

The Economics of Land Use



Draft Report

Incorporation Feasibility Analysis Pahrump, Nevada

Prepared for:

The Town of Pahrump

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1. EXECUTIVE SUMMARY

The unincorporated town of Pahrump, Nevada, is evaluating the feasibility of becoming an incorporated city. As a city, Pahrump would become responsible for additional public services including control over land use decisions, code compliance and building safety, and maintenance of roads and infrastructure. The city also has the option to provide police protection. Incorporation provides additional local control over municipal services, however, with additional financial and management responsibility. **Table A** summarizes pros and cons of incorporation. **Figure 1** depicts the Pahrump Regional Planning District.

The ability of the new city to generate sufficient revenues is critical to the evaluation of a new city. Revenues must be sufficient to continue public services at current levels, without adversely affecting other local jurisdictions. The Incorporation Feasibility Analysis (IFA) documents current and proposed service provision options, and provides a projected city budget. Potential property tax implications are estimated. The IFA describes measures for mitigating potential adverse impacts on other agencies, most notably the County of Nye.

The projected budget is based on existing Pahrump staff and costs, focusing on the General Fund. The cost of additional services and responsibilities is based on a review of other cities, as well as on the current cost of County-provided services. Revenues were estimated assuming an exchange of revenues between the County and the new city, and growth when population growth returns. Costs are escalated over time. Forecasts are based on a gradual economic recovery beginning within the next two years; however, there is a risk of continued recession which would make city feasibility more difficult to achieve.

If the community elects to proceed, Nevada statutes define several paths to incorporation. As described in subsequent sections, this process could extend over one to two years.

Feasibility of City Operations

The new city would take responsibility for services currently provided by the County. In exchange, a portion of current County revenues equal to the costs would be shifted to the city. This results in no net increase in total property tax and CTX revenues currently collected by the County and the Town together. However, there would be a slight increase in the combined property tax rate within the new city of about 3-4 percent, since the property tax revenue shifted from the County to the new city will be spread over a smaller assessed value base.

However, some additional services and related costs will be incurred that are unique to the new city, and would not justify a transfer of County revenues. For example, the new city will require a clerk, a municipal court, and additional staff to manage the increased service responsibilities. The new city will need to use reserves or other resources to meet this additional cost, as well as to meet current needs of the Town.

Table A: Summary of the Pros and Cons of Incorporation

Pros	Comments
<p>Municipal decisions will be made by the city council, not by the county commissioners</p> <p>City provides greater local control over level and type of services (e.g., staffing levels and priorities), including police, planning, public works</p> <p>City controls land use and development</p>	<p>Pahrump Regional Planning Commission (RPC) currently affords residents with input into planning decisions, however, recommendations are non-binding on the County</p>
<p>City would determine priorities for use of capital funds (e.g., impact fees)</p>	<p>Currently managed by the County, with the exception of park impact fees directed by the Town</p>
<p>City has access to apply and compete for federal grants</p>	<p>The Town currently relies on County pursuit of funding and allocation</p>
Cons	
<p>Initially, City will require additional staff to fill a city clerk position and provide a municipal court</p>	<p>Municipal court functions may partially be handled through cooperative agreement with existing Justice Court (to be determined)</p>
<p>It is likely that additional administrative staff will be required beyond the initial years, however, funding for additional staff depends on future revenue growth</p>	<p>No other duplication of current services within Town/city boundaries would occur; new city council will replace Town board</p> <p>Feasibility analysis assumes initial contracts with the County for services, however, city may choose to establish city departments with city staff in the future</p>
<p>City will become financially responsible for services currently handled by the County</p>	<p>The feasibility analysis assumes revenues would be transferred equal to current costs of new (transferred) city services, however, future cost increases or revenue shortfalls become the city's responsibility</p>

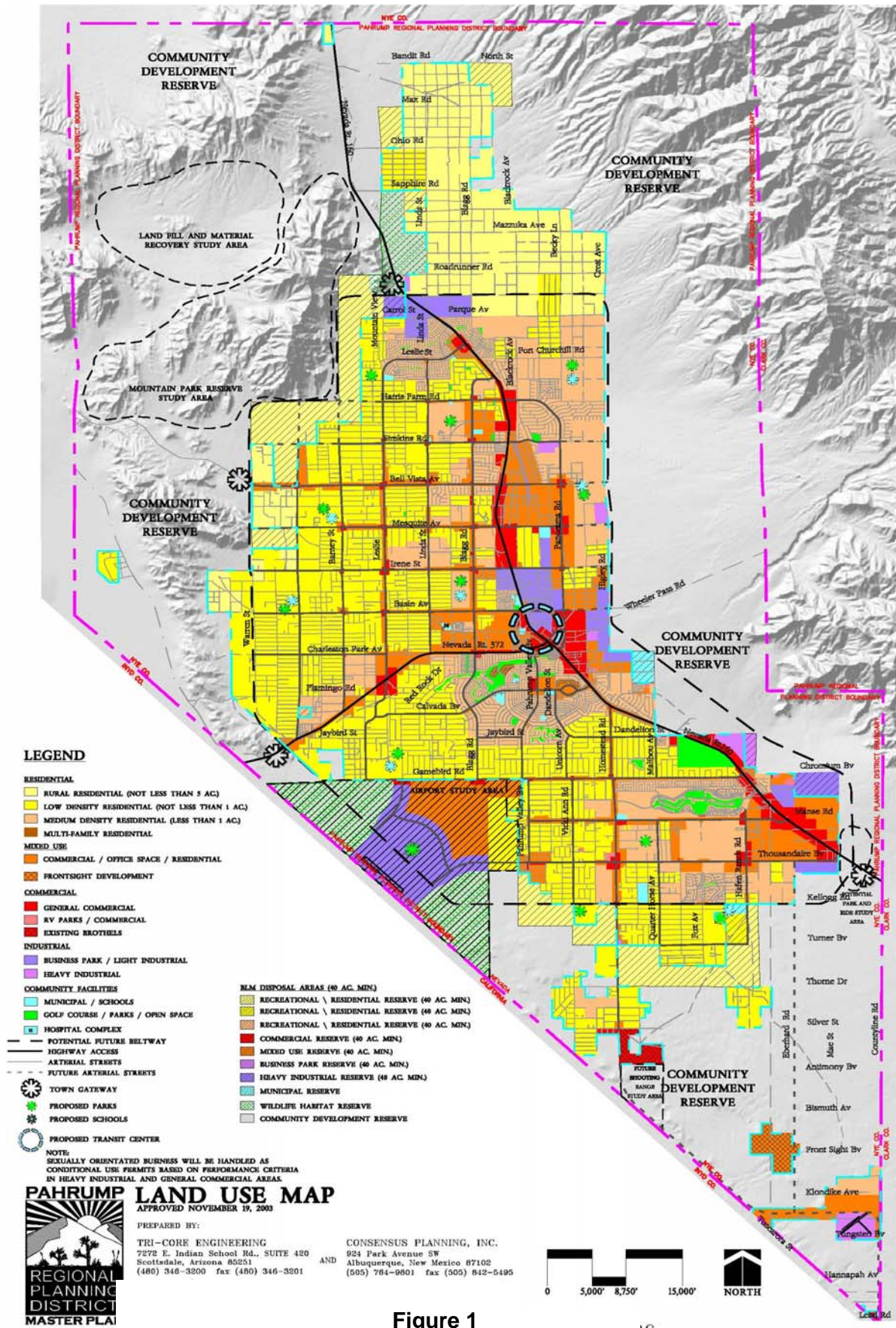


Figure 1

PAHRUMP REGIONAL PLANNING DISTRICT MASTER PLAN UPDATE
NYE COUNTY, NEVADA

The recession and revenue reductions add to the challenges of funding new costs. A new city could be feasible, assuming a number of conditions are met:

1. The new city provides services via contracts with County departments. This minimizes initial startup costs and the need for new staff, and reduces impacts on County staffing. Over time, revenues permitting, the city can consider other options for services such as consolidation or creation of new departments.
2. In addition to agreeing to provide contract services, the County agrees (and/or legislation is enacted) to continue to deliver services in the initial year. The services would be funded by city payments and revenues (e.g., CTX) retained by the County which would not be transferred to the new city until the subsequent year per NRS.
3. A "bare bones" increase in staff, which would be facilitated through the initial reliance on contracts. This also reduces financial risks in the event of a protracted recession.
4. The Pahrump Justice Court agrees to act as municipal court during a transition period. The court would retain all revenues. Additional caseload may be minimal to the extent that initially the city ordinances mirror current Town ordinances.
5. Any revenue shortfalls experienced by the Town before incorporation as a result of the recession are adequately funded through reserves or other sources, and/or eliminated to avoid any additional cost burdens on the new city.
6. Growth and development activity recover during the initial years of the new city to help fund incorporation costs and additional staff that may be required that may not have been hired during the initial transition to a city. The budget forecast shows the addition of city staff in future years funded by increasing revenues, dependent on an economic recovery.

Table 1 compares Town revenues and costs to the initial budget for a new city. The numbers are expressed in today's dollars, and include no assumptions about new development, growth, inflation or economic recovery. The bottom line shows a net increase in costs, after accounting for additional revenues, of about \$220,000 annually based on the conditions described above. In the near-term, the new city should be able to fund those additional costs from reserves, and/or funds carried forward from prior years.

Table 1b in Appendix B summarizes a projected future city budget assuming that growth and development begin to recover when the new city is formed. Cost inflation is also included. With an increase in revenues over time, the new city would be able to reduce the use of reserves, help to fund a municipal court that would experience an increased caseload as population grows, and hire additional staff needed to manage the city. If the economy worsens and does not recover, the new city will have more difficulty funding new city services and existing services.

In addition to the conditions described above, there are additional strategies to improve the likelihood of a viable city. One approach is to defer the effective date one to two years depending on the legal incorporation process pursued. This would reduce risks related to whether and when a recovery will begin, and allow more time to work out contracts and other service provision issues. The city could charge franchise fees, in addition to the solid waste collection fee that Pahrump collects. This would significantly improve prospects for financial feasibility. For example, other small cities collect franchise fees from electric, cable, and gas

providers. The new city will also be able to compete for various federal funds and grants, although these funds generally would be limited to special projects of a limited duration or equipment and capital improvements.

The new city will also have the ability to control the level and costs of services. The feasibility generally assumes the staffing and salaries currently incurred by the County to serve Pahrump; however, the new city will have the ability to modify the manner in which services are provided through contracts and/or city staff, and the city's future budget would differ from the estimates shown in this study. Economic conditions and development activity will also influence staffing levels; for example, planning staff and building inspection costs have been reduced, reflecting current development activity.

Table 1
Summary of Revenues and Expenditures (constant\$, no growth)
City of Pahrump Incorporation Feasibility Analysis

Item	Town vs. City Budget		Change
	Town	City	
REVENUES			
PROPERTY TAXES:	2,855,000	8,740,334	5,885,334
LICENSES AND PERMITS:	400,701	958,301	557,600
INTERGOVERNMENTAL REVENUES:	631,000	6,706,206	6,075,206
FINES AND FORFEITURES:	50,000	255,519	205,519
MISCELLANEOUS:	103,355	103,355	0
OTHER	902,304	902,304	0
TOTAL	4,942,360	17,666,019	12,723,659
EXPENDITURES			
GENERAL GOVERNMENT:	2,581,248	2,677,119	95,871
JUDICIAL	<u>na</u>	<u>334,300</u>	334,300
PUBLIC SAFETY	2,228,789	11,021,789	8,793,000
PUBLIC WORKS	0	2,254,352	2,254,352
BUILDING AND CODE ENFORCEMENT	0	473,965	473,965
CULTURE AND RECREATION	28,000	28,000	0
HEALTH (animal control and shelter)	0	553,923	553,923
COMMUNITY DEVELOPMENT	0	437,881	437,881
OTHER (e.g., add'l office space)	<u>na</u>	tbd	
OPERATING TRANSFERS OUT	104,323	104,323	0
TOTAL EXPENDITURES	4,942,360	(16)	17,885,652
Increased Expenditures Compared to Additional Revenues			12,943,293 (219,634)
NET	0		(219,634)

Notes to Table 1

- (1) Includes Capital Outlay. Source: M.Sullivan, file: "10_Budget_work_sheets_FY10_052809_D01.xlsx"
- (2) Gas tax revenues currently received by the Town are transferred to the County for road maintenance purposes.
- (3) 1.75 cent fuel tax based on Pahrump FY10 budget; State estimates differ slightly.
- (4) Economic Development and collections clerks costs not shown; assumed offset by business license and room taxes.
- (5) Town provides planning review and recommendations to County.
City planning staff reduced compared to current County staff, based on Fernley staffing and reduced development activity.
- (6) No new franchises assumed (e.g., electric, cable, gas, telephone)
- (7) Franchise fee revenue from Pahrump Valley Disposal franchise agreement.
- (8) Shift of Road Fund tax rate (.005) based on Pahrump a.v./County a.v. (86%)
- (9) Assumes current County animal control costs and revenues attributable predominantly to Pahrump.
- (10) Building Fees from County Budget FY10 allocated proportionate to Pahrump population/County population.
Net Building Fee revenue to City assumes contract with private firm similar to current County contract.
Private contractor assumed to receive average of 70% of building fee revenue.
- (11) Planning and zoning fee revenue proportionate to Pahrump population/County population.
- (12) Muni. Ct. revenues based on Fernley as a % of judicial costs (61%).
- (13) Swimming pool fund (and property tax funding) not included.
- (14) Operating transfers include Cemetery Fund and Ambulance Debt Service.
- (15) No change assumed for new city compared to existing Town.
- (16) Note: FY10 budget included the use of fund balances to fund expenditures shown.
- (17) The shift of property tax from County to new city assumes amount 57% of shifted net costs.
The percentage based on property tax as a % of total County property tax See Table 2a
- (18) The shift of CTX from County to new city assumes amount equ 43% of shifted net costs.
The percentage based on CTX as a % of total County property tax and CT See Table 2a
- (19) Other unreserved funds, carry-forward from prior year, contingencies.
- (20) Inflation factor applied to future years expen 2.0% (shown in annual forecast)
- (21) Assumes initially that justice court continues to hear violations of local ordinances during transition.

Tax Rates

The IFA assumes that property taxes and Consolidated Taxes (CTX) are shifted from the County to the new city equal to the cost of services transferred. This results in an increase in the current Town tax rate, but a nearly corresponding drop in the County's tax rate. The net result will be a slight increase in the cumulative tax rate in Pahrump, since the shifted County property taxes are collected from a smaller assessed value base, requiring a slightly greater tax rate to collect the same amount of revenue. The increase in the overlapping tax rate is an estimated 0.10, which is about a 3.6 percent increase above the current combined tax rate of 2.8171. This increase could be reduced to the extent that the revenue shift favors CTX rather than property tax, or if the new city adopts additional revenues, such as franchise fees noted above.

Impacts on the County

Because the revenues shifted from the County to the new city would be equal to the County's reduced service responsibilities, there should not be a direct financial impact on the County as illustrated in **Table 2**.

However, if the transition results in a significant loss of staff, County services to other areas of the County could be adversely affected. For example, many of the Sheriff department staff are trained to provide a range of services, such as Search and Rescue, canine, and other services that may not be available within the new city, and which would be hard to continue with a significantly reduced staff. In addition, the County may incur additional short-term employment costs if layoffs are required due to reductions in revenues and service responsibilities.

These impacts could be mitigated to the extent that the new city contracts with County departments so the County could retain staff capabilities. These relationships could be formalized through functional consolidations and shared staff. In Clark County, a metropolitan police force is the result of the consolidation of the sheriff and police departments. In many counties, the justice court and municipal court share staff and facilities.

