

NYE COUNTY AGENDA INFORMATION FORM

Action
 Presentation
 Presentation & Action

Department: Finance		Agenda Date:	
Category: Regular Agenda Item		May 11, 2020	
Contact: Savannah Rucker		Phone: (775) 751-6391	Continued from meeting of:
Return to:	Location: Pahrump		Phone:
<p>Action requested: (Include what, with whom, when, where, why, how much (\$) and terms)</p> <p>Presentation, discussion and deliberation to: 1) Review and approve the Nye County final budget assumptions for Fiscal Year 2020-2021; and 2) Set a date, time, and location for a Public Hearing to formally adopt the Fiscal Year 2020-2021 final budget for Nye County.</p>			
<p>Complete description of requested action: (Include, if applicable, background, impact, long-term commitment, existing county policy, future goals, obtained by competitive bid, accountability measures.)</p> <p>Staff recommends setting the Public Hearing for 10:00 am at the Board of County Commissioners meeting held on May 29, 2020.</p> <p>Pursuant to Assembly Bill No. 19 of the 2015 Legislative Session the public hearing of the tentative budget must be held not sooner than the third Monday in May and not later than the last day in May. May 18-31 for FY21.</p>			
<p>Any information provided after the agenda is published or during the meeting of the Commissioners will require you to provide 20 copies: one for each Commissioner, one for the Clerk, one for the District Attorney, one for the Public and two for the County Manager. Contracts or documents requiring signature must be submitted with three original copies.</p>			
<p>Expenditure Impact by FY(s): (Provide detail on Financial Form)</p>			
			<input type="checkbox"/> No financial impact

Routing & Approval (Sign & Date)

1. Dept	Date	6.	Date
2.	Date	7. HR	Date
3.	Date	8. Legal	Date NA
4.	Date	9. Finance	Date
5.	Date	10. County Manager	Date
		<input checked="" type="checkbox"/> Place on Agenda	

