that we are prepared for what is yet to come. Our proactive approach is necessary to have a successful budget year.

Budget Message for Fiscal Year 2010-2011

As required by the City Charter of the City of Las Vegas, we submit this proposed fiscal 2010-2011 operating budget for your consideration and adoption following the public hearing on July 28, 2010. The budget is presented in accordance with the requirements of the Charter and the budgetary assumptions that are noted throughout this message.

The proposed budget is a plan that presents fund information by category of expense for each department budget, presents the anticipated revenues and proposed expenditures for each fund, includes all current debt service requirements, and meets the format and criteria required by the Local Government Division of the New Mexico Department of Finance and Administration.

The City of Las Vegas is in good financial condition. This budget has been prepared with a primary objective of evaluating all expenditures to ensure that they are needed for the efficient operation of our

municipal government. As stewards of the public trust, we continue to monitor the expenditure of public funds in a manner that is transparent to the taxpayer.

General Fund Financial Plan

The Governing Body has given us direction through their strategic plan to address the challenge of growth and continued short and long-term financial stability in the general fund. For the City to continue to maintain a strong and favorable financial position, we have prepared the operating budget with the following policies in mind:

- Our projections for property taxes are based on the current 7.482 mill rate imposed on residents, and 7.301 imposed on commercial property within our municipality.
- Our projections for gross receipts taxes are based on the current effective tax rate of 7.8125%. We estimate that our revenues from gross receipts will be down. Our budget reflects a 5% reduction to our GRT revenues. Effective January 1, 2011 a ¼% GRT will be added to this rate.
- Our projections for water, sewer, solid waste, and gas utility revenues are based on the current approved user fees. A rate study is currently being performed by Red Oak Consultants, Inc. Solid waste rates are increasing this fiscal year which will allow the Utility to be self sustaining while allowing for routine maintenance, capital improvements and give much needed attention to the longtime landfill closure issue.
- Our cost of gas was reduced from \$7.06/MCF to \$5.13/MCF last fiscal year further reducing our revenues budgeted and collected. There were no financial hardships because of this reduction.
- Water and Wastewater rates are being analyzed by Red Oak Consultants and we are expecting competitive yet fair rates.
- Our recreation department continues to function with the help of the General Fund. The general fund has budgeted a transfer of \$500,000 for this fiscal year. Many proactive approaches to do more with less have been considered and taken. Recently, in efforts to reduce costs, the recreation center shut down operations on Sundays.
- Our Projections for expenditures on salaries and benefits for this fiscal year are the same as last fiscal year. No salary increases were budgeted and some vacant positions were authorized in the budget but not funded in efforts to reduce costs. Personnel costs are the single largest expenditure item in the municipal budget.
- Overall, our projections for expenditures on operating expenses have been reduced by 3% from last year's budgeted expenditures.
- The cash reserves of the City of Las Vegas will be equal to 1/12 of the projected expenditures in the general Fund. Due to the expected continuation of the recession, we must start looking for ways in which to increase this reserve fund over the next five years so that we have additional funding in reserve for unforeseen emergencies beyond the amount required by the State.

Debt Management Plan

The City of Las Vegas has a current bond rating of Baa from Moody’s Investors Services. This is based on an assessment that the principal and interest payments on municipal bonds are considered very secure. Our favorable bond ratings are due to our solid fund balances and reserves, but also result from our ratio of debt to revenue projections.

The City has long administered its capital improvement program using the “pay as you go” principle. We continue to use debt service only as a last resort for capital purchases, and as matching funds to state and federal grant programs. The City General Obligation Debt limit is 4% of the City’s assessed value. There is no debt limit for water/sewer or for revenue bonds except for cash flow constraints.

Debt payments in the general fund and enterprise funds for the 2010-2011 fiscal year total \$1,921,933 and are included in the proposed operating budget. Our current debt includes:

<u>Department</u>	<u>Description</u>	<u>Annual P&I (Payments and Interest)</u>
Recreation	Rec. Center Phase II	\$211,150
Wastewater	Infrastructure	\$923,044
Water	Infrastructure	\$385,468
Solid Waste	Infrastructure	\$74,155
Public Works	Capital Lighting	\$25,681
General	General Refinancing Bonds	<u>\$302,435</u>
Total		\$1,921,933

- a. \$211,150 to NM Finance Authority for the recreation center phase II.
- b. \$565,734 to NM Environment Dept. for Waste Water improvements.
- c. \$28,231 to NM Finance Authority for Water improvements.
- d. \$68,488 to NM Finance Authority for Solid Waste transfer station.
- e. \$5,667 to NM Finance Authority for Solid Waste transfer station.
- f. \$336,207 to NM Finance Authority for water system improvements.
- g. \$20,730 to NM Finance Authority for water system improvements.
- h. \$357,310 to NM Finance Authority for waste water improvements, and
- i. \$302,435 to the Gross Receipts Refunding revenue bonds.

