

FY2027

# Five-Year Financial Plan



City of Boulder City, Nevada  
Finance Department  
FY2027

# **City of Boulder City, Nevada**

## **Five-Year Financial Forecast**

**Fiscal Year 2026-27 to Fiscal Year 2030-31**

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## Purpose

The Five-Year Financial Forecast (Forecast) for the City of Boulder City, Nevada (City) covers Fiscal Years (FY) 2026-27 to FY 2030-31. The development of a financial forecast as part of the budget process is identified as a best practice by the Government Officers Finance Association (GFOA). GFOA recognized a financial forecast as a “fiscal management tool that presents estimated information based on past, current, and projected financial conditions. This will help identify future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, or community services.”

The purpose of the Forecast is to help make informed budgetary and operational decisions by anticipating future revenues, expenditures, and financial risks. None of the Mayor’s and City Council’s goals can be effectively advanced without a stable fiscal foundation. The Forecast is best used as a

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strategic planning tool to help ensure financial sustainability and anticipate the long-term impacts of current decisions. The Forecast is not a budget and does not include any proposed balancing solutions or revised service levels. Instead, the Forecast is a planning tool to identify opportunities and challenges over a longer timeframe.

Regardless of whether the economy is expanding, contracting, or remaining stable, financial planning and sustainability is a prudent activity, and maintenance of the Forecast is essential to sound fiscal management. In general, budgetary problems will result when revenues do not keep pace with expenditures. That said, there is more to financial planning than just keeping the budget balanced. The Forecast provides the strategic foundation to understanding the various trends to allow a comprehensive review of programs and services provided to the community and how these needs may change both in the near-term and the long-term.

The Forecast Model projects the City’s current mix of revenues and expenditures through the upcoming budget year and then four years into the future. The Finance Department is responsible for developing revenue projections based on an analysis of various factors. These include historical trend analysis, current economic conditions, projected economic activity from local and regional sources, and known future factors such as contracts and inter-local agreements. These revenues are projected using the most up-to-date information. However, economic conditions and trends through FY 2026 and beyond are uncertain; therefore, revenue assumptions and projections will be refined and updated as

further information becomes available. The Financial Forecast builds off the actual revenues, expenditures, and ending reserves, projects the estimated revenues, expenditures, and ending reserves for 2027, and incorporates known factors (such as the increase in pension costs and labor contracts) into the five-year projections. Based on current assumptions, the City expects to see a slowing of revenue growth over the life of the forecast. Revenues, expenditures, and ending reserves are then projected using the base assumptions as detailed in this report.

The Forecast serves as a resource for a diverse audience – residents, businesses, elected officials and City employees. The Forecast provides detailed information regarding the City’s revenues and expenditures, as well as the assumptions, uncertainties, and external factors that are projected to influence the City’s fiscal health over the next five years.

The General Fund Forecast does not include Special Revenue Funds or Enterprise Funds.

## **Risks & Uncertainties**

The Forecast presents the most likely result (absent any changes to City spending or revenues), however, the Forecast results are inherently subject to uncertainty. This section outlines key areas of risks and uncertainty that could impact this forecast.

### **National Economic Uncertainty**

U.S. economic policy has undergone significant changes with the new administration in Washington. Tariffs may bring higher inflation or maintain it at high levels for longer, directly impacting consumer-based tax bases. The travel and tourism industry has experienced some disruption due to the new tariffs, for example, as lower consumption occurs when international travelers stop selecting the United States as their tourism destination. Local municipalities will also experience direct impacts from new national policies, as Federal grants may no longer be available to help fund specific local programs. Additional impacts will also be felt by external local industries, such as the construction industry, which needs to expand to meet critical housing shortages but may contract due to higher material costs. There is also still a possibility that the economy will enter a recession. To the extent that a recession occurs, the revenue estimates presented in the forecast would likely be too high, and the deficit projections would be too low.

## Southern Nevada Economic Uncertainty

Before the pandemic, the Southern Nevada economy thrived on strong employment in the hospitality, gaming, restaurant, retail, food services, and tourism sectors; however, these sectors are now experiencing a downturn. Presently, tourism is facing challenges from higher tariffs on nations that historically have been sources of international visitors. Job growth in general has been constrained in 2025, and the number of travelers at Harry Reid International Airport remains well below historical levels<sup>1</sup>, resulting in lower occupancy rates and lower hotel and gaming revenues. In addition, Taxable sales are significantly lower than in prior years, resulting in a lower collection of the various taxes that comprise the Consolidated Tax (C-Tax).

## Nevada Public Employee Retirement System Contributions

An additional fallout from a potential recession in the U.S. is the impact to the Nevada Public Employee Retirement System (NPERS). Tariffs were announced on April 2, 2025, affecting most countries around the globe. In response, the stock market has been highly volatile, with the S&P 500 reflecting similar yo-yo activity in value. With the full impact of the tariffs still unknown, the market is bracing for an economic downturn, which could potentially lead to NPERS receiving a lower-than-anticipated return on investment. In turn, this could result in a higher than traditional increase in the NPERS allocations to both the employee and the City in future years.

At present, the mandatory contribution for non-public safety employees is 31.75% of their pay. Public Safety employees contribution rate is 58.75% of their pay. Increases in the required contribution occur in odd-numbered years (i.e., 2023, 2025, 2027, etc). Under Nevada State Law, the employee is required to pay half of the increase by way of wage reduction.

Table 1 on the following page shows the historical contribution rates over recent years. Note that the last two cycles (2023 and 2025) had far larger than average increases. This was due to multiple factors, including a higher ratio of retired vs. working employees (for the entire statewide pool of PERS participants) and inflation. With the volatility of the Market because of the unknown impacts of tariffs, potential inflation growth, and the economy overall, it is difficult to project what the NPERS contribution rates will be at the next scheduled biannual review in 2027.

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<sup>1</sup> The Las Vegas Review Journal reported that the number of available airline seats had fallen by 3.5% during calendar year 2025 (Las Vegas Review Journal, January 16, 2025 “Airline seats into Las Vegas fall 2.5% in 2025”, written by Richard N. Velotta

**Table 1: NPERS Annual Contribution Rates by Year**

Year	Total Contribution Police/Fire Employees	Biannual Change	Employee share		Total Contribution Regular Employees	Biannual Change	Employee Share
7/1/2003	28.500%				20.250%		
7/1/2005	32.000%	3.500%	1.750%		19.750%	0.500%	0.250%
7/1/2007	33.500%	1.500%	0.750%		20.500%	0.750%	0.375%
7/1/2009	37.000%	3.500%	1.750%		21.500%	1.000%	0.500%
7/1/2011	39.750%	2.750%	1.375%		23.750%	2.250%	1.125%
7/1/2013	40.500%	0.750%	0.375%		25.750%	2.000%	1.000%
7/1/2015	40.500%	0%	0%		28.000%	2.250%	1.125%
7/1/2017	40.500%	0%	0%		28.000%	0%	0%
7/1/2019	42.500%	2.000%	1.000%		29.250%	1.250%	0.625%
7/1/2021	44.000%	1.500%	0.750%		29.750%	0.500%	0.250%
7/1/2023	50.000%	6.000%	3.000%		33.500%	3.750%	1.875%
7/1/2025	58.750%	8.750%	4.375%		36.750%	3.250%	1.625%

## Unfunded Capital Needs and Liabilities

A backlog of maintenance needs coupled with limited financial resources means that there will continue to be a growing list of capital needs throughout the City. This figure will continue to grow as several projects are still in the process of developing their budgets.

The assumptions for the major revenue and expenditure categories are identified below.

## Assumptions

### Revenue Sources

The Financial Forecast assumptions are based on the most current information available. Revenue assumptions are generally conservative, with particular attention given to the top five revenues that represent approximately 93 percent of total revenues.