Table 2
Summary of Nye County Change in Revenues and Expenditures
City of Pahrump Incorporation Feasibility Analysis

Item	Change to County Rev. or Expend.
REVENUE REDUCTIONS	NC" =No Change
PROPERTY TAXES:	
Shift from County Road Fund for Transferred Service Costs	67,244
LICENSES AND PERMITS:	557,600
INTERGOVERNMENTAL REVENUES (before CTX shift):	
Transportation Funds	1,681,121 (1)
FINES AND FORFEITURES:	(5)
TOTAL REVENUE REDUCTIONS TO COUNTY	2,305,966
<hr/>	
EXPENDITURES FOR SERVICES SHIFTED TO CITY	
GENERAL GOVERNMENT:	NC
JUDICIAL	NC (5)
PUBLIC SAFETY (Sheriff)	8,793,000
PUBLIC WORKS	2,254,352
BUILDING AND CODE ENFORCEMENT	473,965
HEALTH (Animal Control and Shelter)	553,923
COMMUNITY DEVELOPMENT	437,900 (6)
TOTAL EXPENDITURES SHIFTED FROM COUNTY TO CITY	12,513,140
COST REDUCTIONS VS. REVENUE REDUCTIONS (before tax shift)	10,207,175 Net Gain to County
(less) Property Tax Shifted from County to New City	5,818,090 (2)
(less) CTX Shifted from County to New City	<u>4,389,085</u> (3)
Subtotal, Revenue Shifts	10,207,175
NET IMPACT ON COUNTY (after tax shift)	0

(1) See Table 15

(2) The shift of property tax from County to new city assumes 57% of shifted net costs.
The percentage based on property tax as a % of total County property tax and CTX.

(3) The shift of CTX from County to new city assumes amount 43% of shifted net costs.
The percentage based on CTX as a % of total County property tax and CTX.

(4) Includes building, planning and code compliance fees accruing to new city.

(5) Assumes no reduction in current County Justice Court revenues.

(6) County planning staff reduced by cost of new city planning staff or contract, which is about a 55% reduction in current County costs.

2. CITY FORMATION PROCESS

Two primary options exist for the creation of a new city: 1) formation under the general laws of the State of Nevada (NRS 266 et. seq.) and 2) submittal of legislation, which includes a city charter, to the Nevada legislature. A third option, not evaluated in detail herein, would allow the creation of a commission form of city government (no mayoral election) per NRS 267.

Option 1 (NRS 266)

Nevada Revised Statutes (NRS) 266 et. seq. specify the incorporation process for "Option 1"¹. A summary of the timeline is included as **Appendix A**.

The process is initiated by filing a notice with the county clerk with accompanying map, supporting documentation and petition, which must then be signed by at least one-third of voters within the proposed city boundary within 90 days. As of August 11, 2009, Pahrump had 21,207 registered voters;² one-third equals 7,069 signatures required.

After the petition and signatures have been certified by the county clerk, the Nevada Committee on Local Government Finance and the Department of Taxation review and report on the fiscal and tax implications of the incorporation. Other local jurisdictions also have an opportunity to comment on the proposal. If the Committee finds the area unsuitable for incorporation, the process is halted. Otherwise, the board of county commissioners holds a hearing on the proposal and sets a date for an election. If the election is successful, a subsequent date is set to elect city officers.

If the election of officers is held on or before the 1st Tuesday after the 1st Monday of November, the effective date is July 1 of the following year; otherwise, it is one year from July 1 of the following year.

Based on the schedule described above, the process could require anywhere from 18 to 22 months; the timing depends on whether the maximum time allowed by statute is needed for each step. The petition certification process would have to be complete by about March 31, 2010 in order to reach a November 2011 election to begin operations as a city in July 2012. Otherwise, the city would begin in July 2013.

¹ References to "Option 1" and "Option 2" for convenience only; no legal reference intended.

² Sandra L. Merlino, Nye County Clerk, 8/11/09

Option 2 (City Charter/Legislation)

This option involves presenting a draft city charter to the county's legislators, who can have the charter introduced at the next legislative session. The legislature may approve (or approve with amendments) or deny the charter.³ The charter provides a legal framework for the city, and is generally comparable to the legal structure for a city as defined in State law.

Option 2 provides the opportunity to advance the schedule, e.g., it would be more likely that city operations could begin by 2012 if approved by the voters and the legislature. This option puts the process in the hands of the legislature rather than the County Commissioners as in Option 1. With both options, supporting data, feasibility and impact analysis, and consideration of a range of tax and other factors is required.

It is assumed that this option would be preceded by a November vote of residents. If the legislation is approved, then a vote would be held to elect council members and mayor.

Recent Incorporations

The City of Fernley (population approximately 18,000) was the last community to incorporate in Nevada, in 2001, and was also one of only two new cities formed within the last 20 years. West Wendover (population approximately 5,000) was incorporated in 1991.

The Fernley experience raises issues that are applicable to consideration of Pahrump incorporation.

The new city did not take over police protection upon incorporation. For several years, the community had an agreement with the Sheriff for services; however, apparently there was no transfer (or minimal transfer) of revenues from the County to the new city. The sheriff stopped renewing the agreement several years ago; however, he asserted his authority to continue to provide service within the community. The community has expressed concern about the issues that occurred from a lack of formal contract, and lack of financial resources (and accounting of those resources) initially transferred upon incorporation. To the extent that the current Town residents wish to police protection services within the new city, the city incorporation should include a permanent shift of revenues from the County to the new city consistent with the shift in services.

State law provides that a county may allocate Road Fund revenues to a city. Apparently Lyon County allocated revenues to the city for several years, and then discontinued the transfer in recent years. The city is attempting to regain these revenues. The Pahrump feasibility analysis assumes that the formation of the new city includes a request for a permanent shift of Road District revenues to the new city.

The community, until recently, has experienced significant growth. The city's budget has also grown substantially over the years. The city has several enterprise funds, including sewer, that help to generate revenue for overhead functions.

³ "Legal and Economic Considerations for Incorporation of Nevada Towns," University of Nevada, Reno, Technical Report USED 2000/01-02.

3. THE INCORPORATION PROPOSAL

This section summarizes key elements of the proposed new city. The petition and ballot measure would specify many of these items, which may change from the assumptions described herein.

Name of the New City

The name of the new city would be specified on the petition for incorporation,⁴ and placed on the ballot measure.⁵

Form of Government

The new city may be formed with either a three- or a five-member city council; those council members may be elected by ward or at large. In addition the electorate would elect a mayor. For purposes of the current report, a five-member city council and a mayor are assumed, which would replace the existing Town board.

City Boundary

The boundaries are assumed to coincide with the current Town of Pahrump boundaries, at a minimum, as required by Pahrump Town Ordinance 46. The actual boundaries will be determined by the Town Board. The final boundary may consider a number of factors, including the location and type of development and parcelization (e.g., unsubdivided parcels equal to or greater than 100 acres⁶).

Reorganization

The incorporation feasibility analysis assumes no reorganization of special districts or services other than existing municipal services provided by the County, as described in this report.

Service Levels

The feasibility analysis assumes that future service levels as a city remain at least equal to existing levels of service.

⁴ NRS 266.019

⁵ NRS 266.019

⁶ NRS 266.017

Effective Date

The new city would become effective July 1, 2012, if the election of council members occurs in early November 2011.⁷ This would be preceded by the election on the incorporation by 30 to 120 days⁸. However, in order to meet this timeline, the petition process would have to be completed by March 31 or earlier;⁹ if the subsequent required reports and hearings took the maximum time allowed by law, the vote for council members could not occur until "after the 1st Tuesday after the 1st Monday of November,"¹⁰ and the effective date would be July 1, 2013.

Taxes

The new city would require a shift in revenues from the County to the new city comparable to the cost of services shifted from the County to city responsibility. This shift in revenue would not result in a significant net increase in property taxes or other taxes to residents, businesses and property owners in Pahrump and in the County.

Public Facilities and Infrastructure

The feasibility analysis assumes that the new city initially would contract with the County for various services to be shifted to the new city; the contract cost should reflect all building maintenance and related costs. Further discussions between the Town and the County will be necessary to address the disposition of existing County facilities which house services to be shifted to the new city.

The new city would continue to collect and utilize existing impact fees collected on behalf of the Town (e.g., impact fees for fire and park facilities). The new city would also adopt other existing fees currently being collected by the County from new development within Town boundaries for streets. Existing fund balances held by the County for the benefit of the Town should continue to be used for that purpose, and/or transferred to the new city.

⁷ NRS 266.042

⁸ NRS 266.029

⁹ See Appendix A

¹⁰ NRS 266.042

4. PUBLIC SERVICES PLAN AND COST ASSUMPTIONS

Table 3 summarizes changes in service responsibility in Pahrump. As noted, it is assumed that the new city initially contracts for many new services from the County. Other arrangements may be developed over the longer term by future city councils. This chapter described services in greater detail, and explains current as well as future services. Where appropriate, options are identified. The analysis assumes that all municipal services are transferred from the County to the new city; however, the services plan may be revised by the Town Board to limit the services transferred.

As noted previously, the IFA assumes a “transition period” during which the new city would need to hire staff, namely a city clerk, and some additional administrative staff to help handle increased financial and other responsibilities. This hiring could be phased over the initial years. To the extent that the new city creates its own departments rather than utilize contracts, administrative staff would be greater than shown. Over time, it is assumed that additional staff may be added as revenues allow. For example, additional planning staff may be required depending on future development activity. These additional staff would be funded by growth in property taxes and other revenues. No new taxes are assumed, although a future city council may choose to add taxes as permitted by law.

City Council

The Town of Pahrump is directed by five Town board members elected at large. The council establishes ordinances governing the Town, and approves all actions of the Town including the policy matters, contracts and personnel.

Future City Services

Nevada statutes allow for a “Category Two” city (population between 5,000 and 50,000¹¹) to elect either three or five council members; the members may be elected by “ward” within the City, with each ward being of equal population. The number of council members would be determined upon incorporation, and the boundaries of the wards (if utilized) would be determined initially by the Board of County Commissioners.¹² In addition to the councilmembers, the city residents would elect (at large) a mayor. The mayor is the presiding officer of the city council and does not vote except in cases of a tie vote. The mayor may veto city council actions; the veto can be overridden by the city council (e.g., by four-fifths of a five-member council, or by all members of a three-person council).

The projected city budget for the new city assumes a five-member council, similar to the current Town Board structure. No salaries are assumed for council members or mayor, although a provision is made for expenses including workman’s comp, and expenditures for memberships, conference attendance and other miscellaneous items.

¹¹ NRS 266.055

¹² NRS 266.095

**Table 3
Municipal Service Providers - Existing and Proposed
City of Pahrump Incorporation Feasibility Analysis**

Service	Current Provider/ Services	Future Services	
		Change to Current Provider	City Responsibility
General Government			
Governing Board	5-member County Commission	County Commission would oversee any contracts for services between the County and the new city	Elected Mayor and City Council - 3 to 5 councilmembers, may be elected at-large or by ward
Administration, legal, personnel and finance services and other overhead	County and Town staff each provide administration and overhead services related to their respective service responsibilities	County will have reduced responsibilities for services to Pahrump, and corresponding reduced admin. and overhead	City will have additional service responsibilities that will incur additional administration. City Clerk position will be required, in addition to additional finance and HR staff
Buildings and Grounds (B&G)	Town	County responsibilities may be reduced depending on buildings and facilities (if any) transferred to new city	City will continue maintenance of Town B&G, and any additional facilities transferred from County
Elections	County	No Change	City Clerk responsible for coordinating city ballot issues and elections with County Clerk
Public Protection			
Court	County responsible for Justice Court	No Change	City will create a municipal court to enforce municipal ordinances (may co-operate with Justice Court)
Law Enforcement	County Sheriff	Feasibility analysis assumes that the new city is responsible for sheri protection, and initially contracts with Sheriff. Other options include a new city department, or a combined city/county "metropolitan" police department	
Fire Protection	Town/Pahrump Valley Fire and Rescue Service	City continues existing fire protection services	
Ambulance	Town	City continues existing ambulance services	
Animal Control	County	County not responsible within Pahrump; may contract to provide services to new city	City responsibility; may contract with County for services, or form new department
Vector Control and Mosquito Abatement		No Change	No city responsibility
Land Use and Planning			
Regulation & Planning Plan Check and Bldg. Inspection Code Enforcement	County	County not responsible within Pahrump; may contract to provide services to new city	City responsibility; may contract with County for services, or form new department
Community Services			
Recreation	Town	No change to existing districts or facilities (pool, arena)	
Local Parks/Other Com'y Facilities	Town		
Library	Pahrump Community Library District	No Change	No city responsibility
Schools	County School District	No Change	No city responsibility

Table 3
Municipal Service Providers - Existing and Proposed
City of Pahump Incorporation Feasibility Analysis

Service	Current Provider/ Services	Future Services	
		Change to Current Provider	City Responsibility
Public Works/Public Utilities			
Admin. and Maintenance of Roads, Signals, Drainage, Other Infrastructure	County (NDOT maintains highways)	County not responsible within Pahump; may contract to provide services to new city	City responsibility; may contract with County for services, or form new department
Bridges	County (NDOT maintains highways)	No change	No city responsibility
Domestic Water	Various utility providers, in addition to onsite systems	No Change	No city responsibility
Wastewater Collection/Treatment/Disposal	Various utility providers, in addition to onsite systems	No Change	No city responsibility
Solid Waste Collection/Disposal	Pahrump Valley Disposal (private) franchise agreement with Town		City continues existing franchise agreement
	Nye County Landfill	No Change	No city responsibility
Solid Waste Management	County	No Change	No city responsibility
Flood Control & Conveyance Drainage	County		County collaboration with new city
Other Utilitites	Private providers	No Change	City may require/oversee franchise agreements
Other			
Cemetary	Town oversees cemetary		City continues existing services

Source: Economic & Planning Systems

Administrative Services

The Town of Pahrump administrative staff would provide the basis for the city's administrative structure. Generally, the current services mirror those required of a city, although a city will need to add staff to handle the additional responsibilities and requirements of a city, as summarized in the following sections and shown in **Appendix B Table 4**. New city responsibilities will be incurred for contracts and/or staffing for police protection, public works and planning, code enforcement and building inspection. Actual staffing levels will vary depending on future service provision, e.g., whether the new city contracts with the County for certain services or adds new city departments and staff. The latter approach will incur greater administrative costs in various departments.

City Manager

The new city's council would be responsible for the hiring of a city manager. The city manager would implement city council policy and direction, and manage the day-to-day operations of the city. The projected city budget assumes salary and benefits comparable to the current Town manager.

Finance

The city's finance director would supervise all of the city's financial affairs under the review of the city council, including budgeting, financial management, and investment of funds acting as city treasurer. The projected city assumes salary and benefits comparable to current levels. Staffing includes positions similar to the current finance director, financial assistant and two business license technicians. Over time, it is assumed that an accountant position and technical specialist will be required to handle additional city responsibilities related to contracts and/or staffing for increased city responsibilities, and as allowed by future city revenues.

City Clerk

The city clerk maintains the corporate seal and all papers and records of the city, keeps records of the city council proceedings, countersigns all city contracts, and is responsible for publishing city notices in local newspapers. The city clerk is also responsible for overseeing city elections. This office may also be tasked with functions currently handled by Town staff (e.g., business license collections) as is done in other small cities, and may also provide staff to the municipal court (clerical staff are shown in the judicial budget). This function represents a new cost center that currently does not exist within the Town.

City Attorney

Similar to the Town, the new city would fund the position of city attorney who would be responsible for preparing resolutions and ordinances, reviewing legal issues on the city's agenda, and coordinating with outside counsel as necessary. The projected city budget of \$150,000 for the city attorney is based on other, similar cities, and represents an increase over the current \$100,000 Town budget to account for increased city services and potential legal liabilities.

Human Resources

The city's human resources department, similar to the current Town function, would be responsible for personnel activities, including hiring, compliance with personnel policies and applicable laws, training, and other related functions. The city's projected budget includes a human resources coordinator at a salary comparable to the current Town level, and adds an office assistant to help deal with an increased city workload as the city grows.

Information Technology (IT)

The IT functions will provide for managing the acquisition, operation and maintenance of technology, including financial and productivity software, computer hardware and related network and other equipment. The projected city budget includes an IT manager and an IT specialist, as well as budget for contract services and acquisitions. Initially, staffing is assumed to be less, and more comparable to existing city contracts.