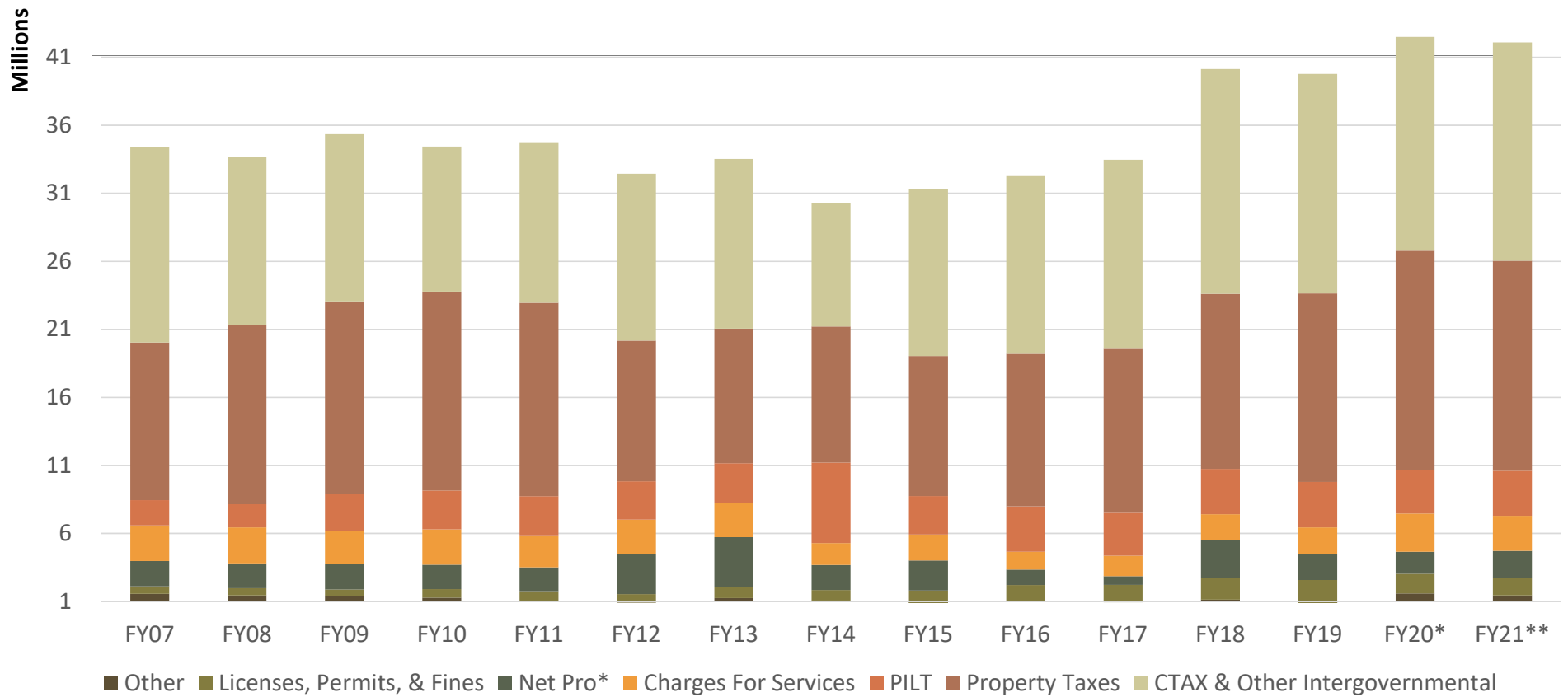
ST ITEM # 17

Nye County Budget Forecast

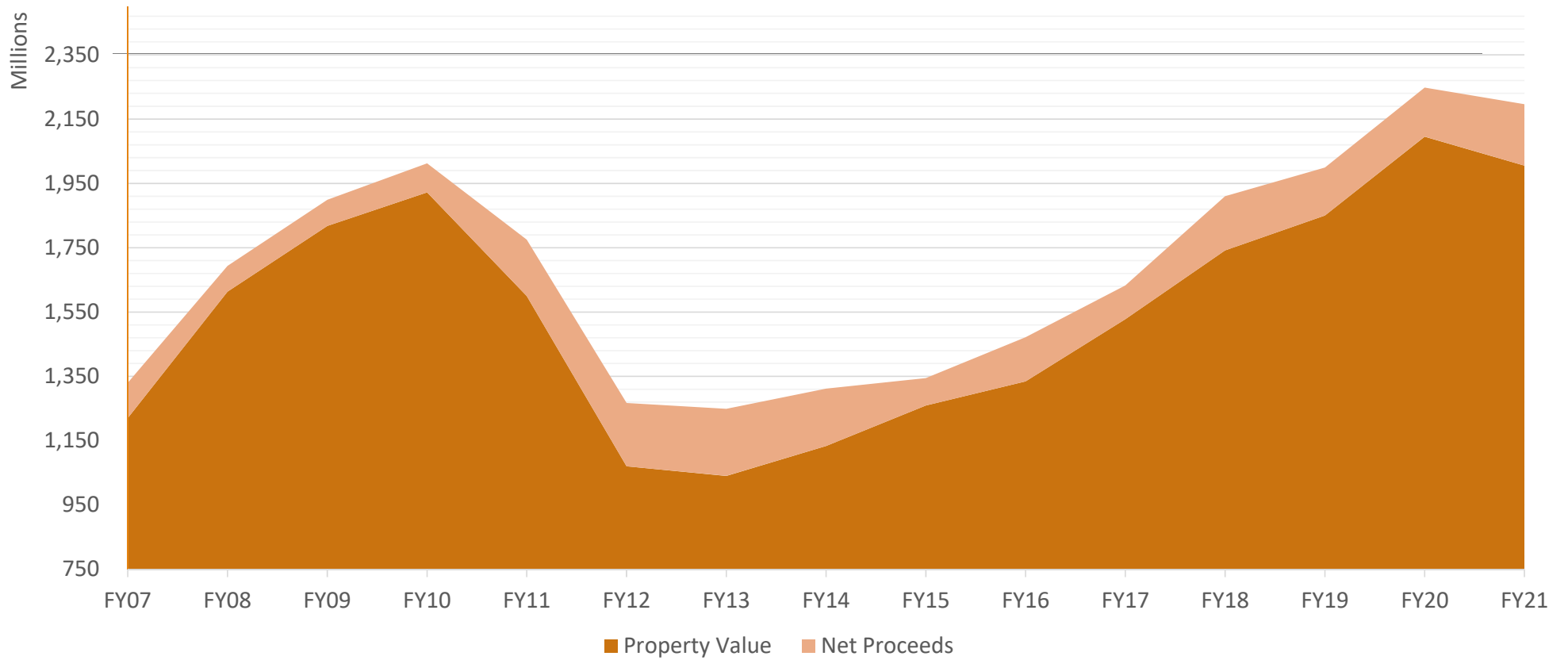