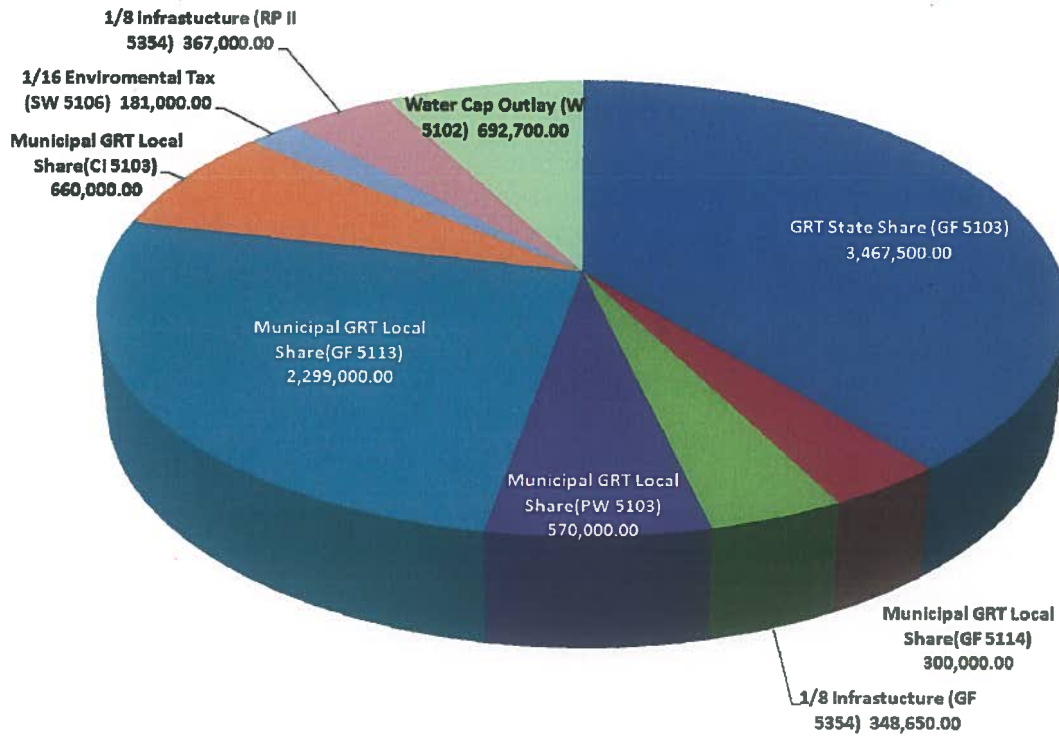
2009 Assessed Valuation

According to the Las Vegas County Assessor’s Office, the 2009 final value assessment for properties within the City’s corporate limits, residential property was assessed at \$109,418,201 compared to \$105,807,431 in 2008. Non-residential property is assessed at \$71,590,417 in 2009. Included in the graph below is the 2010 Property tax info.

The property operating tax rate in the corporate limits of the City is 13.57 per \$1,000 of assessed value. The benefactors of the revenues derived from that tax rate are as follows:

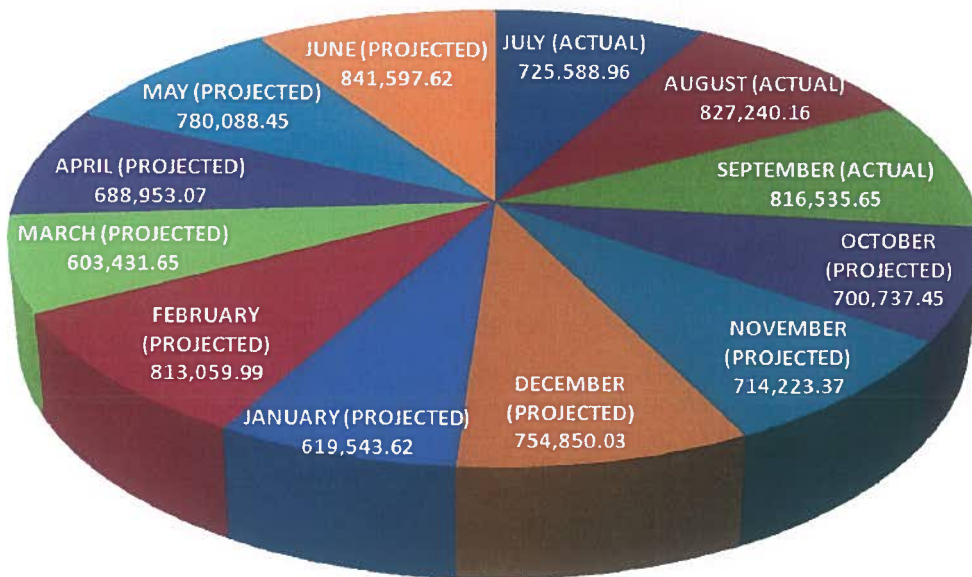
Fiscal Year	State	County	City	Schools (E)	Schools (W)	Luna	Total
2010	0	5.390	7.007	0.206	0.221	2.388	12.824
2009	0	5.644	7.482	0.216	0.232	2.392	13.574
2008	0	5.685	7.458	0.215	0.233	2.303	13.591
2007	0	5.447	7.141	0.207	0.223	2.205	13.018
2006	0	5.436	7.175	0.206	0.222	2.180	13.039

