

Facebook BoS Budget Adjustments

As I previously informed you our Board of Supervisors, today, heard several items concerning COVID-19 and how it will impact our current and future budgets.

The BoS agreed to a postponement of \$901,262 in Capital Improvement Projects (CIP) that have not yet been started. These funds will be moved to a line item that allows the BoS to start these projects as they better understand the results of this shutdown. I want to give a shout out to Supervisor Bonkowski for his strong reminder that the Asset Management program is coming on line and the City cannot afford a setback in this area. As you all know I have, for years, advocated for this program.

As before, I call on the BoS to at least temporarily, as appropriate, delay the recently approved \$2.5 million vehicle and equipment purchases. Further, I again call for any currently underway CIP that is not directly related to health and safety should be halted, at least temporarily.

As far as the current and future budget projections are concerned the restricted funds appear to be fairly stable and only the Consolidated Tax (C-Tax) will see substantial impact. Actual statistics are not yet available so staff has made projections as best they can. The BoS has asked for monthly updates so they can act as quickly as possible. Staff noted that federal and state relief is at best a moving target (my words) and cannot project any effect.

The remaining 19-20 C-Tax is projected to see a \$2 million shortfall with the 20-21 C-Tax seeing a projected \$4 million shortfall. Fortunately the projected C-Tax is just 37.8% (\$30.2 million) of the General Fund. So long as property tax doesn't get hit hard and with the recently increased year end balance our City budget should be in pretty good shape.

Update I

FROM THE INDY, "The tax implications might not be known for months. Nevada's consolidated tax, known as a C-Tax, for local governments is disbursed on a monthly basis, but lags by about 60 days. For instance, the distribution of tax for March will not be known until the end of May. The C-Tax largely comprises sales tax, and it will take a sizable hit. Local officials can only guess."

Update II

On July 2, 2020 the BoS heard an update from staff regarding sales tax results. April sales tax revenue was down just 5.4% not the projected 35%. Currently Carson City sales tax revenue is up 5.91% over last year looking at the 10 month ended. If May and June returns are down 15% Carson City will meet the year end budget balances for 2019-2020 budget.