Economic Development

The projected city budget assumes economic development staff and expenditures comparable to the Town's current level of activity. No additional staff, other than a "Commercial Business and Development Services Manager", are assumed. This staff cost, and account clerks, are assumed to be funded by business licenses and room taxes consistent with current practices.

Buildings and Grounds

No change is assumed to the Town's current staff and expenditures for maintaining Town buildings and facilities, which would become a city responsibility. The projected city budget assumes contracts initially with the County for services transferred to the new city, which would include an overhead factor for any related facility maintenance costs. Depending on the number of new city staff, additional space may be required.

Recreation

The projected city budget assumes no change or impact upon the operations or funding of the swimming pool (funded by a separate property tax factor), or other cultural activities currently sponsored by the Town.

Fire Protection and Ambulance

The projected city budget assumes no change or impact upon the operations or funding of fire protection or ambulance services.

Sheriff

The Nye County Sheriff's Department currently provides police protection services to the Pahrump area from its South Area Command located at the substation at 1520 E. Basin Road. Sheriff responsibilities and authority are defined in NRS Chapter 248.

The Sheriff's Department provides a range of services to the area, including:

- **Patrol and "Field Services"** - Deputies patrol 3 separate "sectors" which cover the Pahrump area. Minimum "field services" staffing currently provided by the Sheriff is three patrol personnel per sector, per shift, or a total of 9 patrol deputies per shift and 27 per 24-hour period. The total annual staff required to fill the 27 positions after accounting for vacation training, and other time off requires approximately 46 patrol deputies. An additional 5.1 sergeants and 3.4 lieutenants are required to supervise the patrol deputies.

Currently, 33 patrol deputies are budgeted (FY10) and assigned to Pahrump. An additional 3 deputies are assigned to the Street Crimes Unit in Pahrump and 3 deputies are designated School Resource Officers.

- **Communications** – The County provides dispatch services to the area. The Pahrump Dispatch Center is staffed by 11 dispatchers and 1 dispatch supervisor.
- **Detention** – The County maintains a detention facility in Pahrump staffed by 8 deputies and 2 sergeants. The County is in process of constructing a new facility, estimated to cost \$25 million, which will replace the current facilities.
- **Investigation** – 7 detectives are assigned to Pahrump.
- **Crime Prevention** – The County provides programs such as D.A.R.E. (Drug Abuse Resistance Education) to help reduce the incidence of crime.
- **Administration and Support** – Countywide department management includes the Sheriff, Assistant Sheriffs and Captains, in addition to administrative and technical support.
- **Other Countywide Services** – The Sheriff's Department provides services to residents of Pahrump that will continue to be a County responsibility, even if the new city takes over responsibility for police protection. The Sheriff serves as County Coroner and is on the County Health Board and Licensing Board. The Sheriff is also the County Constable, compiles jury duty summons, serves as court bailiff, and is responsible for civil services.

The Sheriff's Department relies upon volunteer staff to augment paid staff, for search and rescue operations, and functions such as serving papers thereby relieving paid deputies for other functions. Volunteer staffing Countywide includes 4 reserve deputies, 3 reserve dispatchers, 25 search and rescue, 22 auxiliary members, and 1 clerk.

Services to Pahrump total approximately \$9.5 million annually,¹³ as shown in **Appendix B Table 5** based on staffing allocations to Pahrump.¹⁴ Approximately 50 percent of Administrative Support and Crime Prevention, which are staffed by Countywide staff and/or personnel in other locations, were allocated by the Sheriff to Pahrump. The allocations include the Sheriff and two

¹³ Position titles and salaries based on table provided by Susan Paprocki, Nye County Finance, 10/12/09, file: "Information requested by Mr. Berkson.xlsx".

¹⁴ FTE's based on Position Allocations to Pahrump provided by Sheriff DeMeo, 10/9/09, file: "personnel County wide- pahrump.xlsx".

Assistant Sheriff positions located in Pahrump, although those positions are also responsible for other Countywide Sheriff functions. The budget estimate includes annual vehicle purchases and fuel for Field Services.

Future City Services

The new city has several options for how police protection may be provided following incorporation and in the longer term.

- 1. Nye County retains responsibility for policing the new city** - This scenario would facilitate the incorporation process as it would entail no transfer of services, facilities or funding to the new city; primary responsibility for management and delivery of police protection would remain with the County Sheriff.

This is the model followed by the City of Fernley, incorporated in [2001]. The County Sheriff provided services under a contract until 2007, including enforcement of City ordinances; the County discontinued the contract, but asserted its authority to continue providing services. The City indicated that certain revenues were retained by the County upon incorporation for the purpose of funding police protection as well as other services; however, the City does not have a reconciliation for that intended exchange of revenues.¹⁵

- 2. The City of Pahrump contracts for services with the Nye County Sheriff** - This scenario allows the City to negotiate levels of service and minimizes start-up costs that may be required for creating a new department. A corresponding transfer of revenues from the County to the City would be required to fund the contract costs. This approach is utilized, for example, between White Pine County and the City of Ely.
- 3. The City of Pahrump creates its own police department** - This scenario vests control of police services entirely with the City. Upon incorporation, a corresponding transfer of revenues from the County to the City would be required to fund the transferred costs. This option would require acquisition of equipment, facilities, as well as the hiring of staff.
- 4. A "metropolitan police department" consolidates City/County services** - NRS allows for the merger of city and county law enforcement agencies to "increase the efficiency of such agencies by increasing communication facilities, lowering purchasing costs and coordinating law enforcement efforts throughout metropolitan areas."¹⁶ The Las Vegas Metropolitan Police Department (also known as the LVMPD or Metro) is a joint city-county police department. It is run by the Sheriff of Clark County, elected every four years. The Las Vegas Metropolitan Police Department (LVMPD) was formed on July 1, 1973 by merging the Las Vegas Police Department with the Clark County Sheriff's Department.

¹⁵ EPS correspondence with Lisa Farmer, City of Fernley, City Clerk's Office, 11/4/09.

¹⁶ NRS 280.110. Note: NRS 280.105 requires that any city-county law enforcement mergers occurring within a county with a population of 100,000 or more must follow the provisions in NRS 280, but does not exclude counties of a smaller size from creating metropolitan departments.

The transition to cityhood may involve some combination of the options described above. For example, the new city initially may contract for County sheriff services (or defer to the County to continue current sheriff services), then create its own department or merge with the County to create a metropolitan police department at a future time.

City Budget Estimates

The budget forecast for the new city assumes a "contract" scenario. The costs are estimated based on staffing assigned to the Pahrump area, with adjustments to reflect an allocation of staff to Pahrump services. A contract with the County is assumed initially, as this would provide a basis for calculating the transfer of revenues from the County to the City, and would minimize initial City startup costs and transition efforts. This option still leaves open the possibility of subsequently creating a consolidated County/City metropolitan police department or a new City department at a future time.

Appendix B Table 6 provides a preliminary estimate of potential police costs based on existing services to Pahrump. Certain adjustments are shown to account for staffing not fully allocated to Pahrump, e.g., only a portion of the Sheriff's time is included, and administrative support, communications, and detention are allocated proportionate to Town population.

The budget assumes that all applicable and allocated costs to Pahrump, including equipment, facilities, and training, are included in the contract. These terms are subject to further discussions between the community, the Board of County Commissioners, and the Sheriff's Department regarding levels of service to be provided to Pahrump and their costs. Specific provisions may be made related to the sharing of certain costs, for example, detention; a cost sharing arrangement could be determined, and/or a cost per booking.

Animal Control

The projected city budget assumes a contract with the County, with costs based upon the population of the city compared to the total county population. These costs would be partially offset by animal control revenues (licenses, fines, etc.). Costs associated with the animal shelter may also need to be allocated to a contract.

Judicial

There are three Justice Courts in Nye County, one each in Beatty, Tonopah and Pahrump. The Justice Court is a court of limited jurisdiction, created by statute (NRS Chapter 4). The court hears criminal matters (which include traffic violations), small claims up to \$5,000, evictions and civil matters up to \$10,000. In addition, the Court issues search warrants and arrest warrants, holds arraignments and trials for misdemeanor cases, and handles gross misdemeanor and felony cases from the initial arrest through the preliminary hearing stage, including bail setting and probable cause determinations. The Court is responsible for issuing, reporting and monitoring temporary protective orders for domestic violence or stalking and harassment.

Future City Services

The new city will be required to create a Municipal Court which will hear violations of the city's municipal code, including misdemeanor traffic and criminal cases (NRS 266.550 through 266.595 describe the jurisdiction and operation of municipal courts). The municipal court has similar powers and jurisdiction in the city as are provided by law for justices' courts, subject to the overall limited jurisdiction of misdemeanor criminal offenses. The powers of the municipal court include the power to charge and collect fees (as authorized pursuant to NRS 5.073).

Many cities and counties in Nevada operate a consolidated justice and municipal court system. In those cases, the Justice of the Peace also hears municipal court cases as well as Justice Court cases, thereby reducing overhead costs and improving the efficiency of the court system. This arrangement will require the concurrence of, and agreement with, the Justice Court.

A preliminary budget for the Municipal Court includes total costs of approximately \$330,000. The budget is based on the municipal court budgets for the cities of Fernley and Mesquite, which operate a consolidated Justice and Municipal Court; the costs ranged from \$250,000 to \$330,000 annually, respectively, as shown in **Appendix B Table 7**. The costs represent the city's contribution towards the total costs of the system. A portion of the costs will be offset by fees and charges, and other revenues collected by the Court, assumed to equal about 60 percent of costs, based on the Fernley budget. The municipal court may retain certain revenues which currently accrue to the State, to the extent that the municipality adopts the corresponding State ordinances. The budget estimates indicate a net city cost, after court revenues, of approximately \$130,000.

The net city cost depends on the staffing and costs for the judge and clerical support, prosecution services and other charges, offset by fines and forfeitures. The Mesquite Municipal Court, with a budget of about \$330,000, disposed of approximately 900 non-traffic misdemeanor cases in Fiscal Year 2009, and nearly 3,700 traffic and parking violations. By comparison, the Pahrump Justice Court disposed of about 4,800 traffic and parking violations in Fiscal Year 2009.

Public Works

The Nye County Public Works/Road Department provides a range of services in the County, including transportation, solid waste management, water and wastewater. The Department's Pahrump office, located at 250 N. Hwy 160, handles engineering, road maintenance for Pahrump's 794 lane miles¹⁷ and equipment maintenance functions. The Department maintains a maintenance facility, and 107 active vehicles and other equipment in Pahrump.¹⁸

¹⁷ Summary of Roads Maintained by Nye County as of 12/31/2008, David Fanning, Interim Director Nye County Public Works, 10/5/09, Enclosure #2.

¹⁸ Equipment Inventory Report, David Fanning, Interim Director Nye County Public Works, 10/5/09, Enclosure #1.

According to a Public Works Department, approximately 23 positions work in the Pahrump area at a total salary and benefits cost of \$1.6 million.¹⁹ Other non-staff costs add about \$600,000 annually²⁰ (not including solid waste). **Appendix B Table 8** summarizes current costs. The allocations include the Public Works Director, although this position and related support staff are also responsible for other Countywide services.

Future City Services

The new city would be responsible for the services and functions currently provided to Pahrump by the County Public Works Department. **Appendix B Table 9** provides a preliminary budget for the City Public Works department based on current levels of staffing and salaries. A contract with the County is assumed initially, as this would provide a basis for calculating the transfer of revenues from the County to the City, and would minimize initial City startup costs and transition efforts. This option still leaves open the possibility of subsequently creating a new City department. To the extent public works services are required outside of the city boundaries, or to maintain County facilities, the city department could contract to the County to provide certain services, and avoid unnecessary duplication of equipment and services. This arrangement potentially could generate additional net revenue to the city, depending on the services provided and the need to hire additional city staff to provide the services.

The new city budget assumes that all applicable and allocated costs to Pahrump, including equipment, facilities, and training, would be included in an initial contract with the County. These terms are subject to further discussions between the community, the Board of County Commissioners, and the Public Works Department regarding levels of service to be provided to Pahrump and their costs. Public Works services would be funded primarily through road-related revenues (e.g., fuel taxes) as described in **Chapter 7**. Major capital improvements would also be funded through impact fees paid by new development projects in Pahrump. Federal funding and grants could also help to fund major one-time costs, including capital improvements.

Planning, Code Compliance and Building Inspection

The Nye County Planning Department assists with issues related to planning, zoning, and development functions. The Department comprises two subdivisions: Planning and Code Compliance. The Planning division is responsible for planning, zoning and development functions. Ten positions are budgeted for the Pahrump Planning Office located at 250 N. Hwy 160.²¹ **Appendix B Table 10** summarizes the expenditures totaling approximately \$800,000 annually. The allocations include the Planning Director, although this position and related support

¹⁹ Staff, by Position, and Full-Time Equivalents, Serving Pahrump, David Fanning, Interim Director Nye County Public Works, 10/5/09, Enclosure #3.

²⁰ Summary Budget Report, David Fanning, Interim Director Nye County Public Works, 10/5/09, Enclosure #4.

²¹ Susan Paprocki, Nye County Finance, 10/12/09, 'file: "Information requested by Mr. Berkson.xlsx".'

staff are also responsible for other Countywide services. A Regional Planning Commission enables Pahrump residents to submit advisory recommendations to the County on planning matters.

The Code Compliance Division is responsible for building safety and handles complaints or concerns regarding violations of the County's nuisance and zoning ordinances within the Pahrump Regional Planning District. The Division is also responsible for air quality and floodplain management programs. Current costs are shown in **Appendix B Table 10**.

The Department also manages a contract with a private firm to operate a building and safety services office in Pahrump. The private firm is paid a percentage of the monthly Building and Safety Fees collected for services provided by the firm. The percentage ranges from 55 percent to 90 percent of fees, depending on the amount of fees collected.

Future City Services

It is assumed that the new city will take over the services and functions of planning, code compliance and building inspection that currently are provided by the County. **Appendix B Table 11** is an initial estimate of planning staff and costs based on current County services, reduced to reflect staffing of comparable cities (e.g., Fernley) as well as reduced development activity that is likely in the near term.

Appendix B Table 12 estimates code enforcement and building inspection costs. Building inspection costs assume a contract with a private firm, similar to the current County service provision. Permit revenues generated from the Pahrump area totaled \$485,000 in FY09;²² however, for the first five months of FY10 permit revenues are down about 50 percent compared to the same period in the prior year, thus the analysis has reduced the revenues proportionately. Payments to the private firm would average about 70 percent of revenues based on the current County contract.

Other Costs

It is assumed that the new city would continue to participate in the municipal insurance pool that provides the Town with insurance. A higher cost (approximately \$200,000) is included in the projected city administration budget to reflect an increased level of responsibility. To the extent that the new city creates new city departments rather than contracting with the County for services, insurance costs could be much greater.²³

There will be a need to accommodate an additional five to ten new administrative staff positions. The capacity of existing Town facilities may need to be expanded, and/or office space leased in the interim. Potential costs have not been estimated at this point in time. To the extent that new city departments are formed, it may be appropriate to utilize County facilities that currently house those services that would be transferred to the new city.

²² Lisa Whitt, Building & Safety Department, 12/14/09.

²³ EPS interview with Wayne Carlson, Executive Director, Nevada Public Agency Insurance Pool, 12/4/09

Nevada law allows for the inclusion of a contingency in the budgeting process. Currently, the County and Town budgets do not show a contingency amount. The projected new city budget does not show a contingency; however, interest earnings on additional funds and deposits from increased city revenues has not been estimated, and could provide a contingency of 1 to 3 percent.

5. PUBLIC FACILITIES AND INFRASTRUCTURE

The new city would continue to operate from its current offices, although expansion or lease of additional space may be necessary to accommodate additional administrative staff.

The need for space for city services such as police protection, planning and public works will depend upon the manner in which each service is provided. Currently those corresponding County services are housed in County-owned facilities in Pahrump. If the new city contracts with the County to continue providing those services, no new facilities should be necessary.

If the new city creates new departments for police, planning and public works, additional space will be required. This space potentially could be accommodated through conveyance of existing County facilities to the new city; terms of the conveyance would need to be negotiated between the new city and the County. Alternatively, the new city would need to construct or lease additional space to house staff and equipment.

