

CITY OF NEVADA FY 2023-2024 BUDGET

JANUARY 23, 2023

Presented by City Administrator Jordan Cook & City Clerk Kerin Wright



WHAT IS NEVADA'S FINANCIAL SITUATION?

Cash Solvency?

Budgetary Solvency?

Long-run Solvency?

WHAT IS THE CITY DOING TO MANAGE & MONITOR OUR FINANCIAL SITUATION?

MANAGE

- *Review fees
- *Bid services and purchases
- *Maintain assets-keep longer
- *City infrastructure projects to create long-term savings
- *LEAN reduce costs/improved service

MONITOR

- *Monthly budget to actual reports
- *Monthly bank reconciliation
- *Quarterly line-item detail review
- *Annual Audit
- *Annual Financial Report

What are examples of Financial Policies or Rules of Thumb the City uses?

INVESTMENT POLICY

DEBT POLICY

PURCHASE POLICY

FUND BALANCE POLICY

WHO ARE THE MEMBERS OF THE CITY'S FINANCE TEAM?

ELECTED
OFFICIALS:

Mayor Brett Barker
Council Members:
Brian Hanson,
Jason Sampson,
Dane Nealson,
Sandy Ehrig,
Steve Skaggs,
Barb Mittman

CITY STAFF

PROJECT SPECIFIC
TECHNICAL
EXPERTS (i.e. Engineers)

BOND COUNSEL

INDEPENDENT
FINANCIAL
ADVISORS

RESIDENTS

WHAT PLANS HELP IN PUTTING TOGETHER A CITY BUDGET?

Current Vision Plan

Comprehensive Plan

Strategic Plan (a two-year ongoing project with new initiatives, goals and action plans)

Capital Improvement Plan

Equipment Revolving Plan

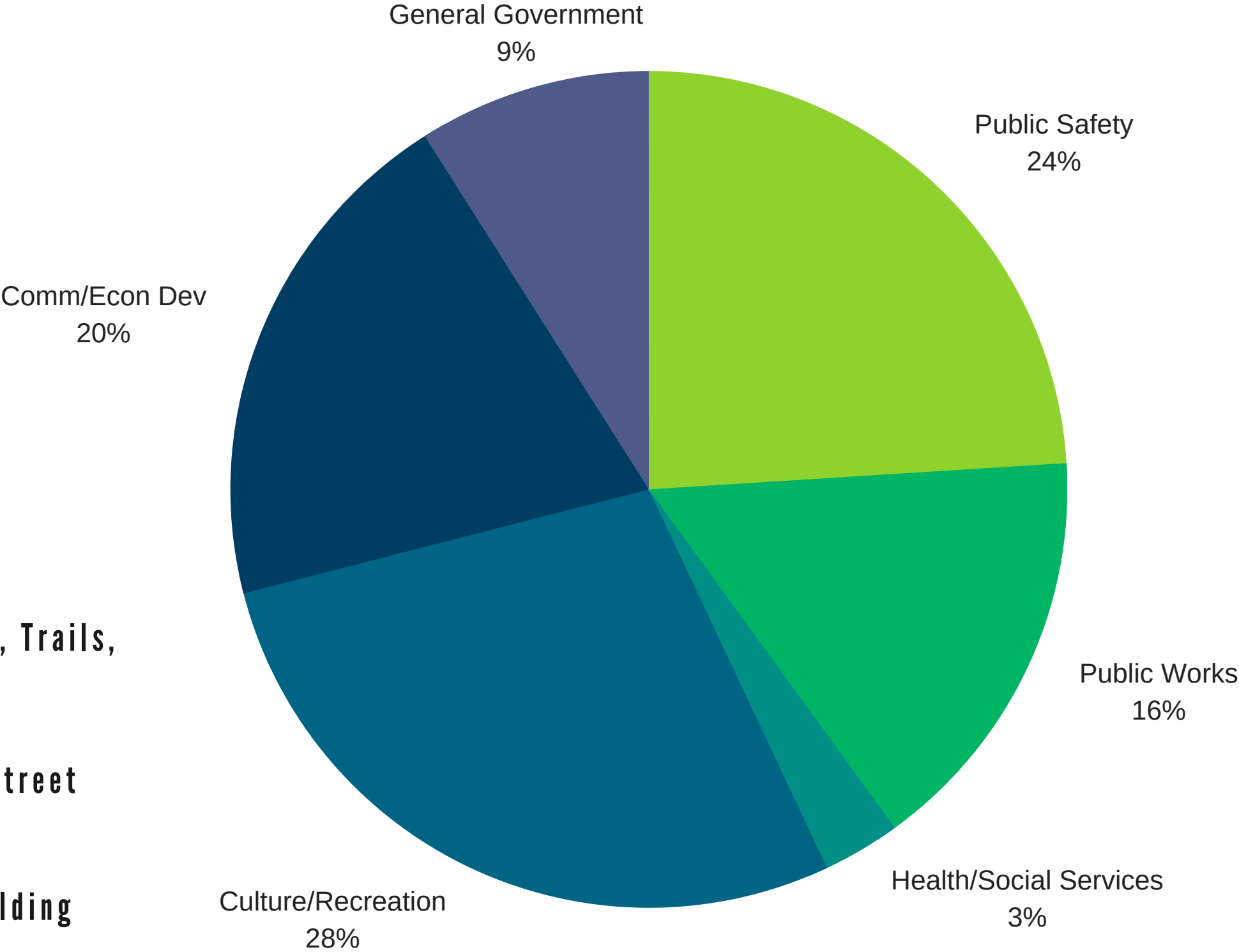
Departmental Forms and State Forms

Financial Policies

LOCAL OPTION SALES TAX

Distribution of LOST- per Function
Each year can vary slightly depending on ongoing projects or initiatives