To develop a more accurate picture of the historical revenue data, the Finance Department compiled a detailed historical record of every revenue summary (by revenue category) as reported in the annual audit. This record extends from 1960 (when the City first incorporated) to the most recent audit for Fiscal Year 2025. The dataset assists the City in estimating future revenues and is useful to see how the local economy (and the City's revenue streams) reacted to various national and regional economic stressors. While not a

perfect method to determining how future revenue streams may react in the future due to the current uncertainties, it can help us predict how the City may fare under those circumstances.

Below is an analysis of The Top Five Revenue Categories, and their forecasted performance.

### 1) Consolidated Tax (“C-Tax”)

The Consolidated Tax, often referred to as the “C-Tax” consists primarily of Sales tax and other related consumption taxes as collected by the State of Nevada Department of Taxation. The distribution of C-Tax is formula-based, using population and other factors in determining each recipient's share. The C-Tax is heavily reliant on tourism levels in Clark County, principally the gaming industry. The C-Tax does NOT include revenues derived from taxes imposed on Gaming activities.

The C-Tax receipts represent approximately 32% of all General Fund revenues. Over the past ten-year period (2016-2025), the City realized an average growth in C-tax receipts of 3.98% annually. However, in 2025, receipts decreased by 0.52% (~\$78,000), compared to the prior year. Contributing factors in the decrease include a significantly lower number of international tourists visiting the Las Vegas market, particularly from Canada and Asia, and the effects of decreased consumer confidence domestically. The fallout from tariffs has also contributed to declines in international tourism<sup>2</sup>. Nevertheless, The Las Vegas Convention and Visitors Authority remains cautiously optimistic for a 2026 rebound, with overall numbers slightly lower than 2024 but potentially better than a slow 2025 and major events expected to offset economic headwinds.

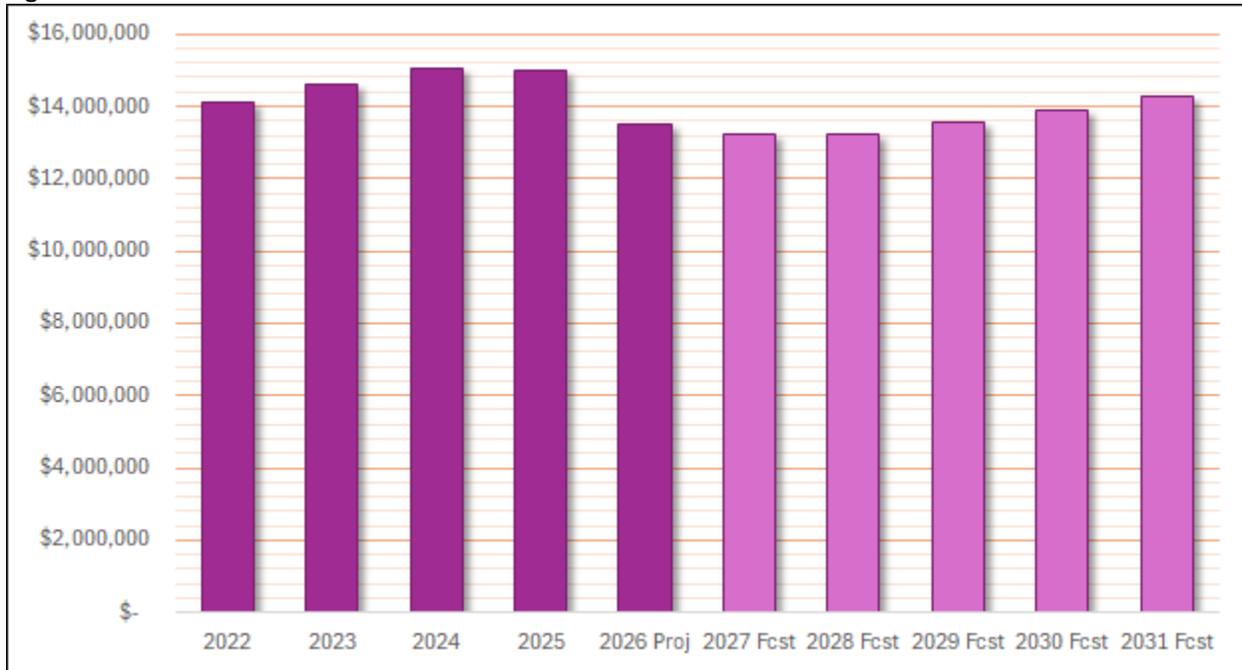
As shown in Figure 2 on the following page, The Forecast projects C-tax receipts to be stagnant for the next year, followed by an increase of approximately 2.5% annually starting with Fiscal Year 2027. This increase conservatively represents the best estimate of when tourism numbers will rebound to the Las Vegas market.

The C-Tax receipts represent approximately 32% of all General Fund revenues. The Forecast projects C-tax receipts to be stagnant for the next year, followed by an increase of approximately 2.5% annually starting with Fiscal Year 2027. This increase conservatively represents the best estimate of when tourism numbers will rebound to the Las Vegas market.

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<sup>2</sup> Source: New York Times: <https://www.nytimes.com/2025/10/01/travel/las-vegas-tourism.html>

**Figure 2: Consolidated Tax**



2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 14,119,434	\$ 14,579,017	\$ 15,060,577	\$ 14,982,252	\$ 13,484,027	\$ 13,230,000	\$ 13,230,000	\$ 13,560,750	\$ 13,899,769	\$ 14,247,263
18.35%	3.25%	3.30%	-0.52%	-10.00%	-1.88%	0.00%	2.50%	2.50%	2.50%

## 2) Property tax

Property tax receipts represent approximately 6% of General Fund revenues. Over the past ten-year period (2016-2025), the City realized an average growth in property tax receipts of 5.47% annually. It is important to note that the property tax collections each year vary widely from year to year, and that the 5.47% average is over the ten-year period. For example, if comparing the receipts from 2024 to 2025, it would appear that the City had a 42% growth rate – but this is due primarily to a change in how Clark County is disbursing property taxes to the individual entities and a higher-than-normal collection by the County of delinquent taxes this past year. Further, for each budgeting cycle, the City receives the projected property tax assessment from the State of Nevada Department of Taxation and is required to use the projection for the budget cycle. The Forecast projects property tax receipts to increase by approximately \$25,000 annually through FY2030. In FY2031, the City is forecasting an increase of \$281,000 in property tax collections due to the sunseting of the City’s Redevelopment Agency (“RDA”) in 2029 (thirty-year term, approved by City Council on June 8, 1999, first assessment of taxes occurred during the 2000-2001 tax year). The taxes previously allocated to the RDA will be reallocated to the individual taxing entities for FY2031.

## **Details and Regulatory Limits about Property Tax**

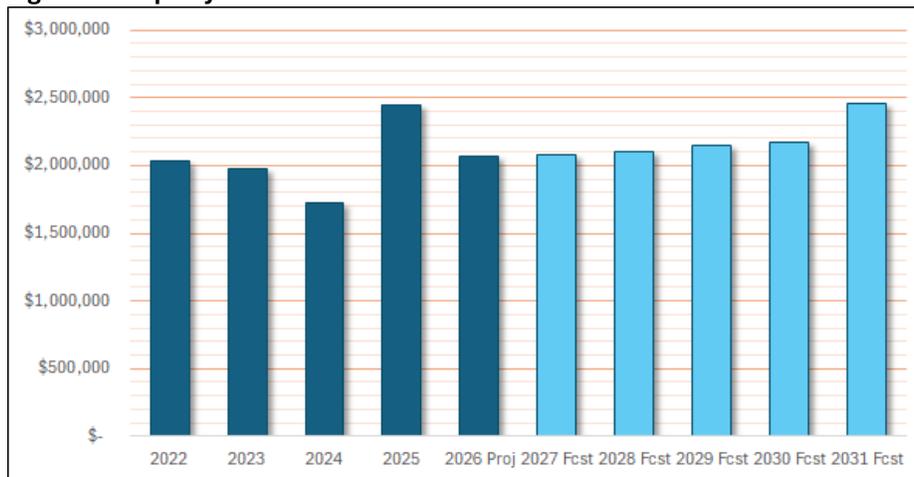
Property Tax, is also referred to as Ad Valorem. The State of Nevada Department of Taxation calculates the tax rate and revenues received from Ad Valorem for all local governments and prepares a baseline property tax estimate for each city and county for each budget year. The City is required to use the estimate from the State in preparing its annual budget.