Budgeted Gross Receipts Tax



FY 2011 BUDGETED GROSS RECEIPTS

Total Budgeted Gross Receipts 8,885,850



General Fund Expenditures

The budgeted expenditures for this fiscal year total \$10,610,375 in the general fund. This represents a 2% decrease over the prior year budgeted expenditures of \$10,827,720.

Below is a breakdown of the proposed expenditures for each of our departments, as compared with the approved budgets for the past four years:

<u>Department</u>	<u>'06-'07</u>	<u>'07-'08</u>	<u>'08-'09</u>	<u>'09-'10</u>	<u>'10-'11</u>
Judicial	251,082	254,496	247,319	287,246	280,057
Executive	376,906	379,096	409,110	416,938	362,849
City Clerk	188,579	213,297	143,064	244,169	215,765
City Attorney	195,908	210,013	175,615	193,622	224,022
Personnel/HR	148,889	153,614	206,322	199,822	243,987
Finance	420,852	503,713	477,842	614,656	523,271
Community Dev.	459,856	475,883	503,022	592,949	613,512
Police	3,058,190	3,051,249	3,500,642	3,641,072	3,688,077
Code Enforcement					96,207
Animal Shelter	148,696	161,048	173,845	210,931	130,056
Fire	950,825	1,080,361	1,086,099	1,184,051	1,170,111
Public Works	730,609	787,354	730,122	854,352	765,435
Parks	114,354	123,097	66,233	163,022	151,280
Library	194,951	220,753	220,709	235,524	231,624
Museum	81,821	81,556	89,287	116,912	118,021
General Services	1,707,730	1,841,968	1,924,278	1,872,454	1,796,100
TOTAL GF	9,029,248	9,537,498	9,953,509	10,827,720	10,610,374

Expenditures Review

Total budgeted expenditures in all funds for the 2010-2011 fiscal year is estimated at \$41,894,436. This is an estimated decrease of \$2,629,434 over the 2009-2010 fiscal year budget of \$44,523,870. The decrease is due primarily to our conservative budget related to the potential reduction of GRT's coming in and also the possibility of the state reducing any other City dependant revenues. You will see in the following graphs the budget allocations of expenditures throughout our budget.

Successful Staff Efforts

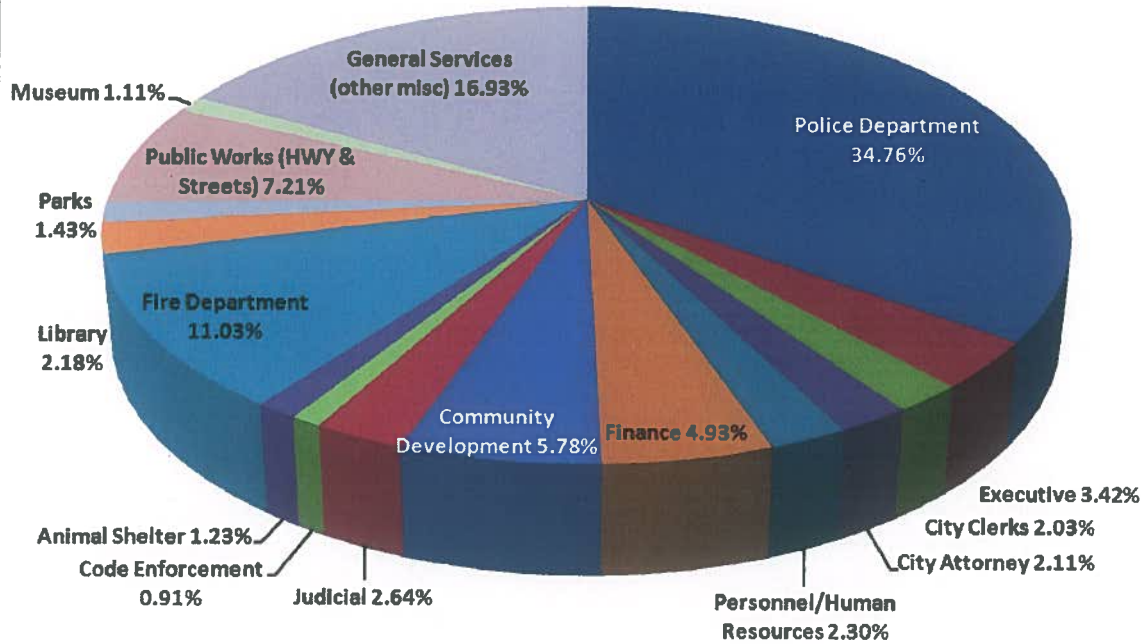
The staff, with the support of the Mayor and Council, applied and received a \$1,946,300 stimulus grant for the road improvements to Mills Avenue, 7th and 8th streets.