FISCAL YEAR 2020-2021

PRESENTED: MAY 11, 2020

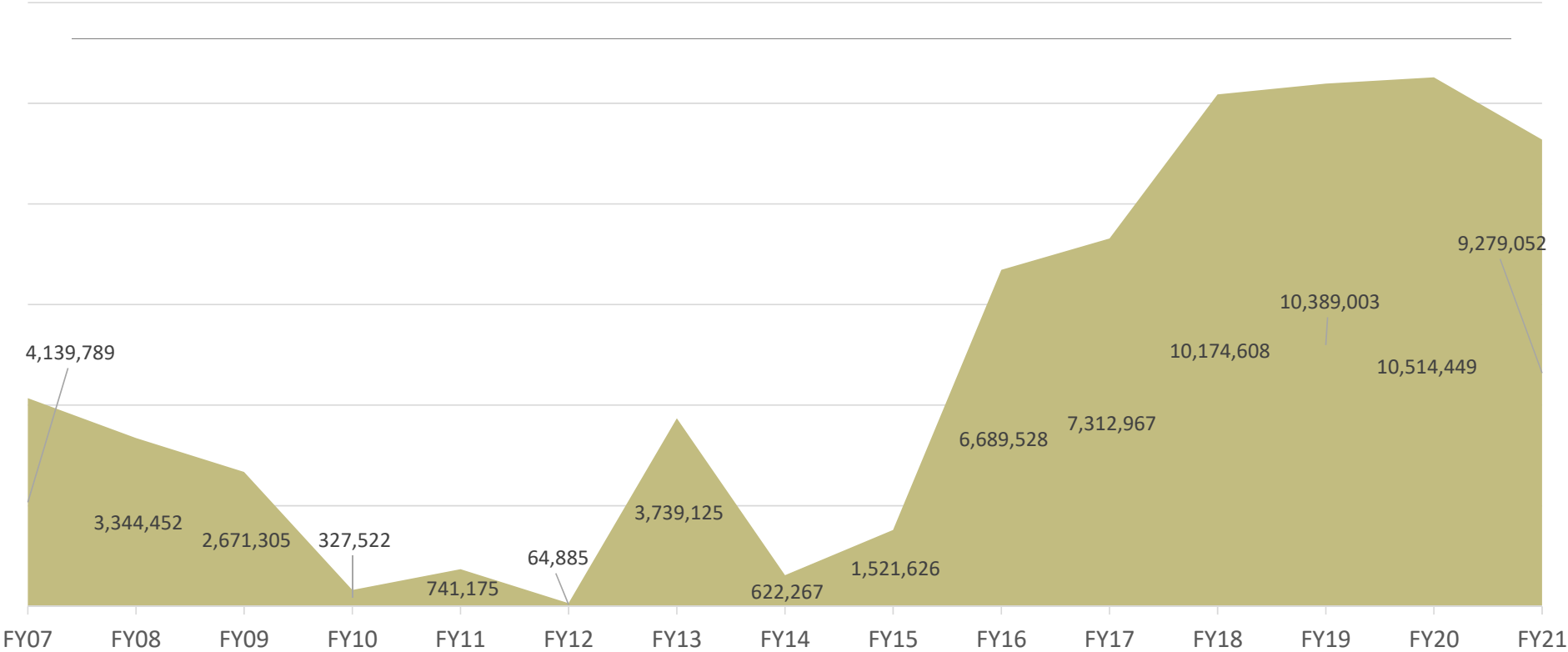
Nye County GF Revenue by Type - FY07-FY20