The formula used to calculate the tax rate and revenues is set by statute. The City Council may adopt a lower tax rate than determined by the formula, but they may not increase it above the formula without voter approval. The current total overlapping tax rate is \$2.6097 per \$100 of assessed valuation (by state law, property is assessed at 35% of taxable value). “Overlapping tax rate” is the combined tax rate as assessed by all entities that affect Boulder City (i.e., County, Library District, State, etc).

In April 2005, the Nevada State Legislature passed a law that caps any tax increase for a primary residential at 3% over the prior tax year, with the exception of property tax that is new to the tax roll. For Boulder City this means that the maximum increase of assessed property tax for any residential property is capped at 3% in any given year, regardless of how much the property has increased in value. Similarly, if an overlapping taxing entity increases their tax rate, the most the homeowner will see is a 3% increase in the amount, even if the tax rate goes up by more than 3%.

Figure 3 below shows actual and projected Property Tax revenues for Boulder City through 2031. The bump in 2031 reflects a combination of RDA sunsetting and the anticipated completion of Liberty Ridge (Tract 350). While much of the development will be completed prior to 2031, the full impact of the new tax assessments will not show up until 2031.

**Figure 3: Property Tax**



2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 2,038,027	\$ 1,975,904	\$ 1,718,538	\$ 2,440,332	\$ 2,067,787	\$ 2,075,000	\$ 2,100,000	\$ 2,150,000	\$ 2,175,000	\$ 2,456,000
2.10%	-3.05%	-13.03%	42.00%	-15.27%	0.35%	1.20%	2.38%	1.16%	12.92%

### 3) Rents and Royalties

Rents and Royalties receipts represent approximately 36% of General Fund revenues. Over the past ten-year period (2016-2025), the City realized an average growth in Rents receipts of 2.67% annually. This is primarily due to the signing of new leases for renewable energy projects. The projected growth rate for the next five-year period is 1.44%, representing the contractual rent increases that will occur during that period. Because of the uncertainty at the Federal Level, the projection does not include any potential leases that the City may sign during that period or include any development options that may be exercised. Of all the City's revenue streams, Rents & Royalties are the most stable and predictable.

**IMPORTANT NOTE:** While historically the ability of the City to lease additional land for renewable energy projects has been successful, the recent position taken by the current presidential administration against renewable energy may impact our ability to maximize the rents we could charge for future leases. The City does now allow energy storage as an acceptable use of our leased lands, which is anticipated to counteract any delays in leasing lands.

Unlike most other municipalities and counties in Nevada, the revenue stream for Boulder City does not include the lucrative gaming tax. Prior to the recession of 2007 - 2009, the City's revenue stream did not have a sizable amount of monies from land leases. However with The imposition of a renewable energy portfolio requirements, initially by California and later by Nevada and other western states, the City found itself in a position to take advantage of its unique position for solar development by leasing city-owned land for energy production. Because of those prudent actions, today, the solar lease revenues equate to roughly 33% to 39% of the City's overall revenue stream, supporting vital governmental services and functions. Lease revenue collected nearly covers Police and Fire Services. Without it this revenue, taxes and fees would need to increase dramatically, but because of caps on how much they could be increased, the City would likely need to reduce all service levels.

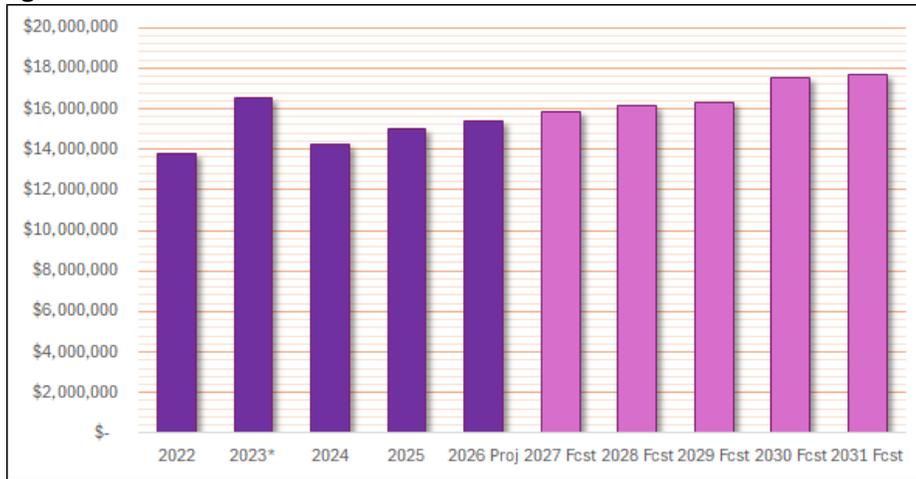
#### **Land Lease Revenue Stability**

A common question posed to our City Council surrounds the stability of land lease revenues. Traditional commercial or residential land leases have many risks, as the tenants are subject to market conditions or changes in employment. These types of leases are common casualties of a downturn in the economy.

However, there are exceptions to this general rule. Energy leases historically have shown to be recession resistant. A general constant for all consumers - they may stop buying cars or furniture, but they will always be using water and electricity.

As shown in Figure 4 below, The result for the City is an overall revenue stream that has remained relatively stable. A recession will undoubtedly affect the other primary revenue sources, such as sales tax and property tax, but not to the same degree that a recession has on discretionary recreation activities, such as gaming. Because Boulder City has diversified its revenue stream to include land leases, the City has been able to maintain a higher level of services to its residents during economic uncertainty in recent years.

**Figure 4: Annual Land Lease Revenues**



2022	2023*	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 13,761,667	\$ 16,530,961	\$ 14,224,670	\$ 14,978,050	\$ 15,362,326	\$ 15,797,854	\$ 16,058,896	\$ 16,205,490	\$ 16,356,719	\$ 16,498,816
-17.59%	20.12%	-13.95%	5.30%	2.57%	2.84%	1.65%	0.91%	0.93%	0.87%

**Notes:**

In fiscal year 2023, the City received additional rent payments in the form of an option exercise payment. This payment was a one-time payment. The forecast does not include potential one-time payments for additional land leases that may be entered into, as each circumstance is uniquely negotiated.