Existing County facilities potentially subject to conveyance (or partial use by the new city) include the following:

1520 East Basin Road - This building contains sheriff offices, as well as other County functions such as the County Clerk, courts and district attorney; the latter functions do not transfer to the new city.

250 North Hwy. 160 - These buildings house County Public Works, as well as Planning, Public Health Nurse, Bureau of Community Health, and Search and Rescue. Only public works and planning potentially would be services taken over by the new city.

171 North Kittyhawk – This is the location of County animal control facilities.

Public Works/Road Department Corp. Yard – located just west of the Town corp. yard, the facility houses vehicles, equipment and supplies.

The new city and the County may create agreements for the joint use of other facilities, for example, if the Pahrump Justice Court and city Municipal Court share facilities and staff. The County detention facility will still be required by the County; however, a contractual arrangement could specify terms of use by the new city.

New public facilities could be funded through impact fee revenue. The new city would continue to collect and utilize existing impact fees collected on behalf of the Town (e.g., impact fees for fire and park facilities). The new city would also adopt other existing fees currently being collected by the County from new development within Town boundaries for streets. Existing fund balances held by the County for the benefit of the Town should continue to be used for that purpose, and/or transferred to the new city.

6. GROWTH AND DEVELOPMENT

Pahrump's population on July 1, 2008 totaled 38,882 according to the certified estimate²⁴ produced by the Nevada State Demographer. The population increased 2.5 percent from the prior year, significantly slower because of the recession compared to prior years. Nye County estimates²⁵ that Pahrump's population declined slightly to 38,275 by the end of the third quarter of 2009.

For the decade from 1996 through 2006, the Town's population grew from 17,540 to 36,645 at an average annual rate of 7.6 percent. The rate of growth peaked at 10.2 percent in 2006 before slowing to its current rate.

Projections²⁶ published in August 2008 forecast a moderate recovery for the period from 2007 to 2014. The estimates forecast the equivalent of a 4.8 percent annual average growth rate for Nye County; although projections are unavailable by town, Pahrump historically accounts for most of the Nye County growth. The 4.8 percent rate is projected to slow to 2.6 percent between 2014 and 2021. For the entire period 2007 to 2021 the forecasted population grows at a 3.7 percent annual average.

At an average growth rate of 3.7 percent, Pahrump's population would grow by about 1,400 people annually, or 570 units per year assuming 2.5 persons per household (2000 census). The actual rate of development will depend on economic cycles. At some point, buildout may be constrained by the availability of water, which currently is being studied by the County.

The estimates described above are lower than the estimates produced in 2005²⁷ for the Pahrump Capital Improvement Plans and Impact Fees. That report projected residential unit growth of 750 units to 1,000 units per year through 2015.

²⁴ Nevada County Population Estimates July 1, 1986 to July 1, 2008, Nevada Dept. of Taxation

²⁵ Nye County Population Estimates Through the Third Quarter, 2009, Nye County Department of Planning, 19/20/09

²⁶ Nevada County Population Projections 2008 to 2028, Nevada State Demographer's Office, August 2008

²⁷ Nye County CIPs and Impact Fee Study, Appendix 8: Land Use Assumptions & Demographics, Consensus Planning and TischlerBise, Draft 7/8/05

7. MUNICIPAL REVENUE ESTIMATES

This section describes anticipated city revenues. As noted previously, there is the potential for the city to increase revenues through franchise fees paid by utility providers; however, none are assumed in this analysis.

As described below, the feasibility of the new city depends upon a significant increase in revenues to fund services transferred from the County. NRS provides mechanisms for a new local government to request allocations of property tax and CTX. In turn, the allocation of revenues to the local government previously providing the service (i.e., the County) would be reduced by an equal amount.

It is likely the new city could receive grants for various purposes; however, these would typically be for “one-time” or special purposes, and are not assumed in the current analysis.

Property Tax

Property taxes are based on the taxable value of two components: land and depreciated value of improvements.²⁸ The “assessed value” is equal to the taxable value times 35 percent, which is the “rate of assessment”.²⁹ It is this assessed value that is multiplied by a tax rate to calculate the tax bill for a property.

Property taxes are capped in several ways. The cumulative tax rate for all entities cannot exceed \$3.64 per \$100 of assessed value (not including legislatively approved overrides above the cap). The property tax revenues of a local government entity are not allowed to increase by more than 6 percent over the prior year.³⁰

The projected budget for the new city assumes no significant increase in assessed value to the Town or the County over the next few years. New development is likely to be minimal, and may be offset by potential reductions in existing assessed values. Over the longer term, growth in property taxes to the Town (and to the new city in its place) could approach the 6 percent limit, depending on future rates of new development. This estimate assumes a relatively conservative growth rate (by comparison to recent trends) of 2 to 3 percent annual growth in units, and 2 to 3 percent annual growth in market value, after the next few years of stabilization and recovery.

Future City Revenues

Appendix B Table 14a illustrates projected property tax revenue. Fiscal feasibility of the new city depends on shifting revenues from the County to the new city approximately equal to the cost of any shifted service responsibilities. The city budget projection assumes that the shift in revenues from the County comprises property tax and CTX revenue, which are the two major

²⁸ NRS 361.025, NRS 361.227

²⁹ NRS 361.225

³⁰ NRS 354.59811

County funding sources for services provided to Pahrump. Property tax represents about 57 percent of the two sources combined. Therefore, it is assumed that property tax is shifted in an amount equal to 57 percent of shifted service costs; the balance is funded through shifted CTX. These amounts are calculated after accounting for shifted service charge and fee revenues accompanying the shifted services. The actual amount and source of shifted revenues will depend on the most recent and available cost information before incorporation, and decisions to be made by the Town and County, as well as the State agencies charged with reviewing the incorporation.

State law provides that the allowed revenue from taxes ad valorem of any local government must be established by the Nevada Tax Commission for the first fiscal year it is in existence, and includes revenue in an amount equal to the share of revenue that funded services assumed by the new city from the County.³¹ In turn, the revenues of the "predecessor" service provider (the County) are reduced by an equal amount so that there is no increase in total revenues of all agencies.³²

The amount also would include revenues of the predecessor government if it no longer exists, i.e., the Town of Pahrump.³³ The maximum allowed revenue to the local government is increased by the total amount of tax revenues shifted.

It is expected that the actual rates and revenues would be established in accordance with NRS whereby "...Nevada Tax Commission shall request the Committee on Local Government Finance to prepare a statement of the prior cost of performing the function for each predecessor local government. Within 60 days after receipt of such a request, the Committee on Local Government Finance shall prepare a statement pursuant to the request and transmit it to the Nevada Tax Commission."³⁴

Licenses and Permits

Business Licenses

The Town currently receives business license revenue which funds economic development efforts, including the position of "Commercial Business and Development Services Manager", and collection clerks. The projected city budget assumes no change in this revenue source following city formation. The staff costs are assumed offset by business license and room tax revenues.

³¹ NRS 354.5987, including sec. 2(b)

³² NRS 354.5987 sec. 4

³³ NRS 354.598743

³⁴ NRS 354.5987 sec. 2

Franchise Fees

The Town collects a 5 percent franchise fee from its solid waste collection provider. Nevada law allows cities to also collect franchise fees from other public utility providers, for example, gas, electric, cable and telephone. No additional franchise fee revenue is assumed in the projected city budget.

Liquor and Gaming License Fees

The Town receives approximately \$250,000 from a share of County liquor and gaming license fees collected from within the Town. This revenue is assumed to continue at a comparable level with the new city.

Animal License and Spay/Neuter Fees

Currently the County is responsible for animal control. The services plan for the new city assumes the city would take over responsibility for animal control services. Although the new city initially may contract with the County, fee revenue would offset the cost of services.

Building Fees

Building fee revenue to the new city is based on total County fee revenues proportionate to Pahrump population. A portion of those fees are paid to the private contractor that provides building services, and the balance of the revenue accrues to the County. The projected city budget assumes a similar arrangement initially; the budget shows the total fee revenue, and deducts the contractor payments under the building services expenditure category.

Planning and Zoning Fees

Planning and zoning fee revenue to the new city is based on total County fee revenues proportionate to Pahrump population.

Consolidated Tax Revenue

The CTX revenue pools several State revenues allocated to Nye County; these revenues are then allocated to the County, cities, towns and districts. Revenues consist of portions of the State sales tax, including Supplemental City-County Relief Tax (SCCRT) and Basic City-County Relief Tax (BCCRT); Cigarette Tax; Liquor Tax, Motor Vehicle Privilege Tax (MVPT); and Real Property Transfer Tax (RPTT).

The allocations to the County and other jurisdictions apply the Consumer Price Index (CPI) to the prior year base amounts to determine the current year base (NRS 360.600 through 360.740). Allocations to jurisdictions increase if excess revenues above the base are available; the revenues proportionately decrease if less revenues are available.

Over the past ten years, the growth in total State and Nye County CTX approximately equaled inflation, on average. During peak years CTX growth was significantly greater than inflation, although recently recessionary declines drag the overall average down.

Future City Revenues

As discussed in the section on property tax revenues, it is assumed that property tax and CTX revenues are shifted from the County to the new city comparable to the shift in service responsibilities and costs. CTX represents about 43 percent of the County's combined property tax and CTX revenues, therefore it is assumed that 43 percent of the shifted services will be funded by CTX shifted from the County. The actual amount and source of shifted revenues will depend on costs at the time of incorporation, and decisions to be made by the Town and County.

State law does not specify any change in the distribution of CTX upon incorporation, except by request of the new city or by cooperative agreement. The law provides that a newly created government may request an allocation of CTX; however, it requires that the governing body of the new city submit the request, so no additional revenues would be available initially. The request would be submitted by December 31 before the fiscal year in which the revenues would be received. The Statutes do not specify how the allocation is determined, except to say that the revenues would be shifted from the share currently allocated to the County of Nye.³⁵

The Statutes also provide a mechanism whereby two governmental entities may enter into a cooperative agreement to shift CTX.³⁶ Although not specified, it should be possible for the current Town to enter into a cooperative agreement with the County to shift CTX contingent upon the incorporation and shift in service responsibilities and costs, assuming County agreement.

If no agreement is reached with the County before incorporation, another approach for the new city to receive CTX in its initial years would be to include a requirement for the continuation of County services for the first year of incorporation funded by the CTX that will be shifted in the subsequent year. This approach assumes that incorporation "Option 2" is pursued whereby the Town submits a charter to be approved by the Nevada legislature.

For purposes of forecasting future revenues, a CTX growth comparable to inflation (after the economy has stabilized) produces a conservative estimate. In the near term, continued declines or no growth are likely. The actual future annual amount is likely to vary in any given year and may be greater than estimated if robust growth returns to the State.

Transportation Funds

Currently, there are a number of revenue sources which provide County funding for road-related maintenance and improvements. These sources include a portion of sales tax dedicated to transportation, and various fuel taxes collected per gallon of fuel sold, and allocated to local jurisdictions.

³⁵ NRS 360.740 provides that a newly created local government may request a distribution of CTX revenue, and the amount allocated to the local government that previously provided the services to be funded must be reduced by an equivalent amount per NRS 360.740, sec.3(a). This transferred revenue may be used to fund services provided by the County via an interlocal agreement in an equivalent amount per NRS 360.740, sec.7.

³⁶ NRS 360.730

Appendix B Table 14 summarizes the current County road-related revenues, and the estimated amounts accruing to a new city. The revenues to the city total approximately \$1.6 million.

Fines and Forfeitures

Fines and Fees

The new city is assumed to continue to collect fines and fees based on current Town revenues.

Municipal Court Revenues

The municipal court would collect court assessments from disposed cases (guilty verdicts), as well as fines and forfeitures. The projected city budget revenue amount is based on a review of other city municipal courts; revenue covered about 60 percent of costs, although this amount will vary depending on the specific cases and municipal ordinances violated. Revenue is generated by an administrative fee assessed to cases not dismissed by the court, and from traffic fines as well as other penalties associated with violations of city ordinances.

Other Revenues

Room Tax

State and local room taxes accrue to the Town, and are dedicated to a variety of purposes including the promotion of tourism, economic development, parks, arena and the fairgrounds. No change or impact on this funding source is assumed as a result of the formation of a new city.

Ambulance Fees and Grants

Ambulance fees are the primary source of funding for ambulance operations, although additional funds are necessary to cover shortfalls in collections of ambulance billings. No change or impact on the ambulance services or funding is assumed as a result of the formation of a new city.

Pool Fund Revenues

The Pool Fund benefits from its own property tax rate separate from the Town rate. The fund also receives an allocation of CTX revenue. No change or impact on the Pool Fund is assumed as a result of the formation of a new city.

Interest Earnings

Various Town funds accrue interest earnings on balances. Similarly, the new city will accrue interest earnings. It is likely that these earnings will be greater than the Town's current interest earnings because of the larger projected new city's budget. However, these earnings are not estimated because of uncertainties about future interest rates, and fund balances. Although not shown, this conservative approach provides a small contingency of likely additional funds on the order of 2 to 3 percent of the new city's larger budget.

8. IMPACTS UPON EXISTING AGENCIES

County

Because the revenues shifted from the County to the new city would be equal to the County's reduced service responsibilities, there should not be a direct financial impact on the County, as illustrated in **Table 2**.

However, if the transition results in a significant loss of staff, County services to other areas of the County could be adversely affected. For example, many of the Sheriff department staff are trained to provide a range of services, such as Search and Rescue, canine, and other services that may not be available within the new city, and which would be hard to continue with a significantly reduced staff. In addition, the County may incur additional short-term employment costs if layoffs are required because of reductions in revenues and service responsibilities.

These impacts could be mitigated to the extent that the new city contracts with County departments so the County could retain staff capabilities. These relationships could be formalized through functional consolidations and shared staff. In Clark County, a metropolitan police force is the result of the consolidation of the sheriff and police departments. In many counties, the justice court and municipal court share staff and facilities.

Service Areas and Special Districts

No change in existing special districts, such as the pool or library district, is assumed to occur.

Other Agencies

No agencies have been identified that may be adversely affected by the formation of a new city.



APPENDIX A:
Summary of Incorporation Timeline

1. Committee of five qualified electors files a notice to incorporate with the county clerk, including copy of the petition to be circulated (266.018)
2. Petition must be signed by at least one-third of qualified electors, and filed within 90 days after notice to incorporate is filed (266.022)
3. County clerk verifies signatures and issues a certificate as to the sufficiency of the petition and notifies committee (266.023)
4. County clerk promptly files with the board of county commissioners
5. Upon receipt of certified petition, board of county commissioners within 30 days shall request a report from the Committee on Local Government Finance. The report must be prepared within 90 days after the report is requested (266.0261)
6. The board shall also transmit a copy of the petition to the Executive Director of the Dept. of Taxation, within 30 days, and to every other local government in the county (266.0261)
7. Any local government reviewing the report may report recommendations to the board no later than 60 days after receiving a copy of the petition (266.0262)
8. The Dept. of Taxation prepares a report of fiscal effects, including tax rates, and files it with the Committee on Local Government Finance within 30 days (266.0263)
9. The Committee on Local Government Finance approves or revises the statement of estimated effect at a public meeting, and transmits the statement to the county clerk within 30 days after receipt from the Department of Taxation (266.0263). If the Committee finds the area is unsuitable for incorporation, no further action may be taken unless reversed by district court (266.0265)
10. Within 14 days after board receives the report from the Committee on Local Government Finance, the board sets a public hearing that occurs within 14 to 30 days after setting the date (266.027). Additional hearings must be completed within 30 days after the initial hearing
11. Within 30 days of conclusion of hearing, the board issues an opinion and sets the election within 60 to 120 days after the opinion (266.029)
12. Upon approval of incorporation at ballot, the board designates a date for election of officers within 60 to 120 days after the initial election (266.036)
13. If election of officers is held on or before the 1st Tuesday after the 1st Monday of November, the effective date is July 1 of the following year; otherwise, it is one year from July 1 of the following year (266.042)

Note: this summary is intended to provide an overview of the process; the reader should refer to the statutes for the actual language and additional detail.