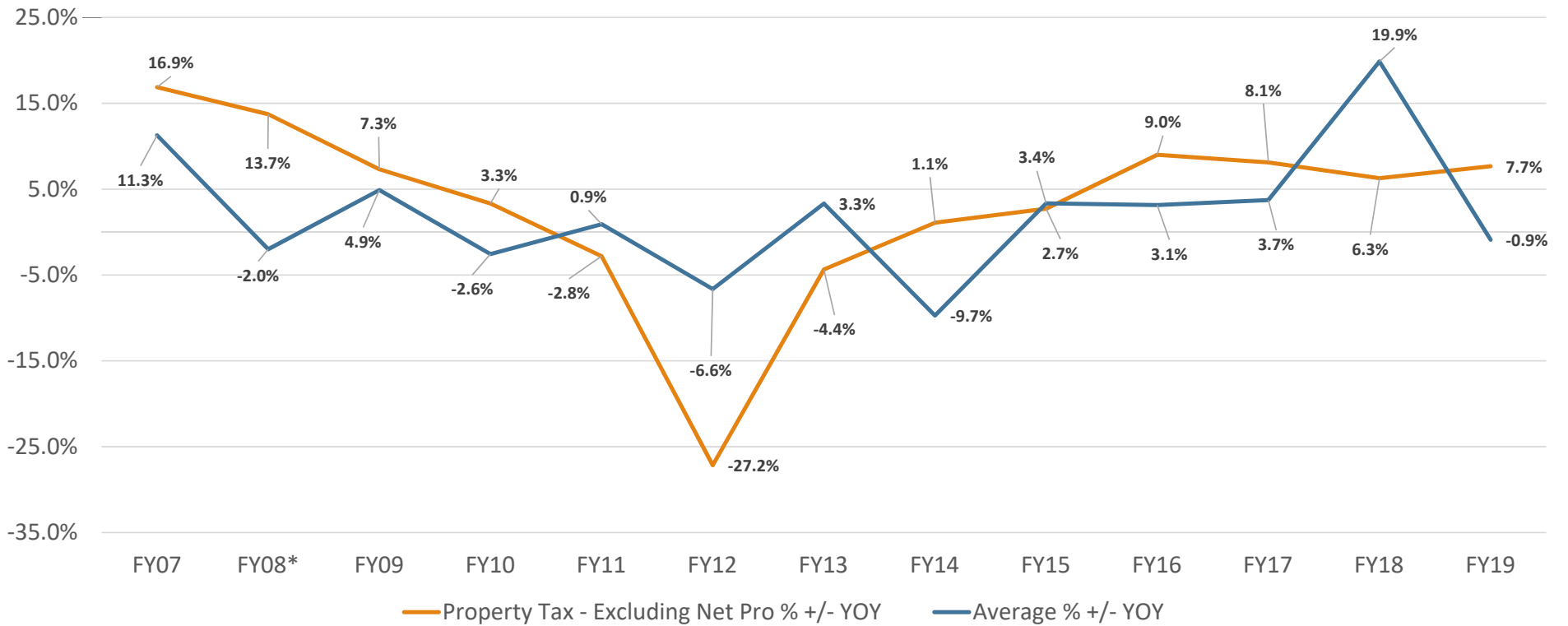
Historical Nye County Property Tax - Assessed Valuation