With the support of the mayor and Council, we also pursued several State Legislative Appropriations for improvements to our public buildings and grounds. The proposed budget includes expenditures of \$1,758,500 from State Appropriations compared to last year's \$3 million. The City is grateful to our State Legislative delegation for their support in obtaining this additional funding for our community.

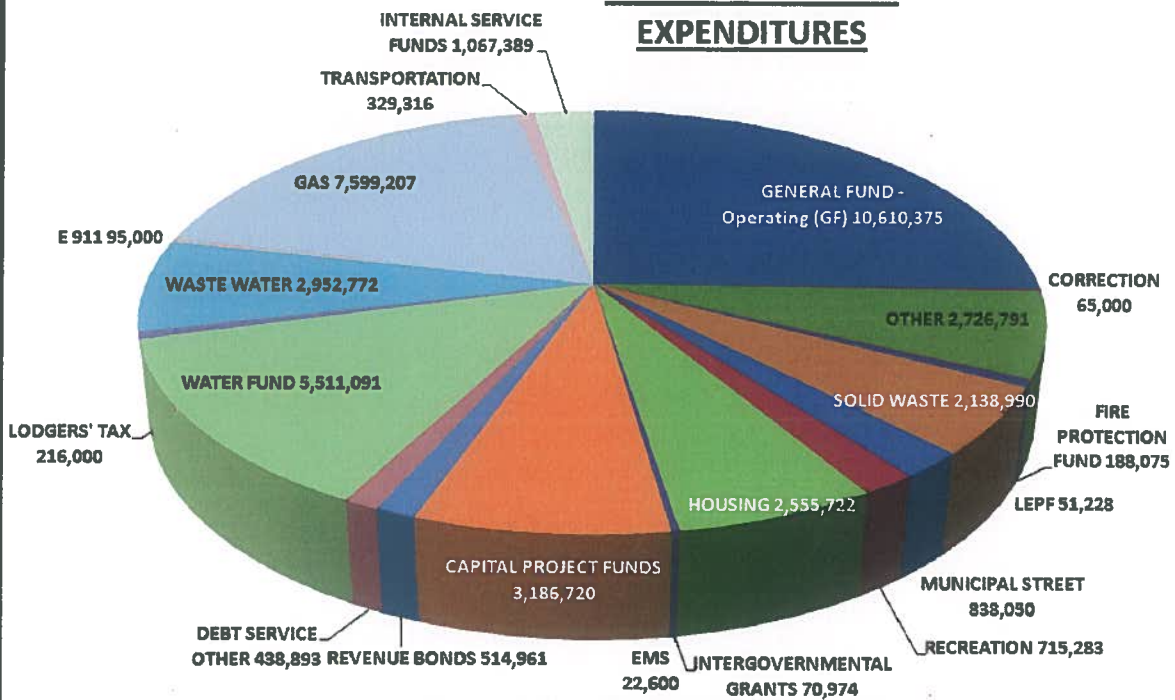
The staff was successful in applying for and awarded an additional \$500,000 in a Community Development Block Grant for the Moreno Street Project. As part of our stewardship of public funds, we ensure that the proposed budgeted expenditures in the general fund remain less than the estimated revenues for that fiscal year. We maintain our debt service to a minimum to ensure that we have sufficient bonding capacity for emergencies.