APPENDIX B:
Budget Analysis

Table 1
Summary of Revenues and Expenditures (constant\$, no growth)
City of Pahrump Incorporation Feasibility Analysis

Item	Town vs. City Budget		Change
	Town	City	
REVENUES			
PROPERTY TAXES:	2,855,000	8,740,334	5,885,334
LICENSES AND PERMITS:	400,701	958,301	557,600
INTERGOVERNMENTAL REVENUES:	631,000	6,706,206	6,075,206
FINES AND FORFEITURES:	50,000	255,519	205,519
MISCELLANEOUS:	103,355	103,355	0
OTHER	902,304	902,304	0
TOTAL	4,942,360	17,666,019	12,723,659
EXPENDITURES			
GENERAL GOVERNMENT:	2,581,248	2,677,119	95,871
JUDICIAL	<u>na</u>	<u>334,300</u>	334,300
PUBLIC SAFETY	2,228,789	11,021,789	8,793,000
PUBLIC WORKS	0	2,254,352	2,254,352
BUILDING AND CODE ENFORCEMENT	0	473,965	473,965
CULTURE AND RECREATION	28,000	28,000	0
HEALTH (animal control and shelter)	0	553,923	553,923
COMMUNITY DEVELOPMENT	0	437,881	437,881
OTHER (e.g., add'l office space)	<u>na</u>	tbd	
OPERATING TRANSFERS OUT	104,323	104,323	0
TOTAL EXPENDITURES	4,942,360	(16)	17,885,652
Increased Expenditures Compared to Additional Revenues			12,943,293 (219,634)
NET	0		(219,634)

Notes to Table 1

- (1) Includes Capital Outlay. Source: M.Sullivan, file: "10_Budget_work_sheets_FY10_052809_D01.xlsx"
- (2) Gas tax revenues currently received by the Town are transferred to the County for road maintenance purposes.
- (3) 1.75 cent fuel tax based on Pahrump FY10 budget; State estimates differ slightly.
- (4) Economic Development and collections clerks costs not shown; assumed offset by business license and room taxes.
- (5) Town provides planning review and recommendations to County.
City planning staff reduced compared to current County staff, based on Fernley staffing and reduced development activity.
- (6) No new franchises assumed (e.g., electric, cable, gas, telephone)
- (7) Franchise fee revenue from Pahrump Valley Disposal franchise agreement.
- (8) Shift of Road Fund tax rate (.005) based on Pahrump a.v./County a.v. (86%)
- (9) Assumes current County animal control costs and revenues attributable predominantly to Pahrump.
- (10) Building Fees from County Budget FY10 allocated proportionate to Pahrump population/County population.
Net Building Fee revenue to City assumes contract with private firm similar to current County contract.
Private contractor assumed to receive average of 70% of building fee revenue.
- (11) Planning and zoning fee revenue proportionate to Pahrump population/County population.
- (12) Muni. Ct. revenues based on Fernley as a % of judicial costs (61%).
- (13) Swimming pool fund (and property tax funding) not included.
- (14) Operating transfers include Cemetery Fund and Ambulance Debt Service.
- (15) No change assumed for new city compared to existing Town.
- (16) Note: FY10 budget included the use of fund balances to fund expenditures shown.
- (17) The shift of property tax from County to new city assumes amount 57% of shifted net costs.
The percentage based on property tax as a % of total County property tax See Table 2a
- (18) The shift of CTX from County to new city assumes amount equ 43% of shifted net costs.
The percentage based on CTX as a % of total County property tax and CT See Table 2a
- (19) Other unreserved funds, carry-forward from prior year, contingencies.
- (20) Inflation factor applied to future years expen 2.0% (shown in annual forecast)
- (21) Assumes initially that justice court continues to hear violations of local ordinances during transition.

Table 1a
Summary of Revenues and Expenditures (constant\$\$, no growth) - Detail
City of Pahrump Incorporation Feasibility Analysis

Item	Town vs. City Budget		Change
	Town	City	
REVENUES			
PROPERTY TAXES:			
Current Town Rate	2,855,000	2,855,000	
Other Property Tax Revenues			
Shift from County GF for Transferred Service Costs	na	5,818,090	(17)
Shift from County Road Fund for Transferred Service Cost:	na	<u>67,244</u>	(8)
Subtotal, Property Taxes	2,855,000	8,740,334	5,885,334
LICENSES AND PERMITS:			
Business Licenses	na (4)	na (4)	
Public Utility Business License	na	na (6)	
Franchise Fees	149,876 (7)	149,876	
Liquor License Fees	10,000	10,000	
Gaming License Fees	240,825	240,825	
Animal Spay and Neutering Fees	na	53,828 (9)	
Animal License Fees	na	27,576 (9)	
Building Fees	na	250,000 (10)	
Planning Fees	na	68,120 (11)	
Zoning Fees	<u>na</u>	<u>158,076</u> (11)	
Subtotal, Licenses and Permits	400,701	958,301	557,600
INTERGOVERNMENTAL REVENUES:			
Consolidated Tax (CTX)			
Current Town Share	631,000	631,000	
Shift from County for Transferred Service Costs	na	4,389,085 (18)	
Transportation Funds			
RTC (Regional Transportation)	na	675,217	
County Option 1.0 cent	na	168,558	
MVFT (Gas Tax) 1.75 cent	325,000 (3)	330,000 (3)	
MVFT (Gas Tax) - 2.35 cent	na	512,346	
Other (Transfer of 1.75 cent tax to County)	<u>(325,000)</u> (3)	<u>see above</u>	
Subtotal, Transportation	0	1,686,121	
Subtotal, Intergovernmental	631,000	6,706,206	6,075,206
FINES AND FORFEITURES:			
Fines & Fees	50,000	50,000	
Municipal Court Revenues	na	<u>205,519</u>	
Subtotal	50,000	255,519	205,519
MISCELLANEOUS:			
Subtotal	103,355	103,355	0
OTHER	902,304 (19)	902,304 (19)	
TOTAL	4,942,360	17,666,019	12,723,659

Table 1a
Summary of Revenues and Expenditures (constant\$\$, no growth) - Detail
City of Pahrump Incorporation Feasibility Analysis

Item	Town vs. City Budget		Change
	Town	City	
EXPENDITURES			
GENERAL GOVERNMENT:			
Administration	1,179,760	(1) 1,275,631	
Buildings and Grounds	<u>1,401,488</u>	(1) <u>1,401,488</u>	
Subtotal	2,581,248	2,677,119	95,871
JUDICIAL			
Subtotal	<u>na</u> 0	<u>334,300</u> 334,300	334,300
PUBLIC SAFETY			
Fire	2,228,789	(1) 2,228,789	
Police	<u>na</u>	<u>8,793,000</u>	
Subtotal	2,228,789	11,021,789	8,793,000
PUBLIC WORKS			
Engineering/Administration		513,558	
Site Development		124,801	
Pahrump Equipment Shop		346,591	
Pahrump Roads	<u>na</u>	(2) <u>1,269,403</u>	
Subtotal	0	2,254,352	2,254,352
BUILDING AND CODE ENFORCEMENT			
Administration and Code Enforcement	na	298,965	
Building Inspection	<u>na</u>	<u>175,000</u>	(10)
Subtotal	0	473,965	473,965
CULTURE AND RECREATION			
Subtotal	28,000	(13) 28,000	0
HEALTH			
Animal Control and Shelter	<u>na</u>	<u>553,923</u>	(9)
Subtotal	0	553,923	553,923
COMMUNITY DEVELOPMENT (4)			
Planning	<u>na</u>	(5) <u>437,881</u>	(5)
Subtotal	0	437,881	437,881
OTHER			
Additional Office Space	<u>na</u>	tbd	
Subtotal	0	0	
OPERATING TRANSFERS OUT			
	104,323	(14) 104,323	(15)
TOTAL EXPENDITURES			
Increased Expenditures Compared to Additional Revenues	4,942,360	(16) 17,885,652	12,943,293 (219,634)
NET	0	(219,634)	

Notes to Table 1a

- (1) Includes Capital Outlay. Source: M.Sullivan, file: "10_Budget_work_sheets_FY10_052809_D01.xlsx"
- (2) Gas tax revenues currently received by the Town are transferred to the County for road maintenance purposes.
- (3) 1.75 cent fuel tax based on Pahrump FY10 budget; State estimates differ slightly.
- (4) Economic Development and collections clerks costs not shown; assumed offset by business license and room taxes.
- (5) Town provides planning review and recommendations to County.
City planning staff reduced compared to current County staff, based on Fernley staffing and reduced development activity.
- (6) No new franchises assumed (e.g., electric, cable, gas, telephone)
- (7) Franchise fee revenue from Pahrump Valley Disposal franchise agreement.
- (8) Shift of Road Fund tax rate (.005) based on Pahrump a.v./County a.v. (86%)
- (9) Assumes current County animal control costs and revenues attributable predominantly to Pahrump.
- (10) Building Fees from County Budget FY10 allocated proportionate to Pahrump population/County population.
Net Building Fee revenue to City assumes contract with private firm similar to current County contract.
Private contractor assumed to receive average of 70% of building fee revenue.
- (11) Planning and zoning fee revenue proportionate to Pahrump population/County population.
- (12) Muni. Ct. revenues based on Fernley as a % of judicial costs (61%).
- (13) Swimming pool fund (and property tax funding) not included.
- (14) Operating transfers include Cemetery Fund and Ambulance Debt Service.
- (15) No change assumed for new city compared to existing Town.
- (16) Note: FY10 budget included the use of fund balances to fund expenditures shown.
- (17) The shift of property tax from County to new city assumes amount equals 57% of shifted net costs.
The percentage based on property tax as a % of total County property tax and CTX. See Table 2a
- (18) The shift of CTX from County to new city assumes amount equals 43% of shifted net costs.
The percentage based on CTX as a % of total County property tax and CTX. See Table 2a
- (19) Other unreserved funds, carry-forward from prior year, contingencies.
- (20) Inflation factor applied to future years expenditures 2.0% (shown in annual forecast)

Table 1b
Summary of Revenues and Expenditures (forecast with growth)
City of Pahrump Incorporation Feasibility Analysis

Item	0	1	2	3
REVENUES				
PROPERTY TAXES:				
Subtotal, Property Taxes	9,042,783	9,406,093	9,829,238	10,316,163
LICENSES AND PERMITS:				
Subtotal, Licenses and Permits	1,009,197	1,037,212	1,071,177	1,099,065
INTERGOVERNMENTAL REVENUES:				
Consolidated Tax (CTX)				
Current Town Share	664,513	682,959	705,323	723,687
Shift from County for Transferred Service Costs	4,622,192	4,750,502	4,906,062	5,033,790
Transportation Funds				
Subtotal, Transportation	1,775,672	1,824,964	1,884,724	1,933,793
Subtotal, Intergovernmental	7,062,376	7,258,426	7,496,109	7,691,270
FINES AND FORFEITURES:				
Subtotal	269,090	276,559	285,616	293,052
MISCELLANEOUS:				
Subtotal	108,844	111,866	115,529	118,537
OTHER	400,000	400,000	200,000	0
TOTAL	17,892,290	18,490,156	18,997,668	19,518,085
EXPENDITURES (1)				
GENERAL GOVERNMENT:				
Administration	1,275,631	1,597,683	1,713,713	1,740,581
Buildings and Grounds	<u>1,401,488</u>	<u>1,429,518</u>	<u>1,458,108</u>	<u>1,487,270</u>
Subtotal	2,677,119	3,027,201	3,171,821	3,227,851
JUDICIAL	334,300	340,986	347,806	354,762
PUBLIC SAFETY	11,021,424	11,232,107	11,447,003	11,666,198
PUBLIC WORKS	2,254,376	2,279,764	2,305,660	2,332,074
BUILDING AND CODE ENFORCEMENT	473,965	483,444	493,113	502,975
CULTURE AND RECREATION	28,000	28,560	29,131	29,714
HEALTH				
Animal Control	553,923	553,923	553,923	553,923
COMMUNITY DEVELOPMENT				
Planning	437,881	446,639	455,572	464,683

Table 1b
Summary of Revenues and Expenditures (forecast with growth)
City of Pahrump Incorporation Feasibility Analysis

Item	0	1	2	3
OTHER Additional Office Space	tbd	tbd	tbd	tbd
OPERATING TRANSFERS OUT	104,323	106,409	108,538	110,708
TOTAL EXPENDITURES Increased Expenditures Compared to Additional Revenues	17,885,311	18,499,034	18,912,567	19,242,888
NET	6,978	(8,878)	85,101	275,197
(1) Inflation factor applied to future years expenditures	2.0%			

Table 2
Summary of Nye County Change in Revenues and Expenditures
City of Pahrump Incorporation Feasibility Analysis

Item	Change to County Rev. or Expend.
REVENUE REDUCTIONS	NC" =No Change
PROPERTY TAXES:	
Shift from County Road Fund for Transferred Service Costs	67,244
LICENSES AND PERMITS:	557,600
INTERGOVERNMENTAL REVENUES (before CTX shift):	
Transportation Funds	1,681,121 (1)
FINES AND FORFEITURES:	(5)
TOTAL REVENUE REDUCTIONS TO COUNTY	2,305,966
<hr/>	
EXPENDITURES FOR SERVICES SHIFTED TO CITY	
GENERAL GOVERNMENT:	NC
JUDICIAL	NC (5)
PUBLIC SAFETY (Sheriff)	8,793,000
PUBLIC WORKS	2,254,352
BUILDING AND CODE ENFORCEMENT	473,965
HEALTH (Animal Control and Shelter)	553,923
COMMUNITY DEVELOPMENT	437,900 (6)
TOTAL EXPENDITURES SHIFTED FROM COUNTY TO CITY	12,513,140
COST REDUCTIONS VS. REVENUE REDUCTIONS (before tax shift)	10,207,175 Net Gain to County
(less) Property Tax Shifted from County to New City	5,818,090 (2)
(less) CTX Shifted from County to New City	<u>4,389,085</u> (3)
Subtotal, Revenue Shifts	10,207,175
NET IMPACT ON COUNTY (after tax shift)	0

(1) See Table 15

(2) The shift of property tax from County to new city assumes 57% of shifted net costs.
The percentage based on property tax as a % of total County property tax and CTX.

(3) The shift of CTX from County to new city assumes amount 43% of shifted net costs.
The percentage based on CTX as a % of total County property tax and CTX.

(4) Includes building, planning and code compliance fees accruing to new city.

(5) Assumes no reduction in current County Justice Court revenues.

(6) County planning staff reduced by cost of new city planning staff or contract, which is about a 55% reduction in current County costs.

Table 2a
Summary of Nye County Change in Revenues and Expenditures - Detail
City of Pahrump Incorporation Feasibility Analysis

Item	Change to County Rev. or Expend.
REVENUE REDUCTIONS	NC" =No Change
PROPERTY TAXES:	
Shift from County Road Fund for Transferred Service Costs	67,244
LICENSES AND PERMITS:	
Business Licenses	NC
Public Utility Business License	NC
Franchise Fees	NC
Liquor License Fees	NC
Gaming License Fees	NC
Animal Spay and Neutering Fees	53,828
Animal License Fees	27,576
Building Fees	250,000
Planning Fees	68,120
Zoning Fees	<u>158,076</u>
Subtotal, Licenses and Permits	557,600 (4)
INTERGOVERNMENTAL REVENUES (before CTX shift):	
Transportation Funds	1,681,121 (1)
FINES AND FORFEITURES:	
Municipal Court Revenues	(5)
TOTAL REVENUE REDUCTIONS TO COUNTY	2,305,966

Table 2a
Summary of Nye County Change in Revenues and Expenditures - Detail
City of Pahrump Incorporation Feasibility Analysis

Item	Change to County Rev. or Expend.
EXPENDITURES FOR SERVICES SHIFTED TO CITY	
GENERAL GOVERNMENT:	
Administration	NC
Buildings and Grounds	<u>NC</u>
Subtotal	0
JUDICIAL	
Subtotal	0
PUBLIC SAFETY	
Fire	
Police	<u>8,793,000</u>
Subtotal	8,793,000
PUBLIC WORKS	
Engineering/Administration	513,558
Site Development	124,801
Pahrump Equipment Shop	346,591
Pahrump Roads	<u>1,269,403</u>
Subtotal	2,254,352
BUILDING AND CODE ENFORCEMENT	
Administration and Code Enforcement	
Building Inspection	
Subtotal	473,965
HEALTH	
Animal Control	
Subtotal	553,923
COMMUNITY DEVELOPMENT	
Planning	
Subtotal	437,900 (6)
TOTAL EXPENDITURES SHIFTED FROM COUNTY TO CITY	12,513,140
COST REDUCTIONS VS. REVENUE REDUCTIONS (before tax shift)	10,207,175 Net Gain to County
(less) Property Tax Shifted from County to New City	5,818,090 (2)
(less) CTX Shifted from County to New City	<u>4,389,085</u> (3)
Subtotal, Revenue Shifts	10,207,175
NET IMPACT ON COUNTY (after tax shift)	0

- (1) See Table 15
- (2) The shift of property tax from County to new city assumes 57% of shifted net costs.
The percentage based on property tax as a % of total County property tax and CTX.
- (3) The shift of CTX from County to new city assumes amount 43% of shifted net costs.
The percentage based on CTX as a % of total County property tax and CTX.
- (4) Includes building, planning and code compliance fees accruing to new city.
- (5) Assumes no reduction in current County Justice Court revenues.
- (6) County planning staff reduced by cost of new city planning staff or contract, which is about a 55% reduction in current County costs.