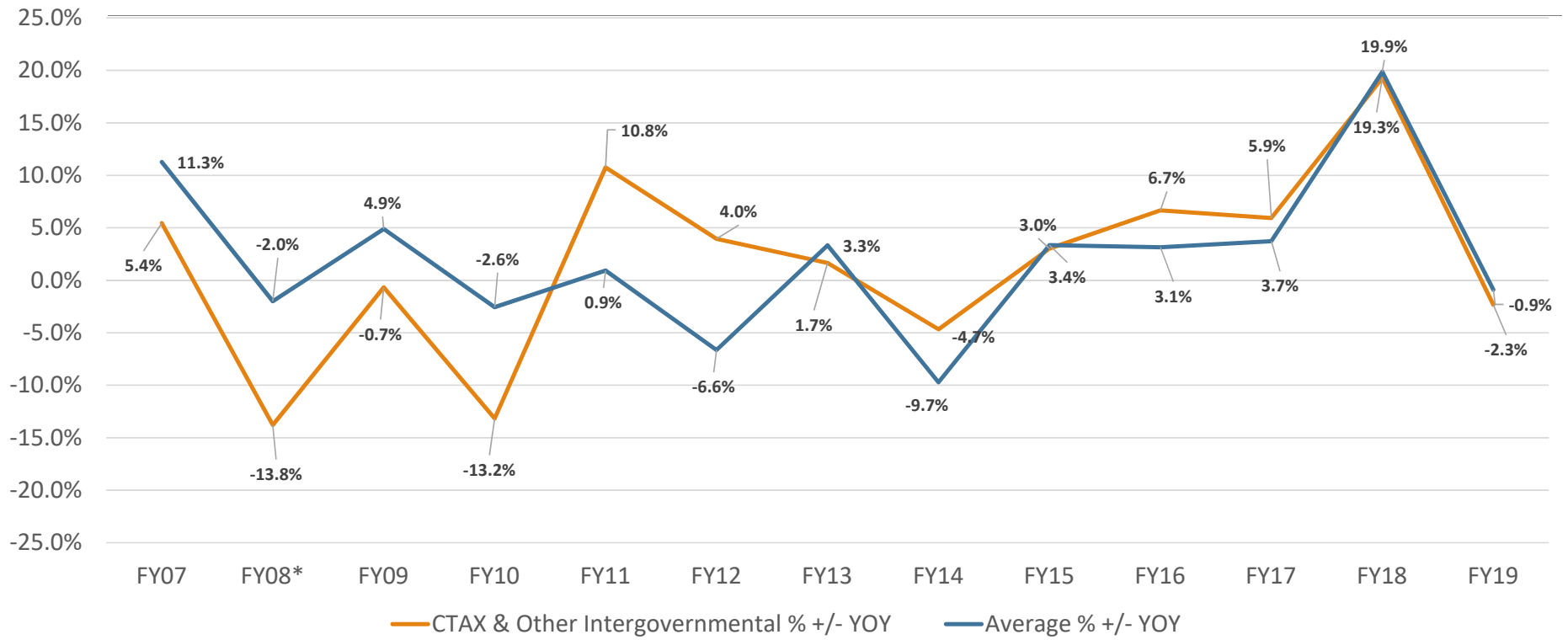
Nye County General Fund – Ending Fund Balance