- PUBLIC SAFETY: Police, Fire, Dispatch, Radio fees
- PUBLIC WORKS: Streets, Sidewalks, Bridges, St lights, Trees
- HEALTH & SOCIAL Services: Mosquito control, Human services
- CULTURE & RECREATION: Library, Parks, REC programs, Splashpad, Trails, Cemetery
- COMMUNITY & ECON DEVELOPMENT: Comm specialist, NEDC, Main Street Nevada, Downtown grants, Signage
- GENERAL GOVERNMENT: Newsletter, Website, Admin, City Hall building

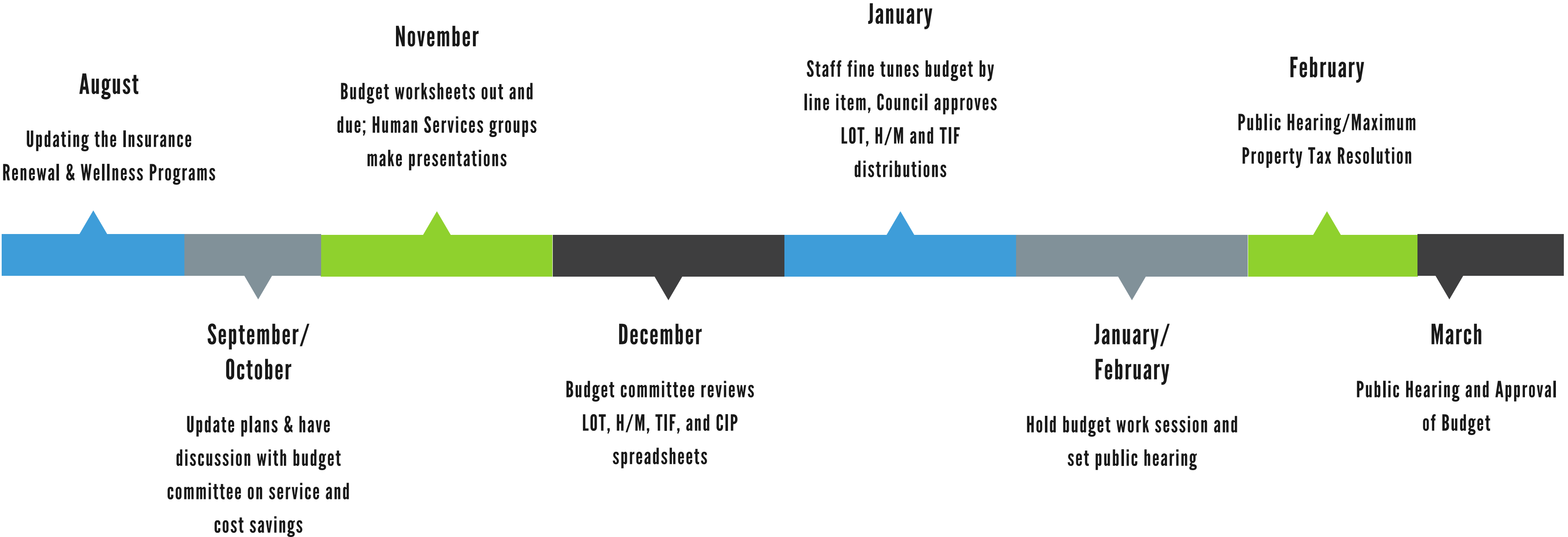


NEVADA: A FINANCIALLY SOUND CITY



- **City services delivered in most effective manner**
- **Upgraded City technology & financial systems (including data security)**
- **Maintained best bond rating**
- **Increased City's financial reserves**
- **Leveraged City resources through outside grants, partnerships & private contributions**
- **Users paying for cost recovery of delivery of City services**

BUDGET TIMELINE



THE BUDGET AS A PLAN

Fiscal Year, July 1 to June 30

- Based on projections
- Actual experience may vary, adjust during the year
- Sets policy for upcoming year, determines projects and purchases
- Also a communication tool



BUDGET ADOPTION -

IS RIGID AND
REGULATED BY
THE STATE,

IS AN
APPROPRIATION,
GIVING THE CITY
AUTHORITY TO
SPEND

PROVIDES
MAXIMUM CITIZEN
OVERSIGHT

<p>ADDITIONAL PUBLIC NOTICE...</p> <p>...of the Maximum Property Tax for certain levies Posted on website and social media</p>	<p>HOLD PUBLIC HEARING...</p> <p>...on Maximum Property Tax Resolution</p>	<p>APPROVE RESOLUTION...</p> <p>...establishing Maximum Property Tax Levy (only certain levies are affected, excludes voted and debt service)</p>	<p>IF MORE THAN 2% INCREASE...</p> <p>...from prior year revenue, a supermajority vote to approve is required</p>	<p>EXTENDED DEADLINE...</p> <p>...for Budget submission to March 31st</p>
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**To add transparency, Senate File 634
Truth in Taxation Bill was enacted.**

