

Appendix B – Returned Survey from City Manager, Vicki Mayes



City of Boulder City
401 CALIFORNIA AVENUE
BOULDER CITY, NEVADA 89005
Mailing Address
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July 28, 2008

Mel A. Barosay
820 Bernini St.
Las Vegas, NV 89144

Dear Mr. Barosay:

I've put together a few responses to the questions you had submitted to me regarding Boulder City. Here they are:

1. *Knowing the City is facing fiscal budgetary impacts now and in the future, how could some of the financial impacts to existing residents be minimized? Or, do you have other concerns about future city expenses and the future budget?*

I think the expenses associated with operating a municipal government are a concern of any local government manager, and there is no silver bullet which fixes everything. I believe in a very conservative financial plan for managing local governments. A conservative financial plan includes conservative spending and monitoring of expenses. It also includes a capital replacement plan and must have a funding plan associated with it. Utility rates should not only cover the actual cost of doing business and providing the service, but also include adequate dollars that can be set aside for large capital projects. The City is primarily a service organization, so most of its cost of doing business is associated with labor costs. Boulder City is located in a very high governmental salary market--basically it competes in recruitments for employees with the Las Vegas Valley. Boulder City's employees are represented by several different collective bargaining units, and labor settlements in the Las Vegas Valley do affect Boulder City's wage settlements. The point in laying this out is that it is very difficult for the City to control its costs because most of its costs are associated with labor, and we are in a very strong labor market. Another concern of any local government in Nevada is the decline in the local economy and subsequently in the consolidated tax. Boulder City receives about \$1.2M in property tax revenues. Its biggest revenue source is the consolidated tax which generates about \$8.7M each year. Because of the tax abatement caps in the state, Boulder City has a very limited ability to generate revenue through increases in property taxes. Instead, it has looked for other ways to generate revenue that is predictable and stable, namely through the lease of City-owned land. Boulder City has been very successful in this venture. The City has leases in the energy zone which generate about \$1.6M annually. Communication site leases, Cascata Golf Course and others are projected to generate another \$1.2M annually. This is the single biggest advantage that Boulder City has over other local governments; it owns most of the land located within its boundaries. In the

"Clean Green Boulder City"