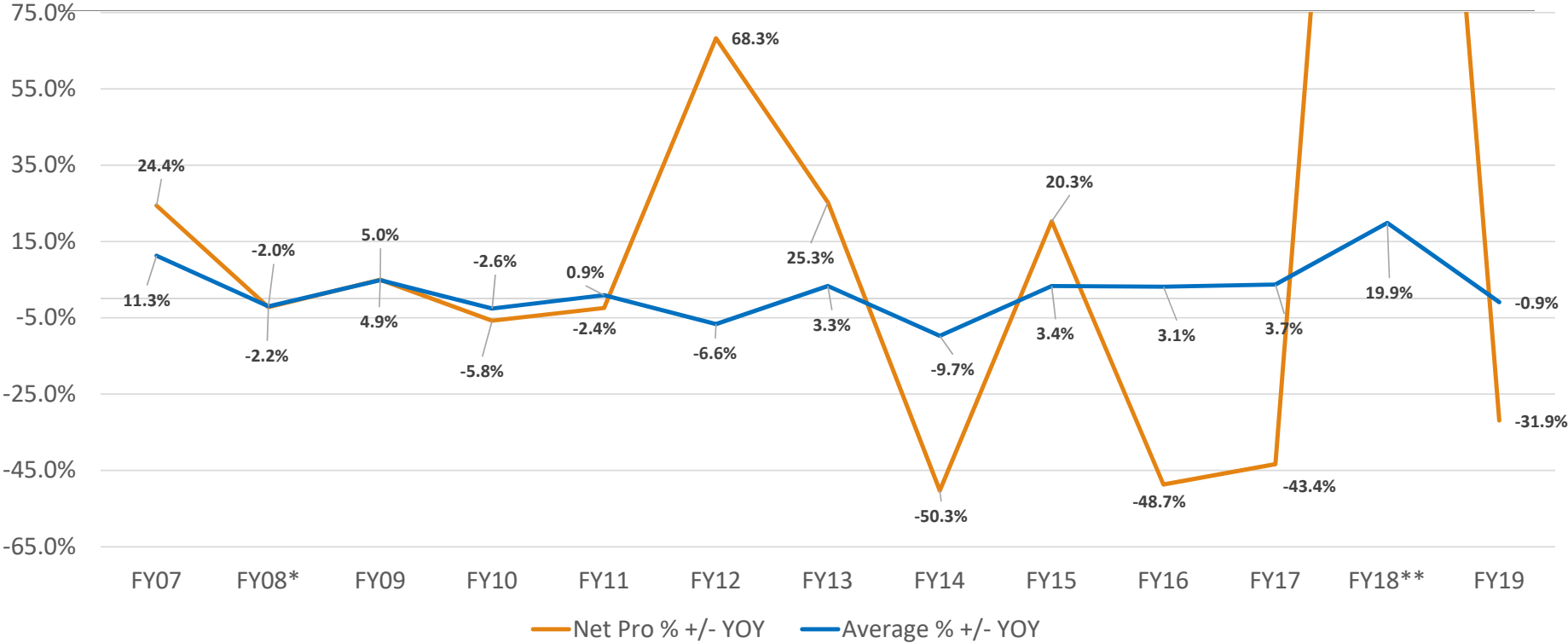
Nye County General Fund Revenue Increase/Decrease Year Over Year Property Tax (Excluding Net Proceeds) VS Total Average Revenues



Nye County General Fund Revenue Increase/Decrease Year Over Year CTAX VS Total Average Revenues



Nye County General Fund Revenue Increase/Decrease Year Over Year Net Proceeds VS Total Average Revenues



FY21 Estimated COVID-19 Fiscal Impact

As of May 5th, 2020 the FY21 impact of COVID19 is anticipated to impact the general fund \$2.506M, and Nye County non-general funds \$1.185M, totaling \$3.691M in FY21.

FY 21 COVID19 - Impact – by Function			
Function of Government	General Fund	Non-General Fund	Total
Capital	-	31,018	31,018
General Government	-	276,669	276,669
Human health and welfare	-	-	-
Judicial	-	61,717	61,717
Public Safety	-	120,766	120,766
Public Works	-	695,377	695,377
General Fund	2,506,231	-	2,506,231
Total Estimated Impact	2,506,231	1,185,546	3,691,777

FY21 Estimated COVID-19 Fiscal Impact

FY 21 COVID19 - Impact – by Revenue Type				
	FY21 Tentative Budget (Pre-COVID19)	FY21 Estimate	Increase/Decrease	% Change
General Fund (10101)	44,600,599	42,094,368	(2,506,231)	-5.6%
Non-General Funds Combined by Revenue Type				
Ambulatory	686,250	607,331	(78,919)	-11.5%
Building/Construction	1,081,250	879,056	(202,194)	-18.7%
Charges for Services	1,380,170	1,221,450	(158,720)	-11.5%
CTAX	486,768	447,340	(39,428)	-8.1%
Fuel Tax	6,896,310	6,248,057	(648,253)	-9.4%
Funds /Various Revenues	767,830	749,552	(18,277)	-2.4%
Licensing: Brothel, Gaming, Liquor	65,050	57,569	(7,481)	-11.5%
Property Tax	5,067,194	5,067,194	-	0.0%
Room Tax	64,550	32,275	(32,275)	-50.0%
Total Estimated Impact	61,095,970	57,404,193	(3,691,777)	-6.0%