FY 2011 GENERAL FUND EXPENDITURES

Total General Fund Expenditures 10,610,375



FY 2011 BUDGETED EXPENDITURES



The proposed operating budget for the Capital Improvement Program for fiscal year 2010-2011 totals \$3.4 million dollars. Capital expenditures are costs that are incurred in the acquisition or improvement of property. We continue to budget for capital projects within our limited resources and our ability to acquire matching funds from state and federal agencies. The growth of our community, coupled with the impact on our infrastructure from our residents, created a real challenge to keep our infrastructure in good repair and in pace with that growth.

In subsequent years, we have seen a continual decrease in state and federal monies that are available for capital improvements. In spite of this trend, our employees will continue to seek additional sources of grant funding to minimize the fiscal impact on our local taxpayers when considering improvements to our infrastructure.

Due to this philosophical approach, the City of Las Vegas was able to obtain about \$2 million in state and federal grants to match the City's local share of \$660,000 from our infrastructure gross receipts taxes raised in this community. This is a significant return on our investment, and allows our tax dollars to go much further for the benefit of our taxpayers.

Utility and Solid Waste Enterprise Funds

The City of Las Vegas provides Solid Waste services and operates Water, Wastewater and Gas utilities. Utility funds for each enterprise are expected to pay for expenses solely out of their user fees. Receipts received by the City for each fund are deposited into separate accounts to ensure that revenues are sufficient to continue to operate each utility and to provide for repairs and needed upgrades to aging infrastructure. Each fund maintains cash balances which are reserved for emergencies and upgrades to infrastructure.

The City has commissioned a Utility Rate Study to evaluate the revenue adequacy and ensure that rates are fair, equitable, and based on generally accepted industry standards. The Rate Study has included public input and comparisons to other similar communities. Results are expected to be implemented this fiscal year as well as next.

Solid Waste

For FY 2011, budgeted revenues are \$2,455,550 versus \$2,364,500 for FY 2010. FY 2011 budgeted expenditures are \$2,138,990 versus \$2,027,300 for FY 2010. We expect a beginning cash balance of \$48,806 and an ending cash balance of \$38,011.

The City is currently evaluating the management and operation of the program to determine improvements in efficiency and service including privatizing services. As soon as the internal evaluation is completed, the findings and recommendations will be presented to the Governing Body for their consideration.

For residential Solid Waste service, the City adopted a rate change presented by Red Oak Consultants. The City will now charge a monthly rate of \$15.60 for a roll out cart. Last fiscal year, Mayor Alfonso E. Ortiz Jr. issued an executive order to discontinue drop off fees at the transfer station. This effort was to encourage residential customers to utilize the transfer station rather than the arroyos or alleys. The opportunity to drop off limited amounts of trash at the transfer station without having to pay additional tipping fees has resulted in the beautification of our city. The new rate increase will address many issues, some that date back many years. This increase will help the Solid Waste utility to become self sufficient, address infrastructure improvements such as repairing the transfer station and repairing the administration

building, implement recycling and allow purchases of much needed equipment as well as address the landfill closure issue.

Water

For FY 2011, budgeted revenues are \$4,354,430 versus \$3,600,700 for FY 2010. FY 2011 budgeted expenditures are \$6,162,105 versus \$2,504,529 for FY 2010. We expect a beginning cash balance of \$3.2 million and ending cash balance of \$3.7 million.

The City has commissioned the preparation of a comprehensive Preliminary Engineering Report that evaluates necessary water system improvements based on cost-benefit. The report will become the basis for prioritizing funding requests related to decreasing water system losses and improved water supply along with other improvements related to maintaining an adequate supply of safe drinking water.

For basic residential water service, the City charges a base monthly rate of \$15.26 for usage up to 2000 gallons and \$2.02 per 1000 gallons for additional water use up to 10,000 gallons. Currently, charges incrementally increase depending on increased usage beyond 10,000 gallons. The City charges increased rates to outside City limit customers. As part of the rate study the city is looking at alternative block rate structures which are based on the premise that customers that use higher amounts of water pay progressively higher rates for that water in order to encourage water conservation.

The following are four key Water Planning and Capital Improvement Projects which the City is currently undertaking for Fiscal Year 2010-2011:

Rodriguez Park Effluent Water line: This project is now being designed to extend a new 12 inch water line from 12th Street to Grant Street. Once completed, this new water line will extend effluent water to irrigate the five sports fields at Rodriguez Park. Total project design and construction costs are currently estimated at \$2.5 Million, which would include the construction of a new 50,000 gallon storage tank, and a potential 500 acre foot storage pond to store effluent water near the ball fields for on-going irrigation.