A typical timeline to lease land takes several years:

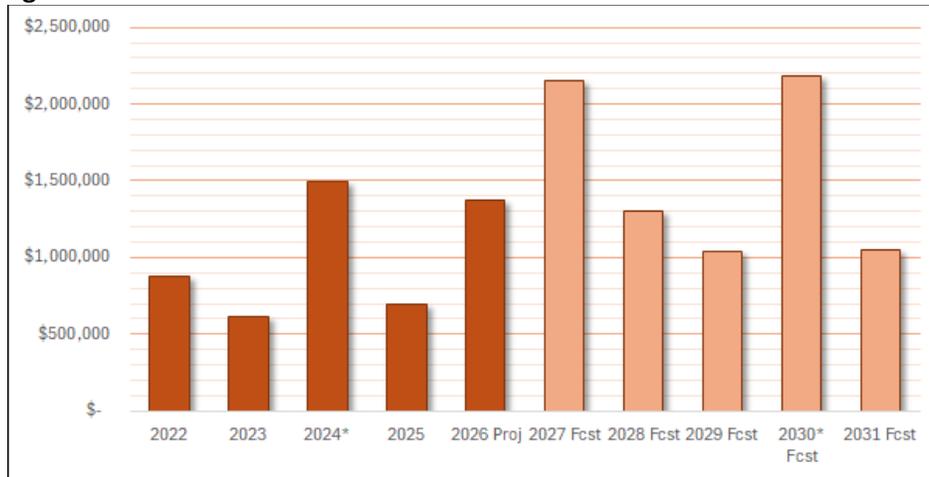
- Receive initial approval through the Land Management Process (if required)
- Obtain Appraisal of market value for lease
- Circulate Request for Proposals and select qualified project
- Receive Council approval of lease option (RFP to Council - typically 6 months)
- Entitlement period (18 months to 36 months)
- Exercise of Option, property is leased, full rent commences
- Begin project construction

#### 4) Licenses and Permits

Receipts from Licenses and Permits represent approximately 9% of General Fund revenues. This revenue category includes revenues from Business Licensing, Liquor License, and Building Permits. As shown in Figure 5 below the City has seen a wide variation in annual licensing and permit revenues Over the past ten-year period (2016-2025), due to the large variation in building permit activity. Business License revenues have grown at an average rate of 1.05% over that ten-year period and are projected to continue on that same trajectory. Building Permit revenues are cyclical, and can vary greatly due to large commercial/industrial projects.

For FY2024, a significant increase in building permit revenue was driven by two major renewable energy projects. Likewise, the increase in revenues in FY26 is driven by a new renewable energy project. For FY 27-30, we are projecting a higher-than-average building permit revenue stream due to new home construction for Liberty Ridge (Tract 350), and in FY2030, we expect a building permit will be issued for a large renewable energy project.

**Figure 5: Annual Revenues from Licenses and Permits**



2022	2023	2024*	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030* Fcst	2031 Fcst
\$ 877,446	\$ 616,897	\$ 1,498,984	\$ 703,252	\$ 1,376,964	\$ 1,304,021	\$ 1,305,505	\$ 1,049,852	\$ 2,192,115	\$ 1,054,644
-59.51%	-29.69%	142.99%	-53.08%	95.80%	-5.30%	0.11%	-19.58%	108.80%	-51.89%

\*for FY2030, the large increase is due to a building permit for a renewable energy project

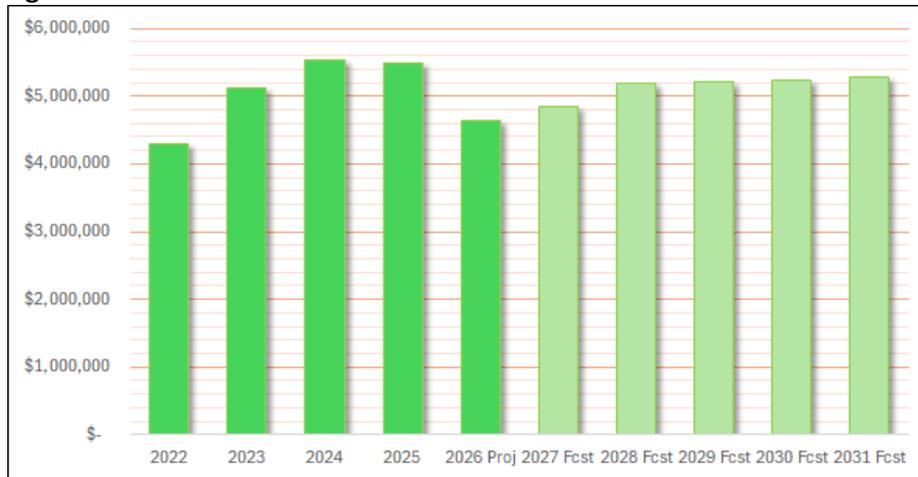
## 5) Golf Courses

Golf Course receipts represent approximately 10% of General Fund revenues. These represent the revenues received from both the Boulder Creek Golf Course and the Municipal Golf Course. Over the past ten-year period (2016-2025), the City realized an average growth in Golf Course receipts of 7.37% annually.

As shown in Figure 6 below, The City has projects a lower base rate for FY26 and beyond in anticipation of the irrigation replacement project at the Municipal Course. It is unknown how that will impact the number of rounds that will be played, or if golfers will transition over to the more expensive Boulder Creek golf course for their regular play. Both courses have seen increased play since Covid well above their historical levels. This is attributed to the closure of several courses in the Las Vegas Valley and the aggressive pricing structure to attract golfers.

The Golf Pro has been successful at attracting additional tournament play, including the NCAA Division 2 national golf championships for both men and women, and a continued relationship with several NCAA conferences for their championship tournaments. The projected growth rate for the next five-year period is 1.34%, representing the anticipated fee increases that will occur during that period.

**Figure 6: Revenue from Golf Courses**



2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 4,304,812	\$ 5,114,047	\$ 5,529,241	\$ 5,482,181	\$ 4,636,000	\$ 4,850,108	\$ 5,198,264	\$ 5,222,540	\$ 5,246,938	\$ 5,271,457
21.12%	18.80%	8.12%	-0.85%	-15.44%	4.62%	7.18%	0.47%	0.47%	0.47%

## Expense Forecast Assumptions

Expenditure assumptions are based on maintaining current service levels while containing cost increases where possible. The Expenditure spending areas include: General Government (City Council, City Administration, Finance, Central Services, City Attorney, Information Technology), Judicial (Municipal Court), Public Safety (Police, Animal Control, Fire, Public Safety Communications), Public Works (Streets, Landcaping, Building Maintenance, Engineering, Fleet), Culture & Recreation ( Parks, Swimming Pool, Recreation Programs, Golf Courses), Community Support (Building Permitting & Inspections, Planning & Zoning, Community Grants) and Capital Improvement Projects.

### Collective Bargaining

The City participates in collective bargaining for the represented employees. In total, the City has eight collective bargaining units. They are (and their respective agreement expiration dates):

- Teamsters Local 14 - Clerical Bargaining Unit expiration 06/30/2028
- Teamsters Local 14 - Blue Collar Bargaining Unit expiration 06/30/2025
- Teamsters Local 14 - Supervisory Bargaining Unit expiration 06/30/2025
- Boulder City Police Supervisors Association expiration 06/30/2025
- Boulder City Police Protective Association expiration 06/30/2025
- Teamsters Local 14 - Fire Captains Bargaining Unit expiration 06/30/2027
- Boulder City Professional Firefighters Association expiration 06/30/2025
- Teamsters Local 14 - Electrical Bargaining Unit expiration 06/30/2027

The City is in active negotiation with the Unions to renew the labor contracts. Due to the uncertainty in the future negotiations for outlying fiscal years, a placeholder of a 3% increase in salaries per year is used.

### Health Insurance

Boulder City offers health insurance to all full-time employees. Premiums have remained relatively stable in recent years, but with the uncertainty in the national and regional insurance markets, we expect premiums paid by the City to increase. In Fiscal Year 2026, premiums increased to \$16,200 per employee per year. For Fiscal Year 2027 and beyond we expect premiums to increase by \$840 per employee per year based on historic data. The financial forecast includes the anticipated increases.

## Operational Expenses

Outside the basic costs of salaries and benefits, each department has basic operational costs. These include the typical items such as postage, communications, office supplies and similar line items. Some departments also manage outsourcing functions and have contractual obligations.

All operational costs not included in Salary or benefits are projected to increase by 2% (the 20 year CPI average) annually.