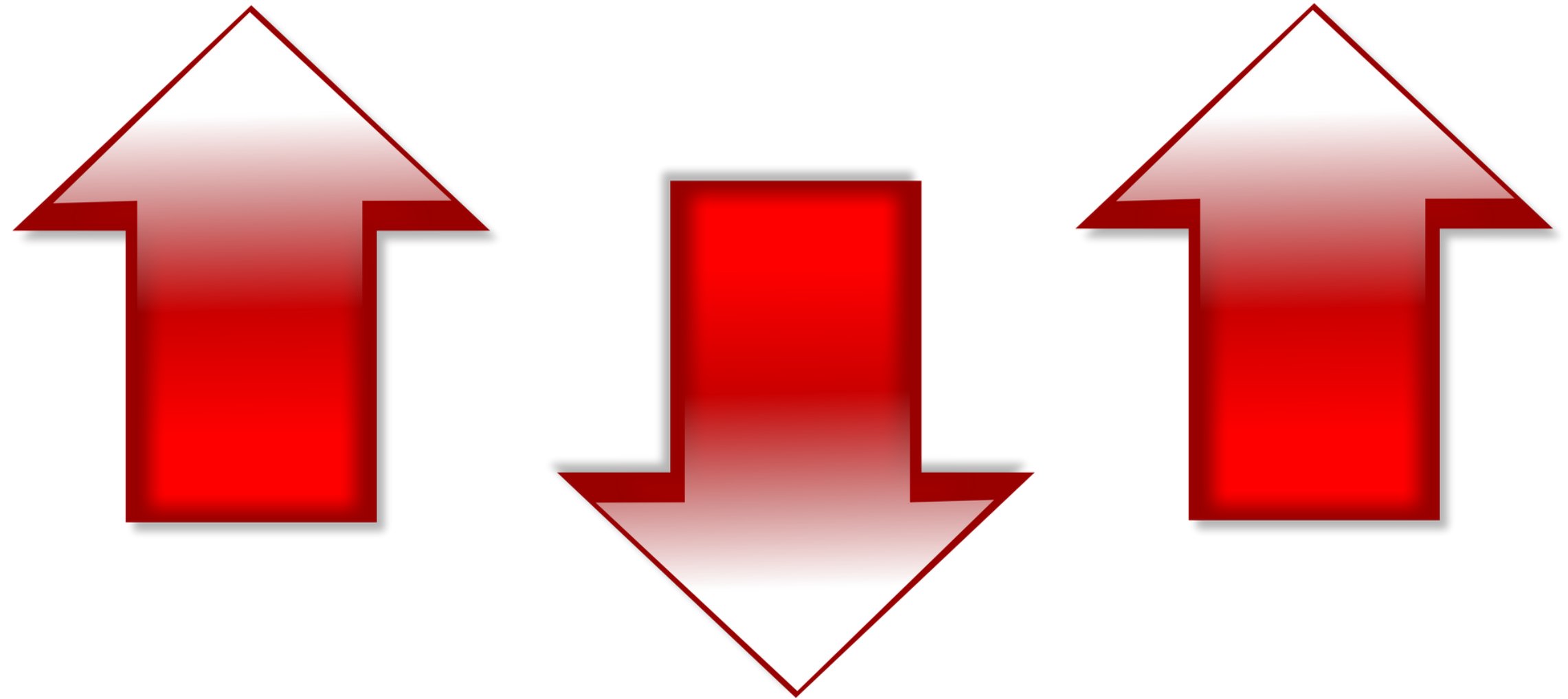
LEVY RATES

- 1) DIFFERENT RATES AVAILABLE
- 2) USAGE AND/OR AMOUNT IS LIMITED
- 3) EXPRESSED IN DOLLARS AND CENTS PER 1,000

GENERAL FUND CAPPED AT \$8.10/1,000

CITY REVENUE CYCLE

Revenues are
up and down
during the year



Expenses are constant



STATE LIMITATIONS

**THE ROLLBACK MEANS
PROPERTY IS NOT TAXED AT ITS
FULL VALUE, ONLY A PERCENT.**

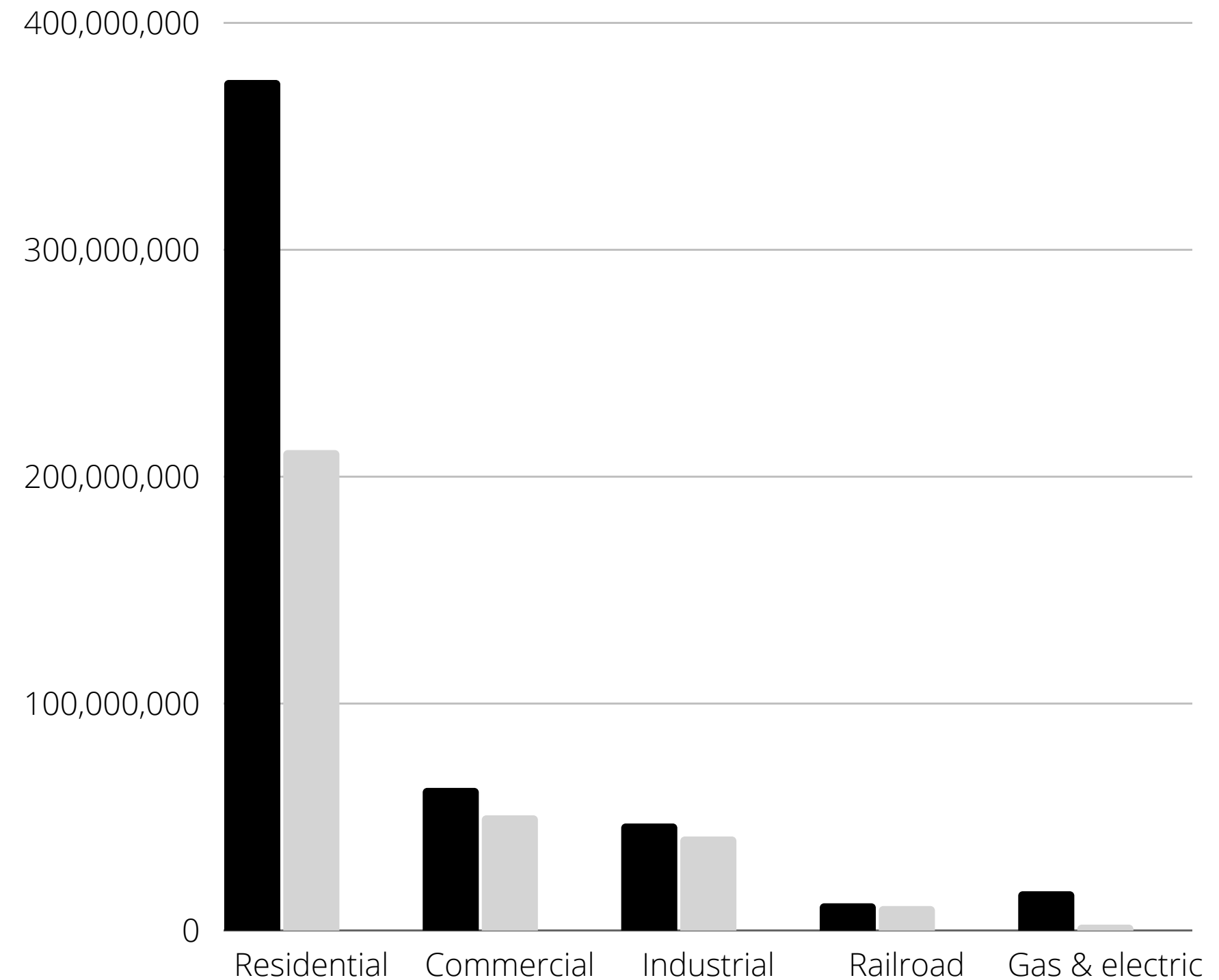
STATE SETS THE PERCENT FOR A WHOLE CLASS OF PROPERTY.
AFFECTS RESIDENTIAL PROPERTY THE MOST.

PROPERTY VALUATIONS BY CLASSIFICATION

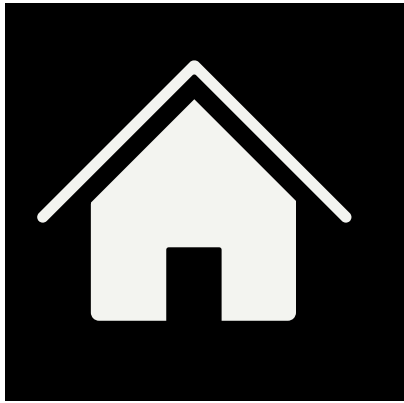
Legislative changes affect Valuations

Mostly Commercial/Industrial properties

- 2013 RB to 90% for Comm/Ind; Multi-Res began,
Backfill (BF) provided for Comm/Ind, Not Multi
- 2017 Frozen BF; 2020 BF Phased out, ends 2025
- Elderly Tax Credit for Seniors - No BF
- 2022 BPTC changed, 1st \$150,000