Peterson Dam Pump Back System: This project is now in design stages and it is intended to capture some 200 acre feet of water that is currently leaking beneath and through the existing 100 year old Peterson Dam. The project involves the installation of two, new submersible pumps, some 300 feet downstream from the existing dam, where it currently ponds. Once recaptured, the excess water will be transported through the City's existing 16 inch raw water line to the Water Treatment Facility for drinking water supply purposes. The expected cost of the project is approximately \$200,000 and it is intended be funded through the upcoming year Water Trust Board Funding Cycle.

Gallinas River Diversion Structure: Design plans are now 35% complete to strengthen the existing 100+ year old Gallinas Diversion Structure by constructing a new concrete embankment directly behind the old structure. The project will include a new overflow spillway to capture excess water during normal and high-flow runoffs, along with installing new automated control valves and a new pedestrian access bridge. Full funding for design and construction has already been secured through State Appropriation Funding. The project will be going out to bid in November 2010, with the expectation to award the construction contract in early December 2010. The project is expected to take approximately 12 months to complete.

Taylor Well #2 Reactivation: The City is currently undertaking the reactivation of Taylor Well # 2, located outside of the city limits, south of town. The Taylor Wells were originally constructed in the mid 1950's, but they have been largely inactive for some time, with the exception of a single well (Well #4). Design of the reactivation of Taylor Well #2 is now 60% complete and it is expected to be submitted to the State Environment Department by year end 2010 for final permit review and approval. Once

reactivated, Taylor Well #2 is expected to generate an additional 275,000 gallons per day as back-up water supply or to increase the supply of safe drinking water to the general public on a regular basis.

Wastewater

For FY 2011 budgeted revenues are \$2,512,650 versus \$2,483,400 for FY 2010. FY 2011 budgeted expenditures are \$2,972,772 versus \$1,321,779 for FY 2010. We expect a beginning cash balance of \$1.4 million and an ending cash balance of \$3.2 million.

In addition to maintaining compliance with environmental regulations, the Wastewater Department will continue to look for opportunities to expand the effluent reuse distribution system to City parks. Thus far, the City has extended this benefit to a number of parks throughout the city. During the next year, the City is working to extend the effluent distribution system to Carnegie Library, Plaza Park and Memorial Middle School areas and Rodriquez fields. The City's treated effluent water meets the highest quality standard established by New Mexico Environment Department. This will allow the City to increase the number of parks which irrigate with effluent water thus freeing up valuable drinking water supplies for other uses.

During the first part of the fiscal year, the rate for residential wastewater service included a base monthly rate of \$12.01 for the average water use up to 2000 gallons plus an additional surcharge of \$4.03 per 1000 gallons thereafter. Monthly water use is based on a Winter Quarter Average of water usage during the prior months of November, December, January and February. The City charge increased rates to outside City limit customers. Effective August 9, 2010 the wastewater base rate was changed to \$4.92. The rate for all water consumed is now \$4.69 per 1000 gallons.

Natural Gas

For FY 2011, budgeted revenues are \$7,665,490 versus \$9,322,100 for FY 2010. FY 2011 budgeted expenditures are \$7,599,207 versus \$8,912,917 for FY 2010. We expect a beginning cash balance of \$2.4 million and an ending cash balance of \$1.9 million.

Last fiscal year, our cost of gas went down. It went from \$7.06 per MCF to \$5.13 per MCF reducing the cost to the city but also reducing the revenues collected in FY 2010. This rate change took effect in October 2009.

The City has a goal for the General Fund to become more self-reliant. Administrative charges in the gas department were reduced by 1% and will continue to be reduced by a percent for the next couple years.

The Gas Department's most recent annual leak survey of the gas distribution system shows a decrease in gas loss from a total of eight percent to four percent. Based on the leak repairs and resulting increased efficiency we can expect to see a decrease in Cost of Service as measured by the Utility Rate Study.

The residential natural gas monthly rate is made up of three components: The Service Charge, the Delivery Charge and the Purchased Gas Cost Charge. The *Service Charge* of \$10.00 is applied on each metered service. This charge covers the utility overhead costs associated with meter reading, customer service, billing, service calls, and meter maintenance. A *Delivery Charge* of \$2.84 per MCF is charged for transmission and delivery to Las Vegas natural gas to homes. The *Purchased Gas Cost Charge* of \$5.13 per MCF reflects the cost of the natural gas commodity. This cost varies based on supplier charges.

Lodgers Tax Fund

The City of Las Vegas does not generate a substantial amount of money from lodger's tax receipts. However, we use our limited funds to promote the desirability of our community as a place to visit, and to live in. Lodger's tax receipts have been fairly level for the past four years. Most of our surrounding communities are experiencing a reduced level of tourism due to the current state of the economy.