## Expenditure Forecast Summary (by category)

The Expense Forecast summary is divided into Functional categories as used in the City's Annual Comprehensive Financial Report (ACFR). These categories include:

### General Government:

This category includes the following operations:

- City Council
- City Manager
- City Attorney
- City Clerk
- Communications
- Finance
- Information Technology
- Human Resources
- Central Services

### Judicial

This category covers the City's Municipal Court and its operations, including:

- Court
- City Marshals

### Public Safety

This category includes the following operations:

- Police
- Animal Control
- Fire
- Public Safety Dispatch and Communications

## Public Works

This category covers the Public Works Department and its operations, including:

- Engineering
- Landscape Maintenance
- Building Maintenance
- Streets
- Fleet Management

## Culture and Recreation

This category covers the Parks & Recreation Department and its operations, including:

- Parks Maintenance
- Recreation Programs
- Classes
- Facility Rentals
- Community Grants

## Community Support

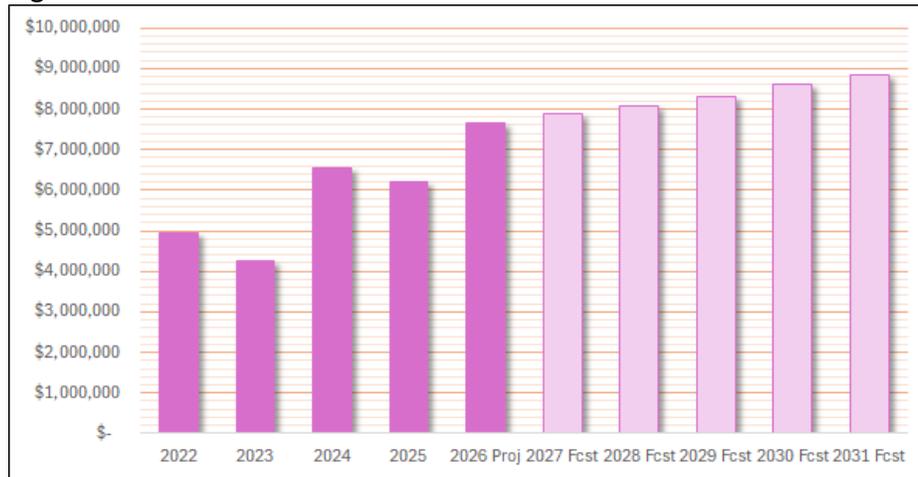
This category covers the Community Development Department and its operations, including:

- Planning & Zoning
- Economic Development
- Building Permitting & Inspections
- Code Enforcement

1) General Government

This category is projected to have a slow, steady growth over the five-year forecasting period. The employees in this category are either non-represented (such as elected officials, appointed officials, other professional staff), or are members of the Teamsters Clerical bargaining unit. Generally speaking, the costs associated with the individual departments within this category have predictable expenses that generally remain consistent from year to year. The one exception being the City Clerk’s Department that must manage elections every other year.

**Figure 7: General Government**



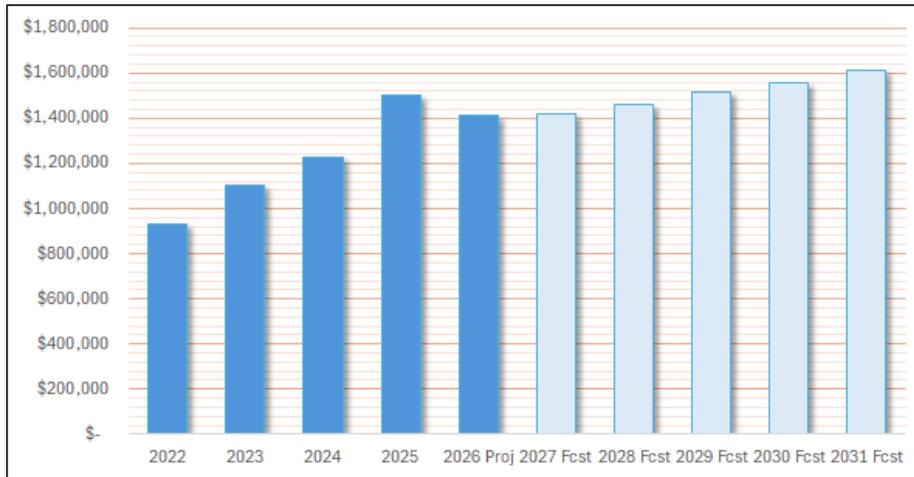
2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 4,927,816	\$ 4,238,371	\$ 6,566,595	\$ 5,986,354	\$ 7,650,735	\$ 7,851,632	\$ 8,065,118	\$ 8,284,133	\$ 8,564,265	\$ 8,797,233
6.38%	-13.99%	54.93%	-8.84%	27.80%	2.63%	2.72%	2.72%	3.38%	2.72%

2) Judicial

The Municipal Court includes the Judge, Court Administrator, Court Clerks, and Court Marshals. The Court handles misdemeanors, traffic offenses, civil infractions and the Drug Court.

The increase in expenditures from 2021 through 2025 is tied to unfunded mandates imposed upon the Court by the State Legislature. For example, they are now required to hold a hearing within 48 hours, which requires the Court to hold hearings on weekends and evenings. The Court is required to complete a Pre-trial Release assessment on all arrested individuals to assess if they are a good candidate for release. At a cost of \$55 per individual, this cost accumulates quickly. The Court is also required to provide for indigent defense, and this has increased substantially over the past three years.

**Figure 8: Municipal Court**



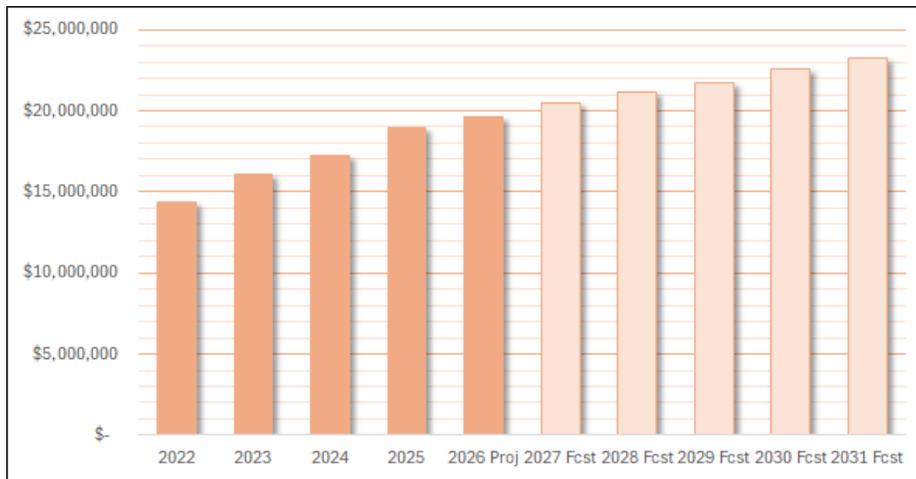
2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 933,120	\$ 1,105,227	\$ 1,229,354	\$ 1,501,736	\$ 1,415,210	\$ 1,417,572	\$ 1,461,891	\$ 1,513,358	\$ 1,560,198	\$ 1,614,628
9.71%	18.44%	11.23%	22.16%	-5.76%	0.17%	3.13%	3.52%	3.10%	3.49%

### 3) Public Safety

Public Safety covers the activities of the Police Department, Animal Control, Fire Department, and Public Safety Dispatch and Communications. Other than the Chiefs, all members of each department participate in Collective Bargaining. And other than the Communications and Clerical personnel, all members are assessed at the Public Safety contribution levels for the Public Employee Retirement System, which is 60% higher than the standard city employee. The higher contribution rate directly impacts the City budget forecast, as this has historically grown at a higher rate than the standard rate over time.

Another factor unique to the Public Safety budgets is the difficulty in forecasting the amount of overtime pay that is needed from year to year largely in part due to unforeseen incidents that required more manpower, or during recruitment of personnel during vacancies.