Valuation of Comm/Ind RB is same as residential RB



1st bar shows 100% Valuation, 2nd bar shows Taxable Valuation



Residential 67%



Commercial 16%

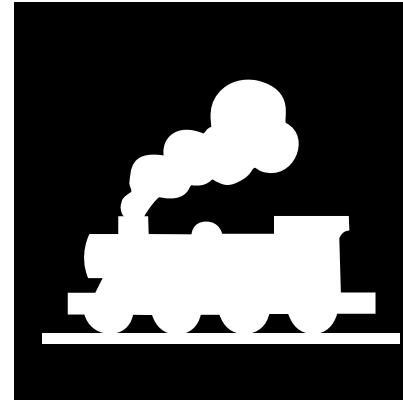


Industrial 13%



Utility 1%

Railroad - 3%



Agricultural 1%

TAXABLE VALUE

Property Tax Base
(assessed value of
properties in the City)

State Residential Rollback History

THE TABLE BELOW ILLUSTRATES THE PROPERTY TAX THE CITY WOULD RECEIVE BASED ON A \$100,000 PROPERTY.

Residential Property	FY 23/24	FY 22/23	FY 21/22	FY 20/21
Rollback	56.4919%	54.1302%	56.4094%	55.0743%
City Millage Rate	14.61435%	14.61435%	\$14.618	\$14.618
Property Tax	\$825.59	\$791.27	\$824.59	\$805.07



(ASSESSED VALUE) \$100,000
X
(STATE LIMITATION/ROLLBACK) 56.4919%

TAXABLE VALUE \$56,492

Example:

(TAXABLE VALUE) \$56,492
X
(CITY LEVY RATE) \$14.61435/1000

TOTAL CITY PROPERTY TAX REVENUE
\$825.59

RESIDENTIAL PROPERTY EXAMPLE

PROPERTY TAX: WHERE DOES IT GO?