FY21 GF Budget Revenue Assumptions

CTAX: 38.1% of FY21 GF budgeted revenue

- DTAX projecting \$17,465,299, budgeting 91.9% of DTAX projection, \$16,050,610 based on Applied Analysis weighted average of economy recovery.
- Largest current impact from COVID19 crisis.

Property tax/Net Proceeds: 41.4% of FY21 GF budget

- DTAX projection for Property Tax totals \$15,437,749, budgeting 100% of DTAX projections.
- Projections for Net Proceeds in FY21 total \$1,999,381. Net Proceeds is a volatile revenue source is budgeted as an operating transfer out to the County Capital fund (10401). Budgeting 100% of projections for revenue.

FY21 GF Budget Revenue Assumptions

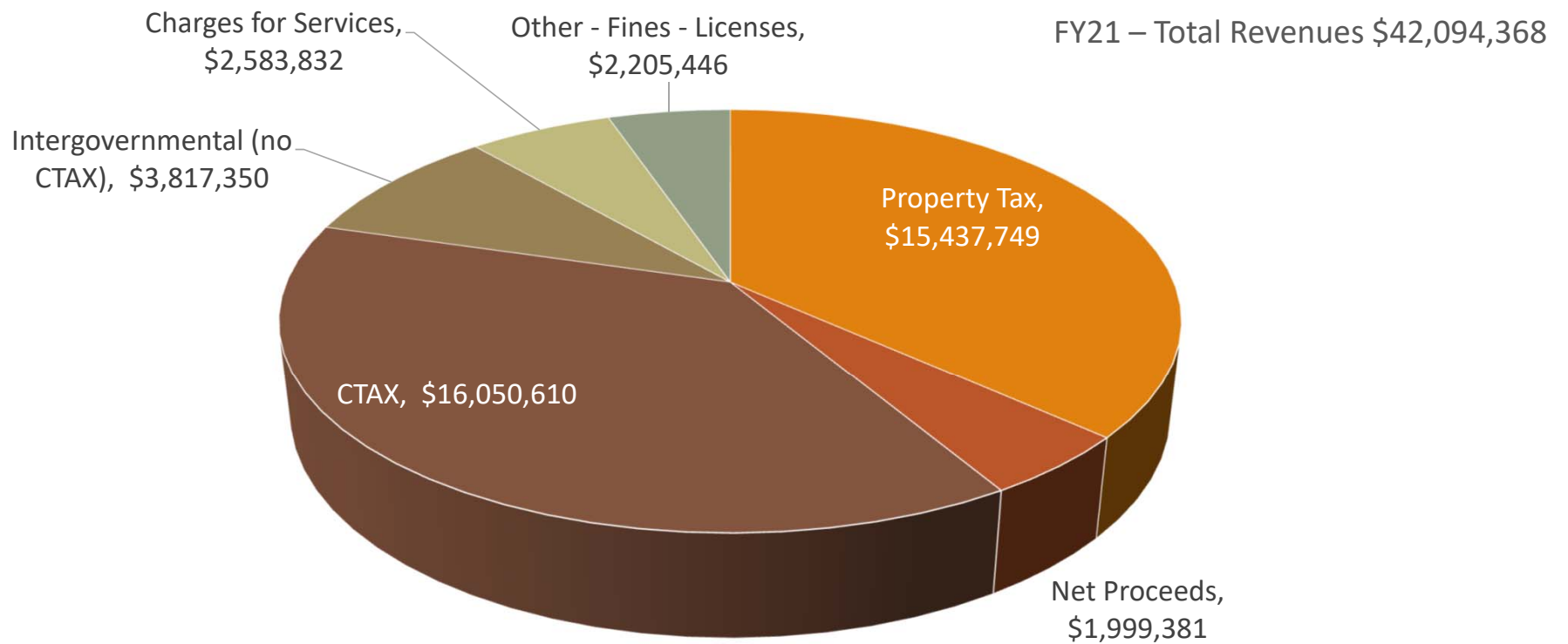
PILT: 7.84% of FY21 GF Budget

- Payment in Lieu of Taxes, Federal Government tax payment on 97% of land in Nye.
- Past FY revenues average \$3.1M, current discussions report program fully funded in FY21 to assist local governments in recovery from COVID crisis. Budgeting 100% of anticipated funding.

Other revenue: 12.66% of FY21 GF Budget

- Reduced all revenue types in category by 11.5% to account for COVID crisis.

Revenue Breakdown FY21



FY21 GF Budget Expenditure Assumptions

- Expenditure budgets remain status quo, no increase to head count, or service and supply budget. Overtime has been removed from all departments. Partial Misc. Overhead budget has been re-allocated to multiple departments in the GF to ensure proper oversight of contracts.
- Step increases, longevity, shift differential, boot allowances, and uniform allowances have been included in department budgets for salaries and benefits as status quo.
- Workers Compensation costs will increase **15%** on 7/1/2020, this impact has been factored into all department budgets.

FY2021 General Fund

Structural Imbalance

FY21 Estimated Revenues (Pre-COVID19)	44,600,599
Revenue Loss: COVID19 Impact	(2,506,231)
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FY21 Estimated Revenues (Post-COVID19)	42,094,368
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Less: Expenditures (Status Quo)	(45,512,352)
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Structural Imbalance	(3,417,984)

FY21 GF Structural Imbalance

FY21 Tentative Budget Adjustments to Balance