**Figure 9: Public Safety**

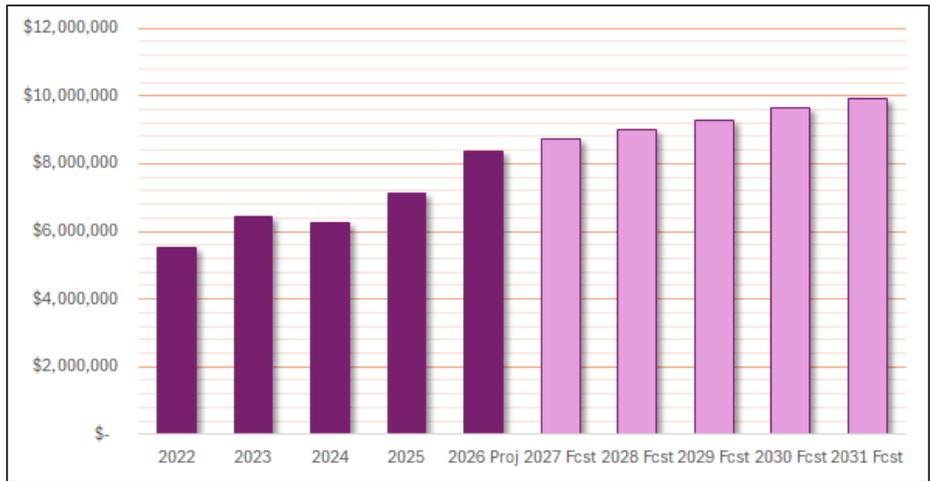


2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 14,319,917	\$ 16,040,533	\$ 17,218,386	\$ 18,983,792	\$ 20,013,085	\$ 21,137,513	\$ 21,780,514	\$ 22,440,675	\$ 23,263,562	\$ 23,963,937
	8.37%	12.02%	7.34%	10.25%	5.42%	5.62%	3.04%	3.03%	3.67%

#### 4) Public Works

The Public Works Department provides a wide range of services to our community to maintain and improve our quality of life. This includes streets (maintenance, repair, improvement), landscape maintenance, building maintenance, engineering, and fleet services. They also manage several outsourcing contracts, including the maintenance of various flood control channels in the community.

**Figure 10: Public Works**

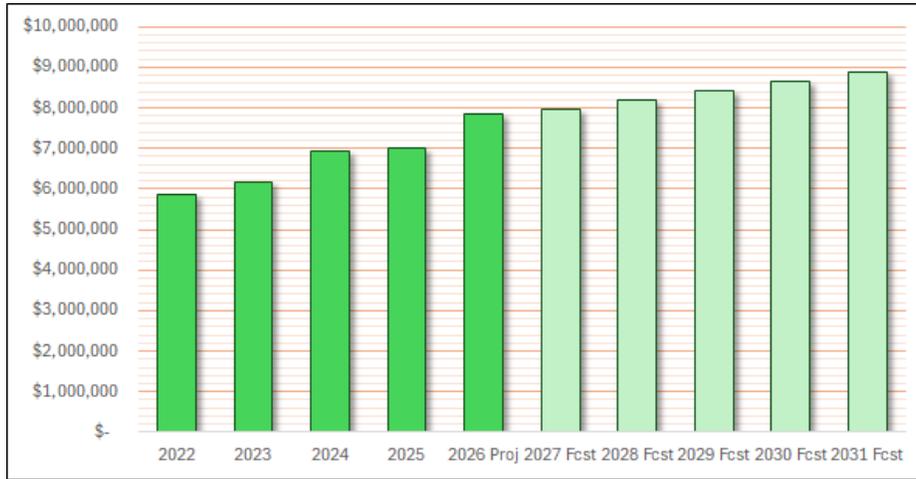


	2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$	5,536,033	6,431,525	6,276,050	7,130,976	8,109,009	8,347,424	8,606,535	8,872,601	9,206,817	9,489,255
%		7.06%	-2.42%	13.62%	13.72%	2.94%	3.10%	3.09%	3.77%	3.07%

5) Culture and Recreation

The Parks and Recreation Department provides public recreation activities for the City, including youth and adult sports leagues, special classes, and tiny tots. They also operate the Community Swimming Pool facility, and manage the contracts for the two city-owned public golf courses.

**Figure 11: Culture and Recreation**

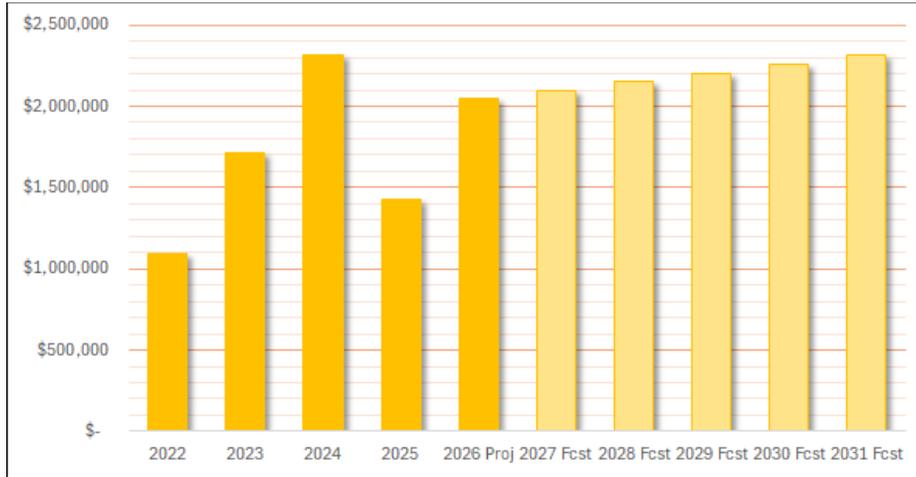


2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 5,878,920	\$ 6,172,132	\$ 6,942,328	\$ 7,051,959	\$ 7,856,107	\$ 7,987,741	\$ 8,207,577	\$ 8,433,172	\$ 8,683,329	\$ 8,921,485
4.61%	4.99%	12.48%	1.58%	11.40%	1.68%	2.75%	2.75%	2.97%	2.74%

6) Community Development

The Community Development Department includes the functions of Planning, Building Permitting and Inspections, Economic Development, and Code Enforcement.