Let's take a look at a \$100,000 residential property example.

LEVY	FY 23/24-56,491 (TAXABLE)		FY 22/23-54,130 (TAXABLE)		FY 21/22-56,409 (TAXABLE)	
GENERAL FUND	8.10000	457.58	8.10000	438.45	8.10000	456.91
FIELDHOUSE- SENIOR CTR.	0.13500	7.63	0.135	7.31	0.135	7.62
INSURANCE (TORT/GENERAL)	0.58665	33.14	0.51457	27.85	0.44234	24.95
EMERGENCY (PUBLIC SAFETY)	0.27000	15.25	0.270000	14.62	0.270000	15.23
EMPLOYEE BENEFITS	2.26934	128.20	1.62734	88.09	2.38337	134.45
DEBT SERVICES	2.67662	151.21	3.3738	182.62	2.68575	151.50
CIP- LIBRARY/TRAILS	0.57674	32.58	0.59729	32.33	0.60154	33.93
TOTAL	14.61435	825.59	14.618	791.27	14.6180	824.59

INDUSTRIAL/COMMERCIAL PROPERTY EXAMPLE

100% ASSESSED VALUATION IS \$200,000

(ASSESSED VALUE) \$150,000
X
(STATE LIMITATION) 56.4919%

TAXABLE VALUE \$84,835

(ASSESSED VALUE) \$50,000
X
(STATE LIMITATION) 90%

TAXABLE VALUE \$45,000

TOTAL TAXABLE VALUATION: \$129,835:

Example:

(TAXABLE VALUE) \$129,835
X

(CITY LEVY RATE) \$14.61435/1000

TOTAL CITY PROPERTY TAX REVENUE
\$1,897.45

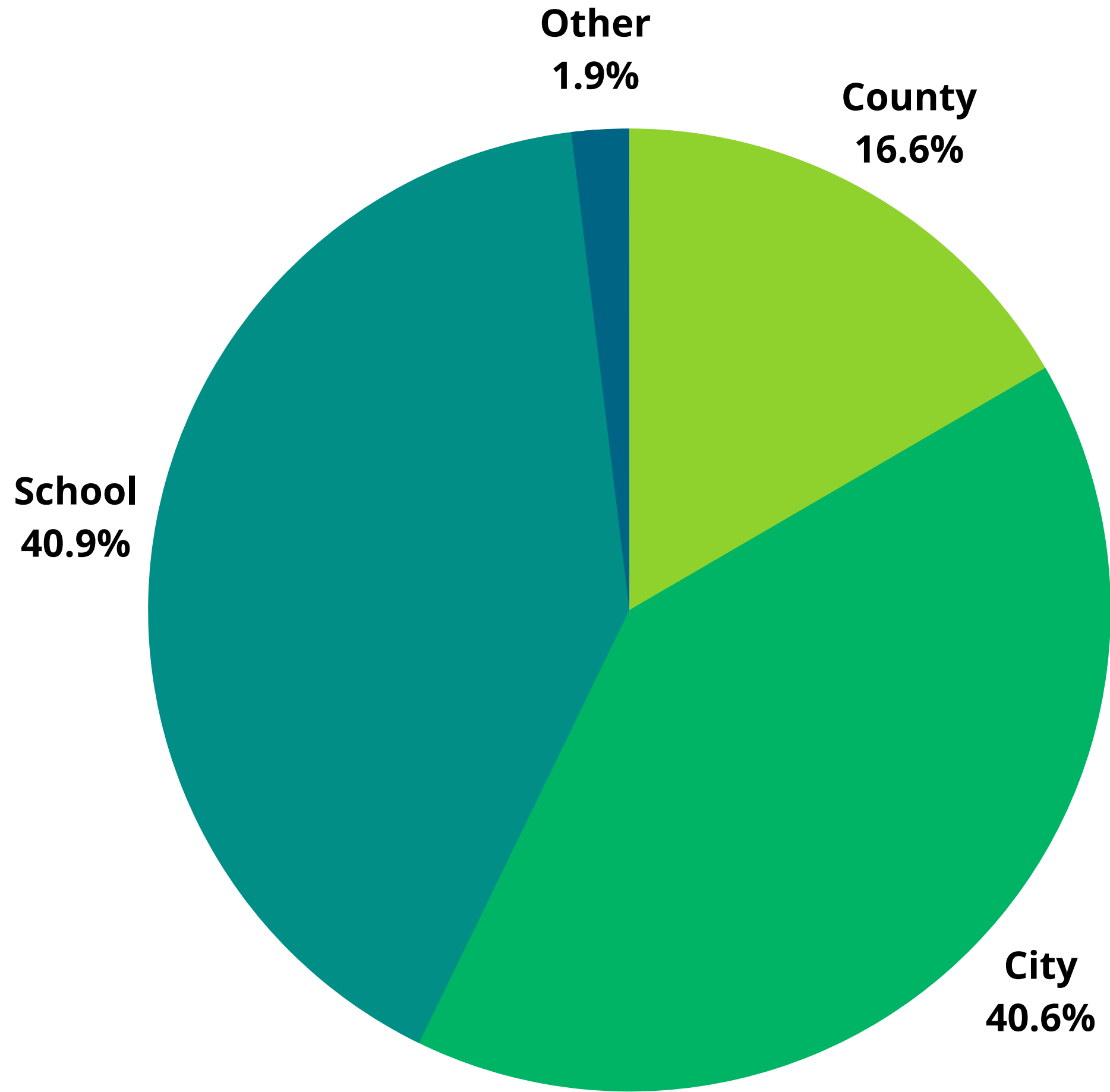
verbio
North America

Nevada Biorefinery
59219 Lincoln Highway

www.verbio.us

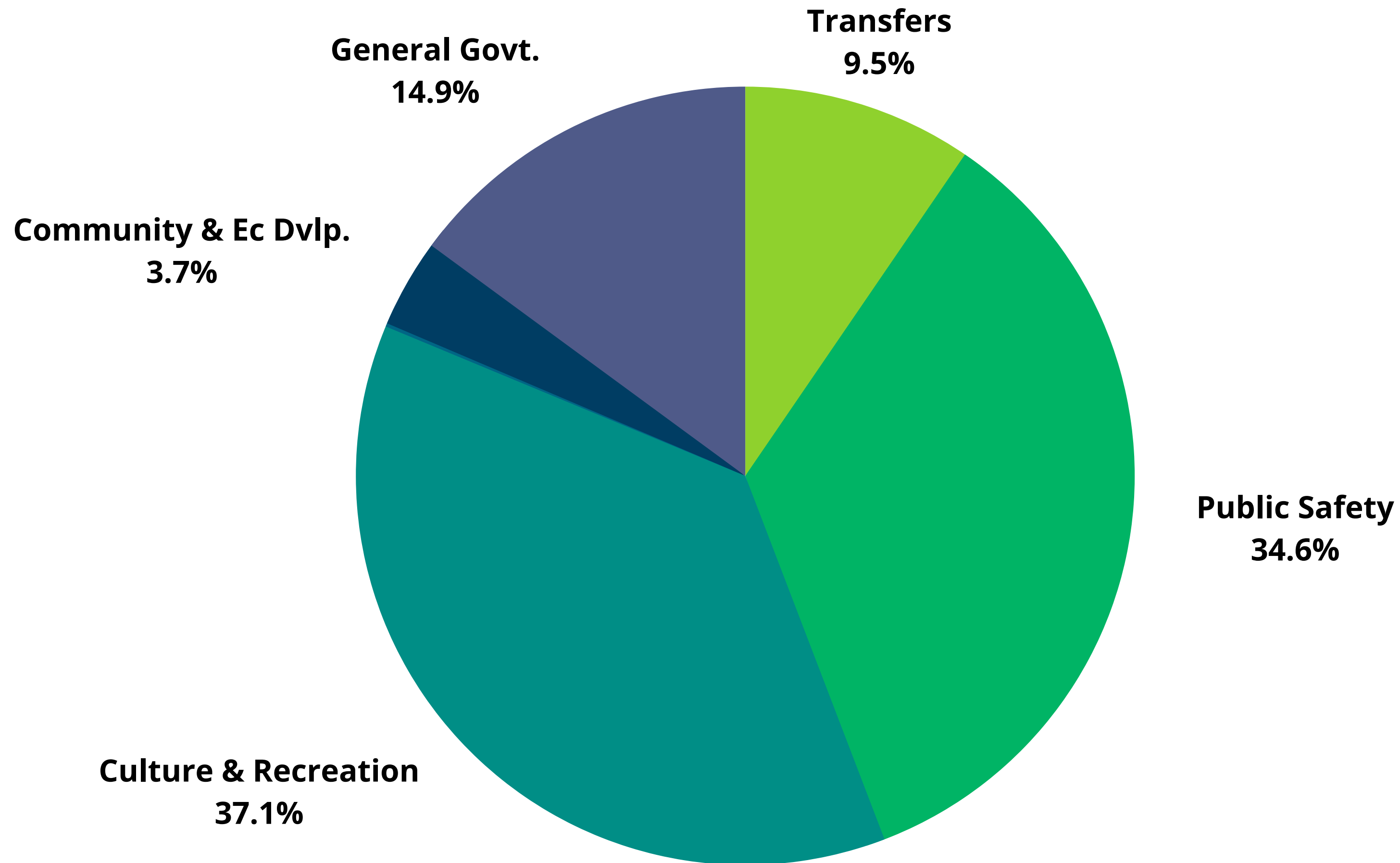
Nevada Tax Rates

Tax Year	FY22/23	FY21/22	FY20/21	FY19/20	FY18/19
City	14.61435	14.618	14.618	14.618	14.618
School	14.71343	14.91083	16.71656	16.81278	16.81478
County	5.98127	6.41339	6.56652	6.62365	6.49739
Other	0.69448	0.67789	0.63533	0.65249	0.69568
Total	36.00353	36.62011	36.43641	38.70692	38.62485
% to City	40.59%	39.92%	40.12%	37.77%	37.85%