**Table 3
Municipal Service Providers - Existing and Proposed
City of Pahrump Incorporation Feasibility Analysis**

Service	Current Provider/ Services	Future Services	
		Change to Current Provider	City Responsibility
General Government			
Governing Board	5-member County Commission	County Commission would oversee any contracts for services between the County and the new city	Elected Mayor and City Council - 3 to 5 councilmembers, may be elected at-large or by ward
Administration, legal, personnel and finance services and other overhead	County and Town staff each provide administration and overhead services related to their respective service responsibilities	County will have reduced responsibilities for services to Pahrump, and corresponding reduced admin. and overhead	City will have additional service responsibilities that will incur additional administration. City Clerk position will be required, in addition to additional finance and HR staff
Buildings and Grounds (B&G)	Town	County responsibilities may be reduced depending on buildings and facilities (if any) transferred to new city	City will continue maintenance of Town B&G, and any additional facilities transferred from County
Elections	County	No Change	City Clerk responsible for coordinating city ballot issues and elections with County Clerk
Public Protection			
Court	County responsible for Justice Court	No Change	City will create a municipal court to enforce municipal ordinances (may co-operate with Justice Court)
Law Enforcement	County Sheriff	Feasibility analysis assumes that the new city is responsible for sheri protection, and initially contracts with Sheriff. Other options include a new city department, or a combined city/county "metropolitan" police department	
Fire Protection	Town/Pahrump Valley Fire and Rescue Service	City continues existing fire protection services	
Ambulance	Town	City continues existing ambulance services	
Animal Control	County	County not responsible within Pahrump; may contract to provide services to new city	City responsibility; may contract with County for services, or form new department
Vector Control and Mosquito Abatement		No Change	No city responsibility
Land Use and Planning			
Regulation & Planning Plan Check and Bldg. Inspection Code Enforcement	County	County not responsible within Pahrump; may contract to provide services to new city	City responsibility; may contract with County for services, or form new department
Community Services			
Recreation	Town	No change to existing districts or facilities (pool, arena)	
Local Parks/Other Com'y Facilities	Town		
Library	Pahrump Community Library District	No Change	No city responsibility
Schools	County School District	No Change	No city responsibility

Table 3
Municipal Service Providers - Existing and Proposed
City of Pahump Incorporation Feasibility Analysis

Service	Current Provider/ Services	Future Services	
		Change to Current Provider	City Responsibility
Public Works/Public Utilities			
Admin. and Maintenance of Roads, Signals, Drainage, Other Infrastructure	County (NDOT maintains highways)	County not responsible within Pahump; may contract to provide services to new city	City responsibility; may contract with County for services, or form new department
Bridges	County (NDOT maintains highways)	No change	No city responsibility
Domestic Water	Various utility providers, in addition to onsite systems	No Change	No city responsibility
Wastewater Collection/Treatment/Disposal	Various utility providers, in addition to onsite systems	No Change	No city responsibility
Solid Waste Collection/Disposal	Pahrump Valley Disposal (private) franchise agreement with Town		City continues existing franchise agreement
	Nye County Landfill	No Change	No city responsibility
Solid Waste Management	County	No Change	No city responsibility
Flood Control & Conveyance Drainage	County		County collaboration with new city
Other Utilitites	Private providers	No Change	City may require/oversee franchise agreements
Other			
Cemetary	Town oversees cemetary		City continues existing services

Source: Economic & Planning Systems

Table 4
City Administration
City of Pahrump Incorporation Feasibility Analysis

Function/ Service	notes	Total Cost Factor	Cost by Position	Cost Inflator	0	1	2	3
Mayor/Council								
Mayor					1.0	1.0	1.0	1.0
Salaries and Benefits	(1) \$5,000			2.0%	\$5,000	\$5,100	\$5,202	\$5,306
Council Members					5.0	5.0	5.0	5.0
Salaries and Benefits	(1) \$25,000			2.0%	\$25,000	\$25,500	\$26,010	\$26,530
Subtotal, Mayor/Council								
Salaries and Benefits					\$30,000	\$30,600	\$31,212	\$31,836
Services and Supplies	(1) \$10,000			2.0%	\$10,000	\$10,200	\$10,404	\$10,612
Capital Outlay					\$0	\$0	\$0	\$0
Subtotal, Staff & Other Costs					\$40,000	\$40,800	\$41,616	\$42,448
City Manager								
City Manager					1.0	1.0	1.0	1.0
Salaries and Benefits	(2) \$105,000	30%	\$136,500	2.0%	\$136,500	\$139,230	\$142,015	\$144,855
Executive Assistant					1.0	1.0	1.0	1.0
Salaries and Benefits	(3) \$40,000	35%	\$54,000	2.0%	\$54,000	\$55,080	\$56,182	\$57,305
Subtotal, City Manager Staff								
Salaries and Benefits					2.0	2.0	2.0	2.0
Services and Supplies	(18) 5%				\$190,500	\$194,310	\$198,196	\$202,160
Capital Outlay					\$9,525	\$9,716	\$9,910	\$10,108
Subtotal, Staff & Other Costs					\$200,025	\$204,026	\$208,106	\$212,268
Finance								
Director/Treasurer					1.0	1.0	1.0	1.0
Salaries and Benefits	(4) \$98,100	30%	\$127,530	2.0%	\$127,530	\$130,081	\$132,682	\$135,336
Accountant					0.0	1.0	1.0	1.0
Salaries and Benefits	(5) \$48,000	30%	\$62,400	2.0%	\$0	\$63,648	\$64,921	\$66,219
Financial Assistant					1.0	1.0	1.0	1.0
Salaries and Benefits	(6) \$40,800	30%	\$53,040	2.0%	\$53,040	\$54,101	\$55,183	\$56,286
Technical Specialist					0.0	0.5	1.0	1.0
Salaries and Benefits	(7) \$38,400	30%	\$49,920	2.0%	\$0	\$25,459	\$51,937	\$52,976
Business License Tech.					2.0	2.0	2.0	2.0
Salaries and Benefits	(8),(15)	30%	\$0	2.0%	\$0	\$0	\$0	\$0
Subtotal, Finance Staff								
Salaries and Benefits					4.0	5.5	6.0	6.0
Services and Supplies	(19) 13%				\$180,570	\$273,289	\$304,723	\$310,817
Capital Outlay	(19) 3%				\$23,474	\$35,528	\$39,614	\$40,406
Subtotal, Staff & Other Costs					\$5,417	\$8,199	\$9,142	\$9,325
Subtotal, Staff & Other Costs					\$209,461	\$317,015	\$353,478	\$360,548

Table 4
City Administration
City of Pahrump Incorporation Feasibility Analysis

Function/ Service	notes	Total Cost Factor	Cost by Position	Cost Inflatior					
					0	1	2	3	
City Clerk									
City Clerk					1.0	1.0	1.0	1.0	
Salaries and Benefits	(9)	\$60,000	30%	\$78,000	2.0%	\$78,000	\$79,560	\$81,151	\$82,774
Deputy City Clerk									
Deputy City Clerk					0.0	0.5	1.0	1.0	
Salaries and Benefits	(10)	\$48,000	30%	\$62,400	2.0%	\$0	\$31,200	\$62,400	\$62,400
Office Assistants									
Office Assistants					0.0	0.5	1.0	1.0	
Salaries and Benefits	(11)	\$31,100	30%	\$40,430	2.0%	\$0	\$20,215	\$40,430	\$40,430
Subtotal, City Clerk Staff									
Salaries and Benefits					1.0	2.0	3.0	3.0	
Services and Supplies	(19)		14%		\$78,000	\$130,975	\$183,981	\$185,604	
Capital Outlay			3%		\$10,920	\$18,337	\$25,757	\$25,985	
Subtotal, Staff & Other Costs					<u>\$2,340</u>	<u>\$3,929</u>	<u>\$5,519</u>	<u>\$5,568</u>	
					\$91,260	\$153,241	\$215,258	\$217,157	
City Attorney									
City Attorney/Contract and Outside Counsel					1.0	1.0	1.0	1.0	
Salaries and Benefits	(12)	\$150,000		2.0%	\$150,000	\$153,000	\$156,060	\$159,181	
Human Resources									
Human Resources Coordinator					1.0	1.0	1.0	1.0	
Salaries and Benefits	(13)	\$64,100	30%	\$83,330	2.0%	\$83,330	\$84,997	\$86,697	\$88,430
Office Assistant					0.0	1.0	1.0	1.0	
Salaries and Benefits	(11)	\$31,100	30%	\$40,430	2.0%	\$0	\$41,239	\$42,063	\$42,905
Subtotal, Human Resources Staff									
Salaries and Benefits					1.0	2.0	2.0	2.0	
Services and Supplies	(19)		10%		\$83,330	\$126,235	\$128,760	\$131,335	
Capital Outlay					\$8,333	\$12,624	\$12,876	\$13,134	
Subtotal, Staff & Other Costs					\$91,663	\$138,859	\$141,636	\$144,469	
Information Technology									
IT Manager					0.0	1.0	1.0	1.0	
Salaries and Benefits	(14)	\$62,500	30%	\$81,250	2.0%	\$0	\$82,875	\$84,533	\$86,223
IT Specialist					0.5	0.0	0.0	0.0	
Salaries and Benefits	(14)	\$40,300	30%	\$52,390	2.0%	\$26,195	\$0	\$0	\$0
Subtotal, IT Staff									
Salaries and Benefits					0.5	1.0	1.0	1.0	
Services and Supplies	(17)		50%		\$26,195	\$82,875	\$84,533	\$86,223	
Capital Outlay	(17)		15%		\$13,098	\$41,438	\$42,266	\$43,112	
Subtotal, Staff & Other Costs					<u>\$3,929</u>	<u>\$12,431</u>	<u>\$12,680</u>	<u>\$12,933</u>	
					\$43,222	\$136,744	\$139,479	\$142,268	
Economic Development									
ComBus&DevSvcMgr	(15)				1.0	1.0	1.0	1.0	
Salaries and Benefits			30%	\$0	2.0%	\$0	\$0	\$0	\$0
Subtotal, Economic Development Staff									
Salaries and Benefits					1.0	1.0	1.0	1.0	
Services and Supplies	(20)		10%		\$0	\$0	\$0	\$0	
Capital Outlay					\$0	\$0	\$0	\$0	
Subtotal, Staff & Other Costs					\$0	\$0	\$0	\$0	
Total Administrative Staff (excludes mayor and council)									
Salaries and Benefits					10.5	14.5	16.0	16.0	
					\$738,595	\$991,284	\$1,087,465	\$1,107,157	
Services and Supplies									
Services and Supplies					\$75,350	\$127,841	\$140,827	\$143,356	
Capital Outlay	(21)				\$11,686	\$24,559	\$27,341	\$27,826	
Other Costs									
General Insurance	(22)	\$200,000		2.0%	\$200,000	\$204,000	\$208,080	\$212,242	
Other Costs	(23)				\$250,000	\$250,000	\$250,000	\$250,000	
Total Cost					\$1,275,631	\$1,597,683	\$1,713,713	\$1,740,581	

Notes to Table 4

- (1) Assumes mayor and council members are not paid, but receive receive workman's comp; other costs include memberships, conference, subscriptions, etc.
- (2) Current Town manager salary, plus 30% benefits.
- (3) Current Town executive assistant ("max") plus 30% benefits.
- (4) Current Town finance director plus 30% benefits.
- (5) New position, based on low end of Mesquite and Fernley pay range, plus benefits.
- (6) Current Town financial assistant.
- (7) New position, based on Fernley staffing, assume salary at low end of Fernley scale (similar to current Town salary for Bus. License Tech.)
- (8) Current Town positions.
- (9) City Clerk is a new position; salary based on low end of Mesquite, mid-range of Fernley.
- (10) Deputy City Clerk is a new position; salary based on Mesquite.
- (11) Office Assistants are new positions; salary based on low end of Pahrump billing clerk range.
- (12) Legal/Litigation based on Fernley budget.
- (13) Based on existing Town position.
- (14) IT positions based on Mesquite, low end of range. Note: Mesquite has a total of 3 IT positions.
- (15) Based on existing Town position. Note: assumed funded by business license fund.
- (16) Mesquite and Fernley both spend about \$60,000 annually for City Council Services and Supplies.
- (17) IT services and capital based on Mesquite; includes service contracts, computer/copier/telephone maintenance and purchase, etc., as % of staff costs. % is 50% less initially.
- (18) City Manager Services and Supplies based on Mesquite (conference, subscriptions, supplies). Fernley expenditures also includes legal and professional service contracts, printing, etc.
- (19) Based on Mesquite.
- (20) EPS estimate.
- (21) Capital outlay based on current Town budget; does not include expenditures for new facilities.
- (22) Based on Mesquite (\$230,000) adjusted proportionate to new city's budget.
- (23) Other Costs based on Pahrump (added to services and supplies and insurance for \$500,000 total)

Table 5
Current Nye County Sheriff Expenditures in Pahrump (FY2010)
City of Pahrump Incorporation Feasibility Analysis

Item (1)	FTE (2)	Average Salary (1)	Average Benefits (1)	Total Cost per Position	Total Cost	% of Salaries & Benefits
<u>Administration</u>						
Sheriff	1	\$104,058	\$49,599	\$153,657	\$153,657	
Assistant Sheriff	2	\$117,920	\$45,608	\$163,527	<u>\$327,055</u>	
Subtotal					\$480,712	
Services and Supplies	(3)				<u>\$143,250</u>	30%
Total	3				\$623,962	
<u>Admin Support</u>						
Lieutenant, Support/Narcotics	(12)	1	\$98,417	\$47,386	\$145,803	\$145,803
Technical Services Manager	(14)	1	\$75,000	\$25,396	\$100,396	\$100,396
Admin Tech/Grant Admin		1	\$71,625	\$24,253	\$95,878	\$95,878
Administrative Technician	(4)	7.5	\$53,050	\$18,673	\$71,724	\$537,928
Deputy	(5)	2	\$45,634	\$26,429	\$72,063	\$144,126
Evidence & Property Control	(13)	1	\$60,129	\$20,292	\$80,421	\$80,421
Seasonal Workers (21)			\$253	\$26	\$279	<u>\$5,859</u>
Subtotal					\$1,110,410	
Services and Supplies	(3),(8)				<u>\$395,182</u>	36%
Total	13.5				\$1,505,592	
<u>Crime Prevention & DARE</u>						
Deputy (school resource officers)	3	\$62,888	\$31,681	\$94,569	<u>\$283,707</u>	
Subtotal					\$283,707	
Services and Supplies	(3),(8)				<u>\$24,250</u>	9%
Total	3				\$307,957	
<u>Investigations</u>						
Detectives	(6)	8	\$63,251	\$31,791	\$95,042	\$760,332
Lieutenant		1	\$98,417	\$47,386	\$145,803	<u>\$145,803</u>
Subtotal					\$906,135	
Services and Supplies	(3)				<u>\$143,250</u>	16%
Total	9				\$1,049,385	
<u>Communications</u>						
Chief Supervising Dispatcher			\$108,127	\$30,096	\$138,222	\$0
Dispatcher		11	\$49,853	\$17,564	\$67,417	\$741,590
Supervising Dispatcher		1	\$70,054	\$21,623	\$91,677	<u>\$91,677</u>
Subtotal					\$833,266	
Services and Supplies	(9)				<u>\$30,000</u>	4%
Total	12				\$863,266	
<u>Detention</u>						
Deputy		8	\$52,645	\$28,014	\$80,658	\$645,265
Detention Technician		3	\$39,359	\$16,094	\$55,454	\$166,361
Sergeant		2	\$72,869	\$35,231	\$108,100	<u>\$216,199</u>
Subtotal					\$1,027,825	
Services and Supplies	(3)				<u>\$30,000</u>	3%
Total	13				\$1,057,825	
<u>Field Services</u>						
Administrative Captain		1	\$114,217	\$53,461	\$167,678	\$167,678
Deputy	(7)	36	\$53,597	\$28,352	\$81,950	\$2,950,188
Lieutenant		1	\$85,720	\$42,504	\$128,223	\$128,223
Sergeant		5	\$74,360	\$35,742	\$110,102	<u>\$550,509</u>
Subtotal					\$3,796,598	
Services and Supplies	(3)				<u>\$263,800</u>	7%
Total	43				\$4,060,398	
Capital	(10)				<u>\$500,000</u>	
Total	(11)	97			\$9,468,385	
Sworn FTE's		72				