**Figure 12: Community Development**

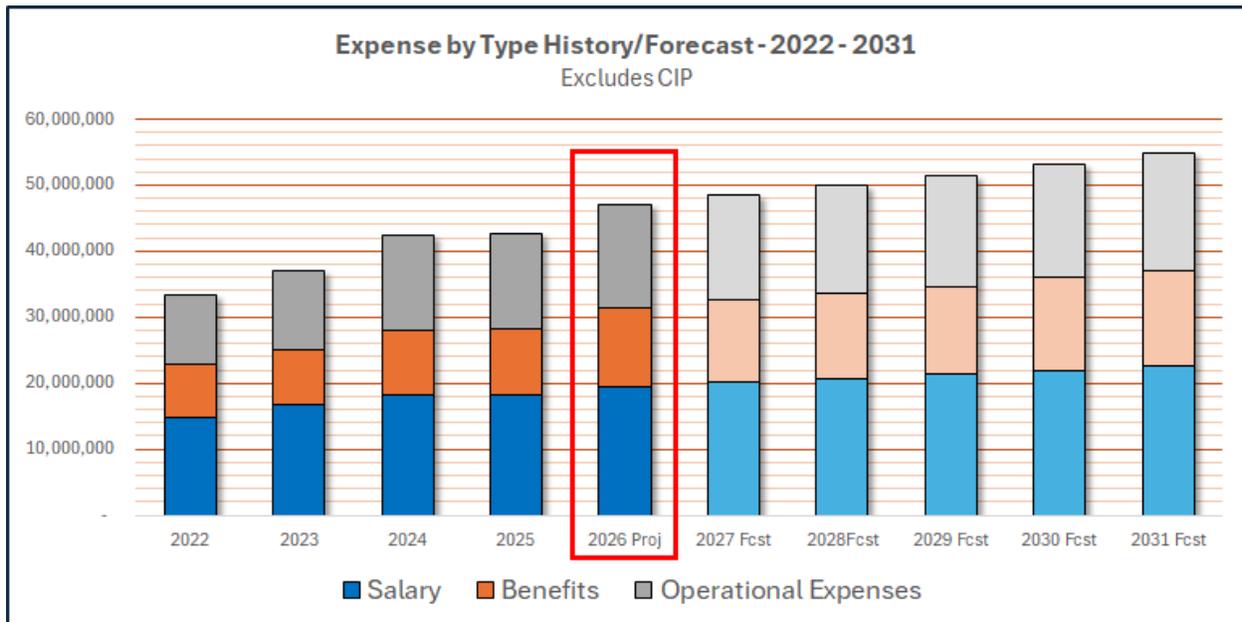


2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
\$ 1,090,483	\$ 1,712,451	\$ 2,311,052	\$ 1,430,671	\$ 2,044,415	\$ 2,091,302	\$ 2,140,818	\$ 2,191,556	\$ 2,253,970	\$ 2,307,571
-0.57%	57.04%	34.96%	-38.09%	42.90%	2.29%	2.37%	2.37%	2.85%	2.38%

# Expenditure Forecast by Salary/Benefit/Operations Totals

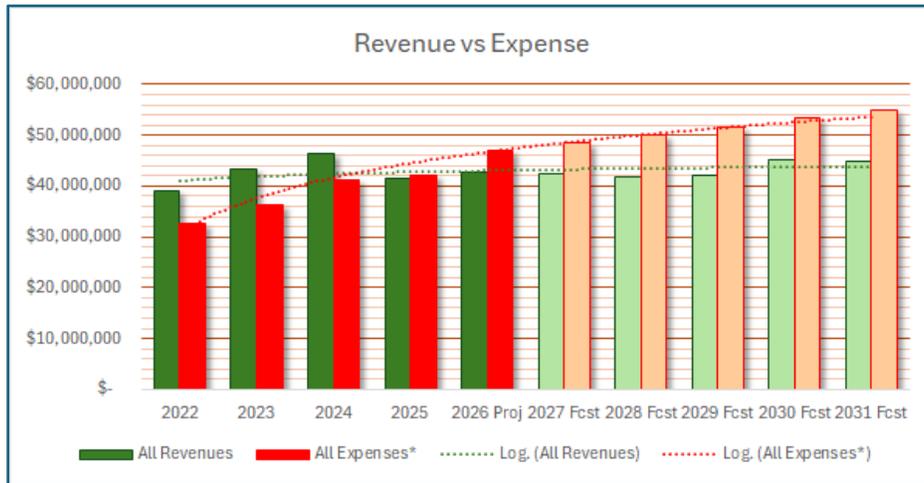
Another way to look at the expenditure forecast is by how the various impacts of inflation, collective bargaining, and retirement contributions change from year to year.

	2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
Salary	14,892,045	16,781,008	18,110,483	18,265,223	19,563,933	20,196,554	20,783,680	21,388,322	22,011,002	22,652,261
Benefits	7,954,676	8,338,598	9,830,641	10,102,463	11,981,602	12,687,153	13,111,631	13,550,839	14,283,755	14,750,425
Operational Expenses	10,435,229	11,811,490	14,381,450	14,229,590	15,543,026	15,949,477	16,367,141	16,796,335	17,237,385	17,691,423
Total	33,281,949	36,931,097	42,322,574	42,597,276	47,088,561	48,833,185	50,262,452	51,735,496	53,532,142	55,094,108



# Revenue versus Expense Projection Comparison

As shown in the chart below, the City may need to dip into the Fund Balance to make up the difference between revenue and expenses in the short term until a more longer term solution can be found to close the gap. Potential solutions include increasing the property tax rate, leasing more land for energy projects or other uses, or increasing various fees charged for services.



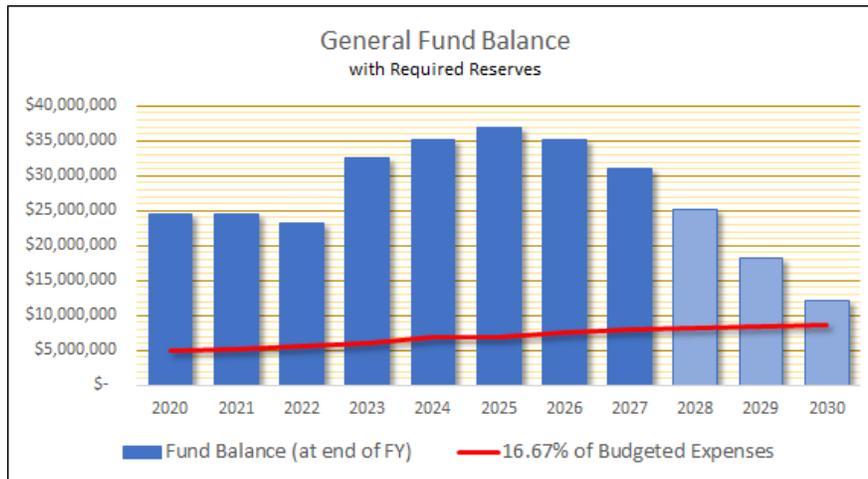
	2022	2023	2024	2025	2026 Proj	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst	2031 Fcst
All Revenues	\$ 38,977,380	\$43,316,600	\$46,452,039	\$41,649,336	\$44,098,080	\$43,587,281	\$43,049,483	\$ 43,417,388	\$46,250,610	\$ 45,957,313
All Expenses*	\$ 32,758,007	\$36,271,048	\$41,314,031	\$42,170,563	\$ 46,999,617	\$48,596,579	\$50,018,749	\$ 51,484,476	\$53,273,922	\$ 54,828,136

## Important Notes:

1. Grant revenue is not included in revenue forecasts because of its discretionary nature outside the control of Boulder City. Historically the City has received between \$2MM and \$3MM annually, although some years were less than \$1MM and one year saw grant revenue exceeding \$7MM due to emergency pandemic funding.
2. Based upon past experience, the City has not fully expended its budgeted expenses, and generally has received more revenues than forecasted. Recent years have included more detailed analysis and should provide a more accurate forecast. However, it is prudent that when forecasting future expenses and revenues that the City will fully expend its budgeted expenses, and provide a more realistic forecast of additional revenues.

# Fund Balance Projections

The General Fund maintains a reserve consisting of the following categories: Non-Spendable, Committed, and Unassigned. By State Law, the City is required to maintain a minimum fund balance of at least 8.33% of current year’s budgeted operating expenses. Boulder City’s Financial Policies encourage a minimum fund balance of 16.66%.



## Fund Balance Projection

The above chart provides the recent five-year history and projected five-year fund balance for the City’s General Operating Fund. For the projection, it is assumed that the City will fully spend all budgeted funds in each fiscal year, and will transfer out \$1.5MM each year for Capital Projects for fiscal years 2026 through 2030. Under State Law, a maximum of 10% of the operating budget for each fiscal year can be used for capital improvement projects. It also does not assume the City will develop additional revenue sources beyond those projected in the revenue assumption model.

Actions that could impact the General Fund Balance model:

- The City could increase its portion of the property tax mil levy, currently set at \$0.2600 per \$100 of assessed valuation. That rate is currently the lowest mil levy in Clark County, and the lowest in the State of Nevada. Doubling that rate would still keep Boulder City as the lowest taxing city in the County, but could generate approximately \$2MM in additional revenues. For the average house in Boulder City, this would be up to an additional \$179 per year before the Tax Cap of 3% is imposed. In reality, regardless of the increase, the most it could go up is \$54.