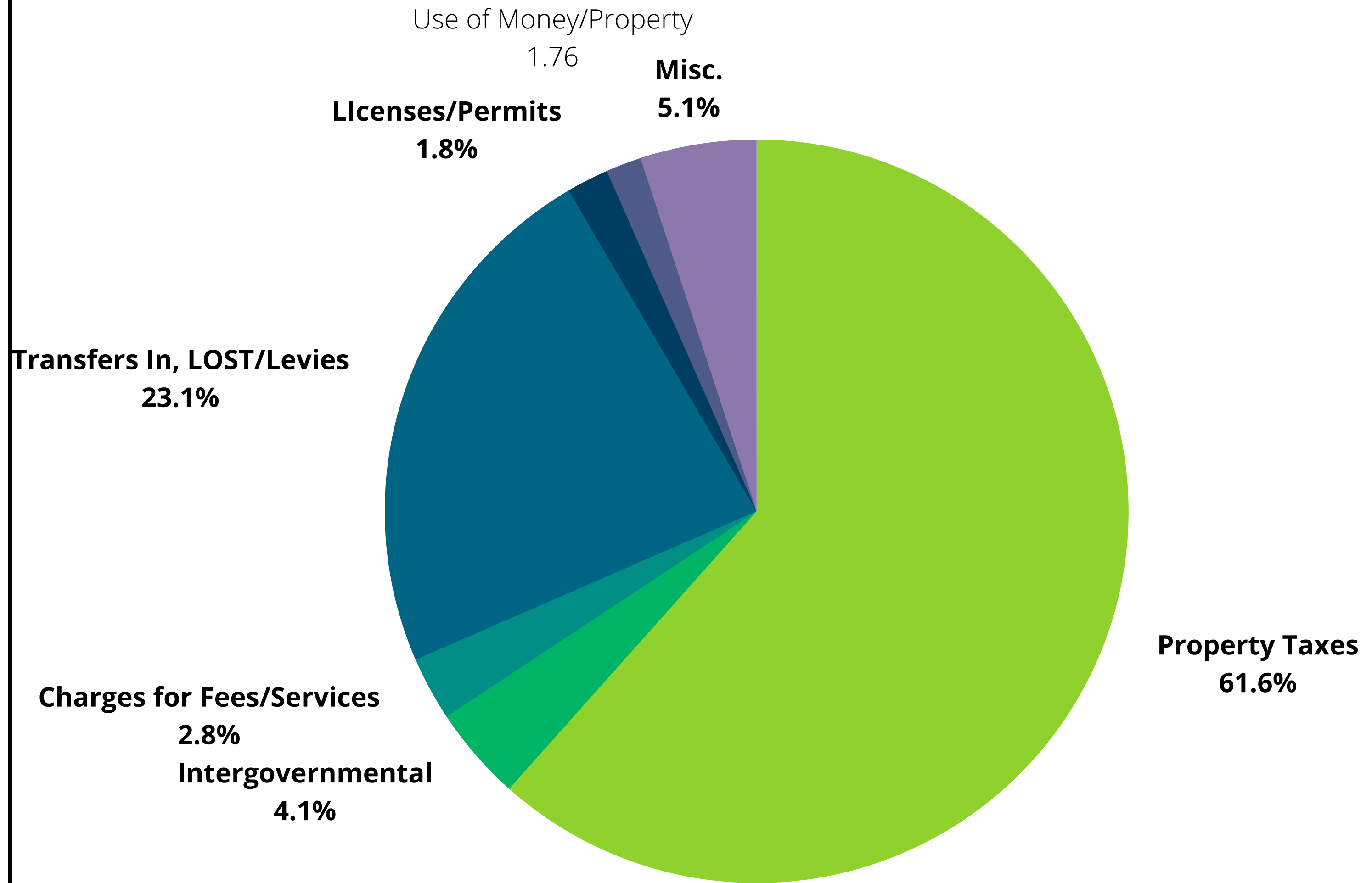


SLICING THE PROPERTY TAX PIE

GENERAL FUND EXPENDITURES



GENERAL FUND REVENUE SOURCES



Department of Management 22/23 City Tax Rates Comparable to Nevada

	City	Population	Total Tax Rate
1.	Maquoketa	6,128	13.89987
2.	Creston	7,536	14.48131
3.	Nevada	6,925	14.61435
4.	Hiawatha	7,183	14.75527
5.	Algona	5,487	16.06621
6.	Estherville	5,904	16.19012
7.	Atlantic	7,112	16.56142
8.	Perry	7,836	17.99825

General Fund



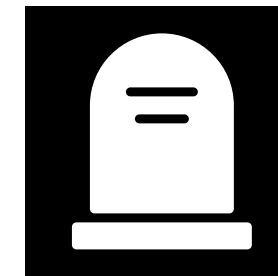
PUBLIC SAFETY



LIBRARY



PARKS & REC



CEMETERY



ADMINISTRATION

General Fund-Budget to Actual

		Beginning Balance	Revenue	Transfers In	Expenditures	Transfers Out	Ending Balance
2018/2019	Budget		2,661,527	1,106,878	3,834,737	0	(66,332)
	Actual	3,438,396	7,039,225	1,027,634	3,660,204	10,000	7,835,051
							4,396,655
2019/2020	Budget		3,421,011	1,143,700	4,382,472	0	182,239
	Actual	7,835,057	3,314,776	1,005,616	3,850,535	0	8,304,908
							469,857
2020/2021	Budget		3,298,815	1,167,045	4,183,844	4,520,000	(4,237,984)
	Actual	8,304,908	3,700,880	1,394,819	3,772,231	0	9,628,376
							1,323,468
2021/2022	Budget		3,232,297	1,298,936	4,852,612	4,500,000	(4,821,379)
	Actual	9,628,376	3,306,867	2,138,956	4,029,662	4,500,000	6,544,537
							(3,083,839)
2022/2023	Budget		3,184,001	1,255,439	4,514,578	50,000	125,138
	Actual						
2023/2024	Budget		3,321,763	1,409,796	4,662,020	443,333	(373,794)

A black and white photograph of stacks of US currency. On the left, there are several tall stacks of coins, likely quarters and pennies. To the right, there are stacks of US dollar bills, with a \$10 bill clearly visible in the foreground. The image is slightly out of focus, emphasizing the texture and patterns of the currency.