- (1) Position titles and salaries based on table provided by Susan Paprocki, Nye County Finance, 10/12/09, file: "Information requested by Mr. Berkson.xlsx"
- (2) FTE's based on Position Allocations to Pahrum provided by Sheriff DeMeo, 10/9/09, file: "personnel County wide- pahrum.xlsx"
- (3) Services and Supplies budget provided by Sheriff DeMeo, 10/5/09 for Pahrum Budget SCO, file: "PAHRUMP BUDGET SAC.xlsx"
- (4) Includes 0.5 FTE part-time/no benefits, and one radio technician.
- (5) Includes 1 deputy "background/training", and 2 "PT NB OTS Funded" 0.5 FTE each.
- (6) County budget data titles Investigations/Detectives as "Investigators"; this table assumes same salary.
- (7) Includes 33 patrol and 3 Street Crimes deputies.
- (8) 50% of total departmental budget allocated to Pahrum, per Sheriff DeMeo.
- (9) Pods, computers, phones, support, and software (excludes service contracts) per Sheriff DeMeo, 9/24/09, file: "Pahrum Dispatch Center.doc"
- (10) Includes Field Services Vehicle Purchase
 \$500,000/year per Sheriff DeMeo, 9/24/09, file: "Pahrum Dispatch Center.doc"
 note: this cost is slightly higher than \$225,000 (5 vehicles) provided by County Finance Dept.
 plus other capital projects of \$ 52,748
 see source for Note (1), above (sheet B).
- (11) Note: corresponds approximately to total \$9,493,637 shown in "Pahrum Budget South Area Command" per Sheriff DeMeo, 10/5/09, file: "PAHRUMP BUDGET SAC.xlsx"
- (12) Based on Lieutenant, Investigations, per Finance Dept. (not shown in Sheriff's allocations).
- (13) Position included in Finance Dept. listing, but title does not correspond to Sheriff's allocation list.
- (14) Salary estimate; not included in Finance Dept. listing.

Table 6
City of Pahrump Police Budget
City of Pahrump Incorporation Feasibility Analysis

Function/ Position	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year			
					0	1	2	3
Administration								
Sheriff	(1)		50% allocation of County costs		0.5	0.5	0.5	0.5
Salaries and Benefits			\$153,657	2.0%	\$76,828	\$78,365	\$79,932	\$81,531
Assistant Sheriff			50% allocation of County costs		1.0	1.0	1.0	1.0
Salaries and Benefits			\$163,527	2.0%	\$163,527	\$166,798	\$170,134	\$173,537
Subtotal, Salaries and Benefits					\$240,356	\$245,163	\$250,066	\$255,067
Services and Supplies	(2)	30%	\$143,250		\$71,625	\$73,058	\$74,519	\$76,009
Total FTEs					1.5	1.5	1.5	1.5
Total Cost					\$311,981	\$318,220	\$324,585	\$331,077
Admin Support								
Lieutenant, Support/Narcotics					1.0	1.0	1.0	1.0
Salaries and Benefits			\$145,803	2.0%	\$145,803	\$148,719	\$151,693	\$154,727
Technical Services Manager					1.0	1.0	1.0	1.0
Salaries and Benefits			\$100,396	2.0%	\$100,396	\$102,404	\$104,452	\$106,541
Admin Tech/Grant Admin					1.0	1.0	1.0	1.0
Salaries and Benefits			\$95,878	2.0%	\$95,878	\$97,795	\$99,751	\$101,746
Administrative Technician					7.5	7.5	7.5	7.5
Salaries and Benefits			\$71,724	2.0%	\$537,928	\$548,687	\$559,660	\$570,853
Deputy					2.0	2.0	2.0	2.0
Salaries and Benefits			\$72,063	2.0%	\$144,126	\$147,008	\$149,949	\$152,948
Evidence & Property Control			82% allocation of County costs		0.8	0.8	0.8	0.8
Salaries and Benefits			\$80,421	2.0%	\$66,010	\$67,331	\$68,677	\$70,051
Seasonal Workers								
Salaries and Benefits		\$5,859 total	\$279	2.0%	\$5,859	\$5,976	\$6,096	\$6,218
Subtotal, Salaries and Benefits					\$1,096,000	\$1,117,920	\$1,140,278	\$1,163,084
Services and Supplies		36%	\$395,182		\$390,054	\$397,855	\$405,812	\$413,928
Total FTEs					13.3	13.3	13.3	13.3
Total Cost					\$1,486,054	\$1,515,775	\$1,546,090	\$1,577,012
Crime Prevention								
Crime Prevention Deputies					3.0	3.0	3.0	3.0
Salaries and Benefits			\$94,569		\$283,707	\$283,707	\$283,707	\$283,707
Services and Supplies		9%	\$24,250		\$24,250	\$24,250	\$24,250	\$24,250
Total FTEs					3.0	3.0	3.0	3.0
Total Cost					\$307,957	\$307,957	\$307,957	\$307,957
Investigations								
Detectives	(1)				8.0	8.0	8.0	8.0
Salaries and Benefits			\$95,042	2.0%	\$760,332	\$775,539	\$791,050	\$806,871
Lieutenant					1.0	1.0	1.0	1.0
Salaries and Benefits			\$145,803	2.0%	\$145,803	\$148,719	\$151,693	\$154,727
Subtotal, Salaries and Benefits					\$906,135	\$924,258	\$942,743	\$961,598
Services and Supplies	(2)	16%	\$143,250		\$143,250	\$146,115	\$149,037	\$152,018
Total FTEs					9.0	9.0	9.0	9.0
Total Cost					\$1,049,385	\$1,070,373	\$1,091,780	\$1,113,616

Table 6
City of Pahrump Police Budget
City of Pahrump Incorporation Feasibility Analysis

Function/ Position	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year			
					0	1	2	3
Communications								
Chief Supervising Dispatcher	(3)							
Salaries and Benefits	(1)	82% allocation of County costs	\$138,222	2.0%	0.0	0.0	0.0	0.0
					\$0	\$0	\$0	\$0
Dispatcher	(1)	82% allocation of County costs	\$67,417	2.0%	9.0	9.0	9.0	9.0
Salaries and Benefits					\$608,708	\$620,882	\$633,300	\$645,965
Supervising Dispatcher		82% allocation of County costs	\$91,677	2.0%	0.8	0.8	0.8	0.8
Salaries and Benefits					\$75,250	\$76,755	\$78,290	\$79,856
Subtotal, Salaries and Benefits					\$683,957	\$697,637	\$711,589	\$725,821
Services and Supplies	(2)	4%	\$30,000		\$24,624	\$25,117	\$25,619	\$26,132
Total FTEs					9.8	9.8	9.8	9.8
Total Cost					\$708,582	\$722,754	\$737,209	\$751,953
Detention								
Deputy	(1)	82% allocation of County costs	\$80,658	2.0%	6.6	6.6	6.6	6.6
Salaries and Benefits					\$529,643	\$540,236	\$551,040	\$562,061
Detention Technician	(1)	82% allocation of County costs	\$55,454	2.0%	2.5	2.5	2.5	2.5
Salaries and Benefits					\$136,552	\$139,283	\$142,068	\$144,910
Sergeant		82% allocation of County costs	\$108,100	2.0%	1.6	1.6	1.6	1.6
Salaries and Benefits					\$177,460	\$181,009	\$184,629	\$188,322
Subtotal, Salaries and Benefits					\$843,654	\$860,527	\$877,738	\$895,292
Services and Supplies	(2)	3%	\$30,000		\$24,624	\$25,117	\$25,619	\$26,132
Total FTEs					10.7	10.7	10.7	10.7
Total Cost					\$868,279	\$885,644	\$903,357	\$921,424
Field Services								
Administrative Captain					1.0	1.0	1.0	1.0
Salaries and Benefits			\$167,678	0.0%	\$167,678	\$167,678	\$167,678	\$167,678
Deputy					36.0	36.0	36.0	36.0
Salaries and Benefits			\$81,950	2.0%	\$2,950,188	\$3,009,192	\$3,069,376	\$3,130,763
Lieutenant					1.0	1.0	1.0	1.0
Salaries and Benefits			\$128,223	2.0%	\$128,223	\$130,788	\$133,404	\$136,072
Sergeant					5.0	5.0	5.0	5.0
Salaries and Benefits			\$110,102	2.0%	\$550,509	\$561,519	\$572,749	\$584,204
Subtotal, Salaries and Benefits					\$3,796,598	\$3,869,177	\$3,943,207	\$4,018,717
Services and Supplies		7%	\$263,800		\$263,800	\$268,843	\$273,987	\$279,234
Total FTEs					43.0	43.0	43.0	43.0
Total Cost					\$4,060,398	\$4,138,020	\$4,217,194	\$4,297,951
Total FTE					90.3	90.3	90.3	90.3
Sworn Officers (included above)					68.5	68.5	68.5	68.5
Total Cost (nominal \$)					\$8,792,636	\$8,958,743	\$9,128,172	\$9,300,989
Vehicle Maintenance	(5)	91,619						
Vehicle Purchase and Fuel	(6)	649,994						
Police Total (nominal \$)					\$8,792,636	\$8,958,743	\$9,128,172	\$9,300,989

Note: Titles and salaries assume contract with County; City department would have similar positions, although with different titles.

(1) Cost by position based on current County salaries and benefits. Number of positions based on current County allocation to Pahrump. See Table 5

(2) Services and Supplies based on current County ratio (Services and Supplies/Salaries and Benefits). See Table 5

(3) Assumes dispatch costs are shared with County; preliminary allocation based on City pop./Cnty pop.

(4) Assumes detention costs are shared with County; preliminary allocation based on City pop./Cnty pop. Actual cost sharing to be negotiated, and may be based on other factors.

Total County population (certified, 2008): 47,370 82% City/County

(5) Vehicle maintenance per Sheriff DeMeo, 10/5/09, avg. for 2008 and 2009 for Pahrump only.

(6) Includes fuel at \$149,994 and vehicle purchase \$500,000 for Pahrump Field Services, calendar year 2008, per Sheriff DeMeo, 9/24/09, "Pahrump Dispatch Center.doc"

Table 7

**City of Pahrump Municipal Court Budget
City of Pahrump Incorporation Feasibility Analysis**

Function/ Position (1)	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year				
					0	1	2	3	4
Judge					1.0	1.0	1.0	1.0	1.0
Salaries and Benefits				2.0%					
Court Clerks					2.5	2.5	2.5	2.5	2.5
Salaries and Benefits				2.0%					
Total Municipal Court Staff					3.5	3.5	3.5	3.5	3.5
Salaries and Benefits			\$299,100	2.0%	\$299,100	\$305,082	\$311,184	\$317,407	\$323,755
Services and Supplies	(2)	11.8%	\$35,200		\$35,200	\$35,904	\$36,622	\$37,355	\$38,102
Capital Outlay									
Total Cost					\$334,300	\$340,986	\$347,806	\$354,762	\$361,857

(1) Positions and Salaries and Benefits based on Mesquite FY10 budget.

(2) Services and Supplies based on based on Mesquite FY10 budget. Includes contract services for prosecutor and public defender, court fees, etc.

Table 8
Current Nye County Public Works Expenditures in Pahrump (FY2010)
City of Pahrump Incorporation Feasibility Analysis

Item (1)	FTE (2)	Average Salary (1)	Average Benefits	Total Cost per Position	Total Cost	% of Salaries & Benefits
<u>Engineering/Administration</u>						
Director	(3) 1	\$122,061	\$34,863	\$156,923	\$156,923	
Engineering Tech III	(4) 1	\$58,509	\$19,524	\$78,033	\$78,033	
Engineering Tech II	(4) 1	\$66,929	\$19,710	\$86,639	\$86,639	
Secretary II	1	\$37,653	\$15,079	\$52,732	\$52,732	
Account Clerk II	(7) 1	\$35,878	\$1,596	\$37,474	\$37,474	
Office Assistant	1	\$28,104	\$12,658	\$40,762	<u>\$40,762</u>	
Subtotal					\$452,564	
Services and Supplies	(5)				<u>\$60,994</u>	13%
Total					\$513,558	
<u>Site Development</u>						
Engineering Tech I	1.5	\$53,585	\$19,735	\$73,319	<u>\$109,979</u>	
Subtotal					\$109,979	
Services and Supplies	(6)				<u>\$14,822</u>	13%
Total					\$124,801	
<u>Pahrump Equipment Shop</u>						
Lead Heavy Equip Mech	1	\$63,375	\$21,871	\$85,247	\$85,247	
Heavy Equip Mechanic	2	\$44,534	\$17,134	\$61,668	<u>\$123,336</u>	
Subtotal					\$208,583	
Services and Supplies					<u>\$138,008</u>	66%
Total					\$346,591	
<u>Pahrump Roads</u>						
District Road Supervisor	1	\$79,867	\$24,483	\$104,350	\$104,350	
Lead Maintenance Worker	2	\$59,787	\$20,654	\$80,441	\$160,881	
Road Maintenance Worker I	(8) 0	\$47,331	\$17,712	\$65,043	\$0	
Road Maintenance Worker II	(9) 1	\$36,233	\$14,014	\$50,247	\$50,247	
Road Maintenance Worker III	(9) 9	\$48,367	\$17,016	\$65,383	<u>\$588,450</u>	
Subtotal					\$903,928	
Services and Supplies					<u>\$365,475</u>	40%
Total					\$1,269,403	
Total Staff					\$1,675,053	
Services and Supplies					<u>\$579,299</u>	
TOTAL					\$2,254,352	

- (1) Position titles and salaries based on table provided by Susan Paprocki, Nye County Finance, 10/12/09, file: "Information requested by Mr. Berkson.xlsx", except where noted below.
- (2) FTE's based on Staff, by position and Full-Time Equivalents, Serving Pahrump, provided by David Fanning, Interim Director Nye County Public Works, 10/5/09, Enclosure #3.
- (3) "Director" position referred to as "Road Superintendent" in Public Works information (Enclosure #3).
- (4) Certain positions include greater "longevity pay", resulting in different salaries for similar or lesser positions Engineering Tech III salary based on Public Works information (Enclosure #3).
- (5) Estimates from David Fanning, Interim Director Nye County Public Works, 10/5/09, Enclosure #4.
- (6) "Other Costs" for Site Development based on Admin/Engineering % of salaries.
- (7) No Account Clerk included in Public Works data (Enclosure #3).
 Position and salary from Nye County Finance, 10/12/09; funded by Public Improvement Fees, per Enc. #4, Fund 859.
- (8) No Road Maintenance Worker I including in Public Works data (Enclosure #3)
- (9) Road Maint. II and III salary based on Public Works information (Enclosure #3).