Our proposed budget includes estimated revenues of \$260,000 for the 2010-2011 fiscal year. This compares to \$265,000 for the 2009-2010 fiscal year and \$232,127 for the 2008-2009 fiscal year. The lodger's tax fund is supporting half of the salary for a new position. The other half of this position is funded by the General Fund. The Film Liaison/Events Planner will work in conjunction with the city, the Lodgers board and the Las Vegas film commission to enhance existing events, work towards the development of new special events and act as a film liaison to promote film making in the community. The City contracts with the Chamber of Commerce for tourism, promotion and special events, after which the remaining balance is used for promotional activities and special events recommended by our Lodger's Tax Board.

Master Plan and Marketing Plan

The City has just completed and passed its Downtown Master Plan. The city is in the process of developing its comprehensive plan and has solicited contractors for a marketing plan. The Downtown plan has project recommendations that when implemented will improve the downtown areas and increase our tourism product. The Comprehensive plan will identify City wide projects that will increase our services, improve infrastructure and result in a positive financial impact for the city. The marketing plan will help "brand" our community and provide a clear direction for the expenditure of our marketing dollars (lodger's tax).

Annexation

The New Mexico Behavioral Health Institute was recently annexed into the City and discussions have been initiated with Luna Community college to consider annexation. Revenues in utilities are expected to decrease, based on the City's ordinance which charges higher rates outside the city limits. On the positive aspect, franchise fees for the electrical utilities should be collected for the newly incorporated areas. In addition, private contractors will be asked to register their businesses at \$35 per business. Construction projects will be processed thru the development review and fees will be collected at the time the building permit is processed. Gross Receipts should increase based on vendors and new construction.

Review of the Recreation Fund

For FY 2011 the recreation department has budgeted revenues of \$221,150 versus \$304,000 in FY 2010. The budgeted expenditures for FY 2011 are \$715,283 versus \$778,409 in FY 2010. We expect a beginning cash balance of \$983 and an ending cash balance of \$6,850.

One source of revenue in the recreation department will not be collected this fiscal year. The state discontinued the distribution of cigarette tax to local governments. That is about a \$12,000 loss in revenues for the recreation department for this fiscal year. The City has a budgeted transfer from the General Fund of \$500,000 to the Recreation Center for FY 2011 compared to the \$315,000 in FY 2010.

The Recreation Center is committed to providing a wide variety of services and meeting the needs of our community. We believe that it is a vital asset when promoting healthy living. Although we encourage usage of our facility, we understand that more programs and activities will equal more costs. During the

FY 2010, we were forced to shut down the facility one day a week to help close the gap between expenditures and revenues.

The Recreation Center is always looking for ways to improve operations and run the facility more efficiently.

Housing

The Housing Authority's budget income for FY 2010 is \$2,576,899. This amount includes capital improvement funding. The Housing Authority will complete the renovation of Site 7-1. This area is located on New Mexico Avenue, Colonias Street, Bernalillo and Delgado Streets. Renovations will consist of new windows, doors, stucco, kitchen cabinets and floor tile. In addition, a six unit remodel is currently under construction and expected to be completed and ready for occupancy by December 2010.

The Housing Authority will be forming a Resident Council (RC) within Public Housing. The goal is to empower the residents to take an active part in improving the quality of life, resident communication and enabling them to create a positive living environment within their environment. The up and coming RC will consist of five (5) elected residents of the housing community. Only residents living in PH will be allowed to run for office as well as cast a vote. The RC will serve as an umbrella between the PHA and its residents. It will be vital that a partnership be formed to ensure proper communication, professionalism and respect between both agencies. Resident Councils serve as a voice for the tenants of their PH community. Residents are encouraged through regulations to become active in policy development and direction of PH operations. After the successful formation of the council, the goal is to incorporate Articles of Incorporations, By Laws and eventually apply for Non-profit 501 © 3 status. In becoming incorporated RC will have the opportunity to apply for federal grants to be used for education and employment opportunities as well as becoming self-sufficient and independent members in their community. Training and employment programs and the probability of purchasing a home are a few advantages of becoming a RC.

The Housing Authority intends to apply for tenant based rental assistance (TBRA). This grant will assist the residents with security deposits and assist in making their rental payments if they are threatened with eviction for reasons beyond their control.

The Housing Authority will also be applying for the weatherization program and home rehabilitation grant funding thru New Mexico Finance Authority(NMFA). The older homes in Las Vegas are the target areas including low income families and anybody in need of weatherizing their homes. The Housing Authority will start focusing on becoming a one stop shop for homeownership opportunities for the community. The objective is to have a place where people can come and apply for mortgage saver, homeownership counseling, 1st time home buyers down payment assistance, ect. all funded through NM FA. This will help provide opportunities to narrow the gap between low and middle income families. We want to address affordable housing for all income brackets in Las Vegas.