FY21 Structural Imbalance	(3,417,984)
Expenditure Reductions:	
Eliminated OPEB contribution from operating revenues	250,000
Reduce capital transfer for Net Proceeds	299,381
Reduce Jail fund transfer for Services and Supplies (7.5%)	157,209
Reduced all GF departments Services & Supplies Budgets (7.5%)	458,821
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Remaining Adjustment Required	(2,252,573)

FY21 GF Budget Adjustments

FY21 Tentative Budget Adjustments to Balance

FY21 Remaining Adjustment Required (2,252,573)

Recommended Cost Containment Measures:

Hiring Freeze - 4.6% Jail Fund - Reduction in Transfer	212,401
Hiring Freeze - 4.6% Vacancy Rate - All GF Departments	1,304,775
Employee Concessions	735,397

Remaining Adjustment Required to Balance FY21 Budget: \$0

FY21 GF
Additional
Budget
Adjustments

FY21 Recommendation to Utilize Ending Fund Balance

FY21 Budgeted Ending Fund Balance	9,779,052
Recommended One Time Approvals to Utilize & Reduce Ending Fund Balance:	
Transfer to Stabilization Fund - Rainy Day Fund (10201)	(250,000)
Transfer to Compensated Absences Fund - Accrual Payouts (10202)	(250,000)
Requested Budgeted Ending Fund Balance FY21	9,279,052
Committed Ending Fund Balance	5,800,000
Operating Ending Fund Balance	3,479,052

FY21 GF
Ending
Fund
Balance
Use

Future Challenges



Poor economic conditions may result in an increase in late property payments, challenging cash flow for all funds.



Slower than expected economic recovery may result in declining assessed valuations similar to the crash of 2008. There is no floor limit to which property tax assessments can decline.



OPEB and other contractual liabilities will increase from prior years reports due to the fluctuating markets affecting discount rates, along with County staff retiring with these benefits increasing the liabilities. Continued further deferment of these future liabilities creates strain on the fiscal standing of the County affecting bond ratings and the County's ability to pay the liabilities in future fiscal years.



Property, liability, workers comp, and other insurance rates continue to climb, and will continue to do so as the County experiences higher than normal claims experience rates. Skeleton staffing of critical departments causes increases in claims.