- The City could opt to transfer less for capital projects in any given budget year and defer maintenance including new projects.
- Additional revenue sources could be developed to improve the revenue stream, for example additional energy storage facility sites, solar energy sites, data centers, etc.
- Existing revenue streams could improve and perform above their most recent 10-year average. For example, the projected economic downturn affecting the C-Tax and Room Taxes may not materialize and the revenues could stabilize and continue their historical 3-5% growth.

## Recommendations

The following options are possible solutions to close the gap between forecasted revenues and expenses that should be considered for further action and study.

### Property Tax Increase

The current property tax rate for Boulder City is \$0.26 per \$100 of assessed valuation. Overall, the \$0.26 represents 10% of the combined tax rate for properties within Boulder City. As explained in the Property Tax section, an increase in the property tax rate will not directly correlate to an equivalent increase on the payment assessed to each property tax payer, as State Law limits the maximum amount of assessed taxes to increase by no more than 3% per year. Below is an example of how taxes might increase year over year:

Base Year	Year 1	Year 2	Year 3	Year 4
\$100	\$103	106.9	109.27	112.55

Below are several scenarios that show what would happen if Boulder City were to increase the tax rate by ten cents, or to double the tax rate to fifty-two cents (which would still be the lowest tax rate in the State for a municipality).

			Total Assessed Taxes:	\$1,584
<b>Property Taxes - Current rate at \$0.26</b>	<b>Tax Rate</b>	<b>% of Total</b>		
State of Nevada	0.1700	0.06514159	\$103.18	
Indigent Accident Fund	0.0150	0.00574779	\$9.10	
Assistance to Indigent Persons	0.1000	0.03831858	\$60.70	
State Cooperative Extension	0.0100	0.00383186	\$6.07	
<b>Boulder City</b>	<b>0.2600</b>	<b>0.0996283</b>	<b>\$157.81</b>	
Library District	0.2222	0.08514389	\$134.87	
Clark County Capital	0.0500	0.01915929	\$30.35	
Clark County Family Court	0.0192	0.00735717	\$11.65	
Clark County General Operating	0.4599	0.17622715	\$279.14	
School District Debt	0.5534	0.21205503	\$335.90	
School District Maintenance and Operations	0.7500	0.28738936	\$455.22	
<b>TOTAL PROPERTY TAX RATE/TAXES COLLECTED</b>	<b>2.6097</b>	<b>100.00%</b>	<b>\$1,584.00</b>	

<b>Property Taxes - BC rate increases to \$0.36</b>			Total Assessed Taxes: <b>\$1,584</b>
	<b>Tax Rate</b>	<b>% of Total</b>	
State of Nevada	0.1700	0.06273757	\$99.38
Indigent Accident Fund	0.0150	0.00553567	\$8.77
Assistance to Indigent Persons	0.1000	0.03690445	\$58.46
State Cooperative Extension	0.0100	0.00369045	\$5.85
<b>Boulder City</b>	<b>0.3600</b>	<b>0.132856</b>	<b>\$210.44</b>
Library District	0.2222	0.0820017	\$129.89
Clark County Capital	0.0500	0.01845223	\$29.23
Clark County Family Court	0.0192	0.00708566	\$11.22
Clark County General Operating	0.4599	0.16972359	\$268.84
School District Debt	0.5534	0.20422925	\$323.50
School District Maintenance and Operations	0.7500	0.27678341	\$438.42
<b>TOTAL PROPERTY TAX RATE/TAXES COLLECTED</b>	<b>2.7097</b>	<b>100.00%</b>	<b>\$1,584.00</b>

<b>Property Taxes - BC rate increases to \$0.052</b>			Total Assessed Taxes: <b>\$1,584</b>
	<b>Tax Rate</b>	<b>% of Total</b>	
State of Nevada	0.1700	0.05923964	\$93.84
Indigent Accident Fund	0.0150	0.00522703	\$8.28
Assistance to Indigent Persons	0.1000	0.03484685	\$55.20
State Cooperative Extension	0.0100	0.00348468	\$5.52
<b>Boulder City</b>	<b>0.5200</b>	<b>0.1812036</b>	<b>\$287.03</b>
Library District	0.2222	0.0774297	\$122.65
Clark County Capital	0.0500	0.01742342	\$27.60
Clark County Family Court	0.0192	0.00669059	\$10.60
Clark County General Operating	0.4599	0.16026065	\$253.85
School District Debt	0.5534	0.19284246	\$305.46
School District Maintenance and Operations	0.7500	0.26135136	\$413.98
<b>TOTAL PROPERTY TAX RATE/TAXES COLLECTED</b>	<b>2.8697</b>	<b>100.00%</b>	<b>\$1,584.00</b>

You will note that regardless of the Boulder City tax rate, that the total taxes assessed above is identical in each scenario – this is because that regardless of how much a taxing entity raises their taxes, the most the taxes collected can increase is no more than 3%. What does change, however, is how the collected taxes are distributed among the taxing entities. At the \$0.26 per \$100 assessed value tax rate, the Boulder City portion of the combined tax rate is at 10% of the total – meaning if the Taxes collected were \$100 for all entities, the Boulder City portion would be \$10.

If the City were to double its tax rate to \$0.52 per \$100 valuation, the Boulder City portion of the combined tax rate is about 18% of the total. Also of note, while our tax rate did double, the dollar amount we collected did NOT double – rather only increased by 81%. This would mean that in theory that if the \$0.52 rate were imposed for FY27, the City may realize an additional \$1.6M in additional revenues, or \$3.7M total. It is important to emphasize that the property tax bill for a Boulder City resident would still only increase by 3% - regardless if Boulder City keeps the tax rate the same or increases the tax rate. What changes is how the pool of money collected is distributed among the taxing entities.

## Voter Property Tax Override for Public Safety

The Nevada Revised Statutes has a provision to allow for an additional property tax levy for Public Safety purposes. The additional levy can only be imposed with Voter approval, and is limited by law to a maximum of 30 years unless renewed by the voters. The proceeds are limited to the specific public safety purpose as stated in the ballot measure. Other Cities, such as Henderson and North Las Vegas, have the public safety property tax override in place and use it to help expand their public safety presence in their communities.

If approved, a Property Tax Override could generate approximately \$2.2M for the City.

## Fee Updates

Most fees collected by the City have not been changed in many years – with some fees having their last date of modification dating back to the 1980's. While a fee modification is not expected to generate a significant amount of money, they could generate approximately \$200,000 in additional revenues across all fee categories.

Additional fee categories can also be investigated, such as an additional fee for public safety response outside the urban area. This can help offset the costs associated with the lengthy service times that a service call to Arizona, the Lake Mead National Recreation Area, or areas south of Mile Marker 34 on US 95 can take.

## Unfilled Vacancies

A commonly used method to weather poor economic times is to not fill employee vacancies as they occur. While not the preferred option, some positions can be delayed for rehiring to save money. This method is not a permanent or long-term solution, but is a very useful tool to help control spending on a year-to-year basis and provide an indication of truly required staffing levels.

## Furlough

Another common tool used by entities experiencing fiscal stress but that desire to retain their workforce are mandatory furloughs. Employees retain their positions, but have a set number of days that they are not working per pay period (i.e., reducing the number of hours or days worked). They retain their full-time status for benefits, but do see a reduction in salary.

## Lease Land for Additional Uses

Leasing City-owned land for the development of data centers could be a significant source of new revenue to the City. In response to inquiries from data center developers, the City is exploring the pros and cons of this land use as well as potential locations that might be suitable for future development. Considerations include proximity to existing services and utilities, additional revenue generation opportunities (i.e., energy storage capacity charge, public safety fees, etc.), the land management process, zoning regulations, and the need for voter approval of this use in the Eldorado Valley. Water and energy demand are other key considerations. The topic could also be explored as a ballot question for the voters.