NON-ACTIVITY REVENUE SOURCES

SOURCE	22/23	23/24
General-Hotel/Motel	2,501,481	2,629,367
Employee/Emergency Levy	541,164	753,501
Local Option Tax	980,000	1,000,000
Tax Increment Financing	563,561	576,552
Road Use Tax	831,250	856,187
Debt Service	1,021,850	849,232
Proceeds of Debt	3,600,000	3,000,000
Capital Project Levy	168,913	170,093
Grants/Reimbursements	2,271,115	2,185,860
Use of Money (interest, rent, etc.)	81,015	155,460
TOTAL	\$12,560,349	\$12,176,252

PUBLIC SAFETY DEPARTMENT



POLICE REVENUE & EXPENSES

	22/23	23/24	CHANGE
REVENUE	132,460	93,290	
EXPENSES:			
Personnel Services	1,274,421	1,315,491	3.22%
Equip, Repairs, Utilities	31,800	48,320	52%
Contractual, Commodities	214,000	243,941	14%
Capital	86,200	91,000	
TOTAL	\$1,606,421	1,698,752	5.75%



FIRE/EMS REVENUE & EXPENSES



	22/23	23/24	CHANGE
REVENUE	21,400	73,850	
EXPENSES:			
Personnel Services	161,978	160,570	(0.87%)
Supplies, Repairs, Contractual	55,150	68,828	24.80%
Capital	21,400	73,850	
TOTAL	\$217,128	\$229,398	5.65%

**NEVADA
PUBLIC
LIBRARY**



LIBRARY REVENUE & EXPENSES

	22/23	23/24	CHANGE
REVENUE	42,520	55,100	
EXPENSES:			
Personnel Services	373,141	425,411	14.01%
Repairs, Maint., Utilities	24,250	25,750	6.19%
Contractual, Commodities, Materials	105,550	107,481	1.83%
Capital	10,000	15,000	
TOTAL	\$512,941	\$568,642	10.86%



PARKS & REC, CEMETERY, FIELD HOUSE



PARKS/4-PLEX, POOL REVENUE & EXPENSES

	22/23	23/24	CHANGE
REVENUE	290,190	317,270	
EXPENSES:			
Personnel Services	484,757	491,517	1.39%
Contractual, Supplies, Services	116,540	124,097	6.48%
Capital	53,900	35,500	
TOTAL	\$601,297	\$615,614	2.38%



RECREATION/FIELDHOUSE REVENUE & EXPENSES



	22/23	23/24	CHANGE
REVENUE	67,980	83,805	
EXPENSES:			
Personnel Services	219,061	232,914	6.32%
Supplies, Equip, Contractual,	59,850	89,270	49.16%
Capital	140,000	20,500	
TOTAL	\$278,911	\$322,184	15.51%

CEMETERY REVENUES & EXPENSES

	22/23	23/24	CHANGE
REVENUE	35,375	36,950	
EXPENSES:			
Personnel Services	94,275	97,073	2.97%
Supplies, Repairs, Contractual	43,625	37,339	(14.41%)
Capital	140,000	20,500	
TOTAL	\$137,900	\$134,412	(2.53%)



ADMINISTRATION, STREETS

WATER, WASTEWATER



ADMIN

ADMINISTRATION REVENUES & EXPENSES

	22/23	23/24	CHANGE
EXPENSES:			
Personnel Services	345,473	348,241	.80%
Equipment	114,500	108,750	(5.02%)
Contractual	255,950	286,941	12.11%
Capital	152,000	149,000	
TOTAL	\$715,923	\$743,932	3.91%



STREETS REVENUES & EXPENSES

	22/23	23/24	CHANGE
REVENUE	875,000	875,000	
EXPENSES:			
Personnel Services	523,444	550,063	5.09%
Repairs, Maint., Equip.	149,750	150,000	0.17%
Contractual, Supplies, Services	157,600	168,761	7.08%
Capital	42,400	168,761	
TOTAL	\$830,794	\$868,824	4.58%



WATER REVENUES & EXPENSES

	22/23	23/24	CHANGE
REVENUE	2,377,743	2,440,525	
EXPENSES:			
Personnel Services	555,659	575,513	3.57%
Repairs, Fuel, Utilities	210,100	213,600	1.67%
Supplies, Equip, Contracts	410,650	417,082	1.57%
Capital	172,490	245,490	
Debt			
TOTAL	\$1,176,409	\$1,206,195	2.53%



WASTEWATER REVENUES & EXPENSES

	22/23	23/24	CHANGE
REVENUE	2,456,951	2,584,687	
EXPENSES:			
Personnel Services	577,905	594,489	2.87%
Repairs, Fuel, Utilities	228,440	807,067	253.29%
Supplies, Equip, Contracts	176,655	205,630	16.40%
Capital	30,000	186,200	
Debt			
WWTP Construction			
TOTAL	\$983,000	\$1,607,186	63.50%



**THIS CONCLUDES
THE PRESENTATION.**

Are there any questions?