Five-Year Financial Outlook

This year we plan to initiate a five-year financial plan as part of the budget process commencing in 2010-2011. This will require that annually we go back and review the budgetary assumptions that were made in the preparation of the plan, and we update the plan as part of our annual operating budget. The guiding principles will be presented to the governing body for their review and consideration. Some of the priorities that we want the governing body to consider are:

- The first priority is providing quality customer service to the constituents of our city.

- Our second priority should be to ensure that we have a committed revenue source in which to pay the salaries and benefits of our employees. The combined expenditures for salaries and benefits of all employees would be based on the results of our new pay and classification plan.
- Our third priority would be to ensure that we have a committed revenue source in which to pay the operating expenses and our capital outlay expenses of our departments as currently organized. The combined expenditures for operating expenses of all line departments would be based on an agreed upon growth rate.
- Our fourth priority would be to ensure we have a committed revenue source in which to pay for the vehicles and equipment that our employees need to perform the jobs they are hired to do. A vehicle and equipment replacement schedule would need to be developed so that we can set aside a specific fund to pay for such replacements.
- Our fifth priority would be to ensure that we have a committed revenue source from which to pay our debt service payments for all municipal revenue bonds that have been issued by the City Council.
- Our sixth priority would be to ensure that we have a committed revenue source from which to pay for the required matching funds for road improvements within our municipality.
- Our seventh priority would be to ensure that we have a committed revenue source from which to pay for other capital improvements as authorized by City Council.
- Our eight priority would be to ensure that we have a committed revenue source from which to pay for the operation and improvements to our gas, water and sewer utilities, and of the improvement of those utilities.
- Our final priority would be to ensure that we have a committed revenue source from which to pay for the operation and management of our refuse collection and disposal services in our community.

By developing and implementing such a plan, we can better assure our governing body and the community we serve that we can provide a balanced budget through the next five years based on the agreed upon assumptions. It would be necessary that we review those assumptions annually during the budget process, and make any changes to them based on the economic climate at the time.

As part of our stewardship of the public funds for the City of Las Vegas, we have begun the process to increase our reserve balance for unforeseen emergencies. In today's economy, we have a responsibility to our citizens to ensure that we spend their money wisely and that we save for a rainy day. The current budget has been prepared with the required 1/12 cash balance, plus an additional \$850,000 reserve in a secure investment with a local bank.

In addition, we want to report to the governing body and the citizens of Las Vegas, that the City is investing its limited reserve funds and capital project funds with our local banks. By investing in our local banks, we are able to obtain collateralized security for our public funds, and we are able to obtain interest rates anywhere from .50%-2%. This is a better interest rate than that which is afforded by the State Treasurer's Office at the current time. The State treasurer is currently offering .112% for a 90 day investment.

The City of Las Vegas currently has \$8,733,518 in secured Certificates of Deposit in our local banks. These funds are committed as a reserve in the general fund, water and wastewater funds, water rights acquisition fund, public housing capital improvements, streets fund and our meter deposit funds. In today's economy there are very few communities that can report reserve funds of this size. We are pleased to be able to report this information to you.

Mission Statement

I'd like to take a moment to remind our community of our cities mission statement, vision and principals. Our ultimate purpose in all that we do is to see that we never lose sight and that we meet the expectation of the following:

Mission Statement: The City of Las Vegas is an economic enter driven by honoring its rich culture, encouraging value added industry, preserving the quality of life for all of Las Vegas through Ethical Government and Professional Administration.

Vision:

- Proactive approach to wise use of historical, cultural, educational and natural resources.
- To be the growing economic center of the Northeastern Region.
- Explore, promote and partner with smart industry befitting the community.
- Proper planning to maintain continuity, self-sufficiency and cohesive leadership.

Principals: Honesty, Accountability, Adaptability, Respect, Duty

Acknowledgements

In closing, I want to thank the governing body for providing the positive leadership and direction to the management team in the preparation of this document. We also want to extend our thanks to each of the department heads and their staff for the many hours that they spent in developing realistic objectives and preparing their portion of the operating budget. It is a tedious process and can only be achieved with their help and support.

We also want to recognize our department heads and their staff for the outstanding job they do as stewards over the expenditures of our public funds. It is our goal to make the extra effort to ensure that our fiscal accountability is second to none.

Thank you again for your support, and we look forward to working with you this coming year. We respectfully recommend your approval of this 2010-2011 fiscal year annual operating and capital budget.

Respectfully submitted,



Alfonso E. Ortiz, Jr.
Mayor

Timothy P. Dodge
City Manager



Pamela Marrujo
Interim Finance Director