Table 9

**City of Pahrump Public Works Budget
City of Pahrump Incorporation Feasibility Analysis**

Function/ Position (1)	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year			
					0	1	2	3
Engineering/Administration								
Director					1.0	1.0	1.0	1.0
Salaries and Benefits			\$156,923	0.0%	\$156,923	\$156,923	\$156,923	\$156,923
Engineering Tech III					1.0	1.0	1.0	1.0
Salaries and Benefits			\$78,033	0.0%	\$78,033	\$78,033	\$78,033	\$78,033
Engineering Tech II					1.0	1.0	1.0	1.0
Salaries and Benefits			\$86,639	0.0%	\$86,639	\$86,639	\$86,639	\$86,639
Secretary II					1.0	1.0	1.0	1.0
Salaries and Benefits			\$52,732	0.0%	\$52,732	\$52,732	\$52,732	\$52,732
Account Clerk II					1.0	1.0	1.0	1.0
Salaries and Benefits			\$37,474	0.0%	\$37,474	\$37,474	\$37,474	\$37,474
Office Assistant					1.0	1.0	1.0	1.0
Salaries and Benefits			\$40,762	0.0%	\$40,762	\$40,762	\$40,762	\$40,762
Subtotal, Staff					6.0	6.0	6.0	6.0
Salaries and Benefits					\$452,564	\$452,564	\$452,564	\$452,564
Services and Supplies	(2)	13.5%			\$60,994	\$60,994	\$60,994	\$60,994
Total					\$513,558	\$513,558	\$513,558	\$513,558
Site Development								
Engineering Tech I					1.5	1.5	1.5	1.5
Salaries and Benefits			\$73,319	0.0%	\$109,979	\$109,979	\$109,979	\$109,979
Subtotal, Staff					1.5	1.5	1.5	1.5
Salaries and Benefits					\$109,979	\$109,979	\$109,979	\$109,979
Services and Supplies	(2)	13.5%			\$14,822	\$14,822	\$14,822	\$14,822
Total					\$124,801	\$124,801	\$124,801	\$124,801
Pahrump Equipment Shop								
Lead Heavy Equip Mech					1.0	1.0	1.0	1.0
Salaries and Benefits			\$85,247	0.0%	\$85,247	\$85,247	\$85,247	\$85,247
Heavy Equip Mechanic					2.0	2.0	2.0	2.0
Salaries and Benefits			\$61,668	0.0%	\$123,336	\$123,336	\$123,336	\$123,336
Subtotal, Staff					3.0	3.0	3.0	3.0
Salaries and Benefits					\$208,583	\$208,583	\$208,583	\$208,583
Services and Supplies	(2)	66.2%			\$138,008	\$138,008	\$138,008	\$138,008
Total					\$346,591	\$346,591	\$346,591	\$346,591

Table 9

**City of Pahrump Public Works Budget
City of Pahrump Incorporation Feasibility Analysis**

Function/ Position (1)	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year				
					0	1	2	3	
Pahrump Roads									
District Road Supervisor									
Salaries and Benefits			\$104,350	2.0%	1.0	\$104,350	\$106,436	\$108,565	\$110,737
Lead Maintenance Worker									
Salaries and Benefits			\$80,441	2.0%	2.0	\$160,881	\$164,099	\$167,381	\$170,728
Road Maintenance Worker I									
Salaries and Benefits			\$65,043	2.0%	0.0	\$0	\$0	\$0	\$0
Road Maintenance Worker II									
Salaries and Benefits			\$50,247	2.0%	1.0	\$50,247	\$51,252	\$52,277	\$53,323
Road Maintenance Worker III									
Salaries and Benefits			\$65,383	2.0%	9.0	\$588,450	\$600,219	\$612,223	\$624,468
Subtotal, Staff									
Salaries and Benefits					13.0	\$903,928	\$922,006	\$940,446	\$959,255
Services and Supplies	(2)	40.4%				\$365,475	\$372,785	\$380,240	\$387,845
Total						\$1,269,403	\$1,294,791	\$1,320,686	\$1,347,100
Total Staff					23.5	\$1,675,053	\$1,693,132	\$1,711,572	\$1,730,381
Salaries and Benefits						\$1,675,053	\$1,693,132	\$1,711,572	\$1,730,381
Services and Supplies						\$579,299	\$586,609	\$594,065	\$601,669
TOTAL, Public Works						2,254,376	2,279,764	2,305,660	2,332,074

(1) Cost by position based on current County salaries and benefits. Number of positions based on current County allocation to Pahrump. See Table 8

(2) Services and Supplies based on current County budget. See Table 8

Table 10
Current Nye County Planning and Code Compliance Expenditures in Pahrump (FY2010)
City of Pahrump Incorporation Feasibility Analysis

Item (1)	FTE (1)	Average Salary	Average Benefits	Total Cost per Position	Total Cost	% of Salaries & Benefits
Planning						
Director	1	\$106,969	\$31,409	\$138,378	\$138,378	
Principal Planner	2	\$66,627	\$19,216	\$85,843	\$171,687	
Planner I	2	\$56,174	\$20,414	\$76,588	\$153,176	
Planning Tech I	1	\$44,616	\$16,568	\$61,185	\$61,185	
Counter Technician	2	\$39,811	\$12,703	\$52,514	\$105,028	
Administrative Secretary	1	\$46,535	\$16,997	\$63,531	\$63,531	
Secretary I	1	\$32,668	\$13,688	\$46,356	<u>\$46,356</u>	
Subtotal	9				\$739,340	
Services and Supplies (2)					<u>\$70,668</u>	9.6%
Total					\$810,008	
Code Compliance						
Code Compliance Officer	1	\$47,066	\$18,727	\$65,793	\$65,793	
Mgr. of Bldg. Safety and CC	1	87,168	28,395	115,563	115,563	
Office Assistant	1	26,544	12,317	38,861	38,861	
Secretary III	1	37,460	15,205	52,665	<u>52,665</u>	
Subtotal	4				\$272,882	
Services and Supplies (2)					<u>\$26,083</u>	9.6%
Total					\$298,965	

(1) Position titles and salaries based on table provided by Susan Paprocki, Nye County Finance, 10/12/09, file: "Information requested by Mr. Berkson.xlsx", except where noted below.

(2) Services and Supplies based on Countywide % relative to Salaries and Benefits

FY10 Adopted, Sched. B, pg. 13, Form 10:	Salaries	627,440
	Benefits	<u>205,916</u>
	Subtotal	833,356
	Services and Supplies	79,654
	% of Salaries and Benefits	9.6%

Table 11

**City of Pahrump Planning Budget
City of Pahrump Incorporation Feasibility Analysis**

Function/ Position (1)	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year			
					0	1	2	3
Director					1.0	1.0	1.0	1.0
Salaries and Benefits			\$138,378	2.0%	\$138,378	\$141,145	\$143,968	\$146,847
Principal Planner					1.0	1.0	1.0	1.0
Salaries and Benefits			\$85,843	2.0%	\$85,843	\$87,560	\$89,311	\$91,098
Planner I					1.0	1.0	1.0	1.0
Salaries and Benefits			\$76,588	2.0%	\$76,588	\$78,120	\$79,682	\$81,276
Planning Tech I					0.0	0.0	0.0	0.0
Salaries and Benefits			\$61,185	2.0%	\$0	\$0	\$0	\$0
Counter Technician					1.0	1.0	1.0	1.0
Salaries and Benefits			\$52,514	2.0%	\$52,514	\$53,564	\$54,636	\$55,728
Administrative Secretary					0.0	0.0	0.0	0.0
Salaries and Benefits			\$63,531	2.0%	\$0	\$0	\$0	\$0
Secretary I					1.0	1.0	1.0	1.0
Salaries and Benefits			\$46,356	2.0%	\$46,356	\$47,283	\$48,229	\$49,194
Total Planning Staff					5.0	5.0	5.0	5.0
Salaries and Benefits					\$399,679	\$407,673	\$415,826	\$424,143
Services and Supplies	(2)	9.6%			\$38,202	\$38,966	\$39,746	\$40,540
Capital Outlay								
Total Cost					\$437,881	\$446,639	\$455,572	\$464,683

(1) Cost by position based on current County salaries and benefits. Number of positions based on current County allocation to Pahrump. See Table 10

(2) Services and Supplies based on current County budget. See Table 10

Table 12

City of Pahrump Code Enforcement Department Budget
 City of Pahrump Incorporation Feasibility Analysis

Function/ Position (1)	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year			
					0	1	2	3
Code Enforcement								
Manager of Bldg. Safety and Code Compliance					1.0	1.0	1.0	1.0
Salaries and Benefits			\$115,563	2.0%	\$115,563	\$117,874	\$120,232	\$122,636
Code Compliance Officer					1.0	1.0	1.0	1.0
Salaries and Benefits			\$65,793	2.0%	\$65,793	\$67,109	\$68,451	\$69,820
Secretary III					1.0	1.0	1.0	1.0
Salaries and Benefits			\$52,665	2.0%	\$52,665	\$53,718	\$54,793	\$55,889
Office Assistant					1.0	1.0	1.0	1.0
Salaries and Benefits			\$38,861	2.0%	\$38,861	\$39,638	\$40,431	\$41,240
Total Staff					4.0	4.0	4.0	4.0
Salaries and Benefits					\$272,882	\$278,340	\$283,906	\$289,585
Services and Supplies	(2)	9.6%			\$26,083	\$26,604	\$27,136	\$27,679
Capital Outlay								
Total Cost					\$298,965	\$304,944	\$311,043	\$317,264
Building Inspection (assumes contract with private firm)								
Fee Revenue	(3)		\$250,000	2.0%	\$250,000	\$255,000	\$260,100	\$265,302
Payments to Contractor	(4)	70%	\$175,000		\$175,000	\$178,500	\$182,070	\$185,711
Net Revenue to New City			\$75,000		\$75,000	\$75,000	\$75,000	\$75,000

(1) Cost by position based on current County salaries and benefits. Number of positions based on current County allocation to Pahrump. See Table 10

(2) Services and Supplies based on current County budget. See Table 10

(3) FY09 fees (\$485,000 per Lisa Whitt, Building and Safety Dept.) reduced 50% based on current FY10 to-date.

Net Building Fee revenue to City assumes contract with private firm similar to current County contract.

(4) Private contractor assumed to receive average of 70% of building fee revenue, per contract and avg. monthly fees.

Amount paid is unavailable due to confidentiality restrictions.

% paid will vary depending on monthly fee collections.

Table 13

City of Pahrump Animal Control Department Budget
 City of Pahrump Incorporation Feasibility Analysis

Function/ Position (1)	notes	Factor	Total Cost by Position	Cost Inflator	Fiscal Year			
					0	1	2	3
Animal Control								
Animal Control Supervisor					1.0	1.0	1.0	1.0
Salaries and Benefits			\$77,381	2.0%	\$77,381	\$77,381	\$77,381	\$77,381
Animal Control Officer					1.0	1.0	1.0	1.0
Salaries and Benefits			\$63,504	2.0%	\$63,504	\$63,504	\$63,504	\$63,504
Secretary III					0.0	0.0	0.0	0.0
Salaries and Benefits				2.0%	\$0	\$0	\$0	\$0
Office Assistant					0.0	0.0	0.0	0.0
Salaries and Benefits				2.0%	\$0	\$0	\$0	\$0
Total Staff					2.0	2.0	2.0	2.0
Salaries and Benefits					\$140,885	\$140,885	\$140,885	\$140,885
Services and Supplies	(2)	58.3%			\$82,110	\$82,110	\$82,110	\$82,110
Capital Outlay								
Total Cost					\$222,995	\$222,995	\$222,995	\$222,995
Animal Shelter								
Animal Shelter Supervisor					1.0	1.0	1.0	1.0
Salaries and Benefits			\$72,678	2.0%	\$72,678	\$72,678	\$72,678	\$72,678
Kennel Assistant					2.0	2.0	2.0	2.0
Salaries and Benefits			\$42,416	2.0%	\$84,832	\$84,832	\$84,832	\$84,832
Secretary III					0.0	0.0	0.0	0.0
Salaries and Benefits				2.0%	\$0	\$0	\$0	\$0
Office Assistant					1.0	1.0	1.0	1.0
Salaries and Benefits			\$51,565	2.0%	\$51,565	\$51,565	\$51,565	\$51,565
Total Staff					4.0	4.0	4.0	4.0
Salaries and Benefits					\$209,075	\$209,075	\$209,075	\$209,075
Services and Supplies	(2)	58.3%			\$121,853	\$121,853	\$121,853	\$121,853
Capital Outlay								
Total Cost					\$330,928	\$330,928	\$330,928	\$330,928
TOTAL Animal Control and Shelter					\$553,923	\$553,923	\$553,923	\$553,923

(1) Position titles and salaries based on table provided by Susan Paprocki, Nye County Finance, 12/4/09, file: "Information requested by Mr. Berkson 12.4.09.xlsx".

(2) Services and Supplies based on current County budget. 58%

(3) Bldg. fees from County Budget FY10 allocated proportionate to Pahrump pop./County pop. Net Building Fee revenue to City assumes contract with private firm similar to current County contract.

(4) Private contractor assumed to receive average of 70% of building fee revenue.

Amount paid is unavailable due to confidentiality restrictions.

% paid will vary depending on monthly fee collections.

Table 14a
Property Tax Estimates
City of Pahrump Incorporation Feasibility Analysis

Item	not	Existing Town			New City FY12-13	FY13-14	FY14-15
		FY09-10	FY10-11	FY11-12			
Residential Value							
Start-of-Year Assessed Value	0.35	\$750,658,728	750,658,728	757,658,728	779,375,315	816,597,022	866,578,687
Start-of-Year Residential Value		\$2,144,739,223	\$2,144,739,223	\$2,164,739,223	\$2,226,786,615	\$2,333,134,347	\$2,475,939,106
Market Value Rate of Growth		0.0%	0.0%	1.0%	2.0%	2.5%	2.5%
Market Value Growth		\$0	\$0	\$21,647,392	\$44,535,732	\$58,328,359	\$61,898,478
Market Value, End of Year		\$2,144,739,223	\$2,144,739,223	\$2,186,386,615	\$2,271,322,347	\$2,391,462,706	\$2,537,837,584
Assessed Value, End of Year	35%	\$750,658,728	\$750,658,728	\$765,235,315	\$794,962,822	\$837,011,947	\$888,243,154
New Residential Units		0	100	200	300	400	500
Avg. Market Value	\$200,000	\$200,000	\$200,000	\$202,000	\$206,040	\$211,191	\$216,471
New Market Value Added		\$0	\$20,000,000	\$40,400,000	\$61,812,000	\$84,476,400	\$108,235,388
Commercial/Ind'l Value							
Start-of-Year Assessed Value	0.35	\$150,017,244	150,017,244	150,166,217	151,968,803	155,468,594	159,204,129
Start-of-Year Commercial Value		\$428,620,697	\$428,620,697	\$429,046,333	\$434,196,581	\$444,195,982	\$454,868,941
Market Value Rate of Growth		0.0%	0.0%	1.0%	2.0%	2.0%	2.0%
Market Value Growth		\$0	\$0	\$4,290,463	\$8,683,932	\$8,883,920	\$9,097,379
Market Value, End of Year		\$428,620,697	\$428,620,697	\$433,336,796	\$442,880,512	\$453,079,902	\$463,966,320
Assessed Value, End of Year	35%	\$150,017,244	\$150,017,244	\$151,667,879	\$155,008,179	\$158,577,966	\$162,388,212
New Commercial/Industrial Sq.Ft.		0	4,256	8,513	12,769	17,025	21,282
Avg. Market Value (per sq.ft.)	\$100	\$100	\$100	\$101	\$103	\$105	\$107
New Market Value Added		\$0	\$425,636	\$859,784	\$1,315,470	\$1,789,039	\$2,281,025
Other Value							
Start-of-Year Assessed Value	0.35	\$640,513,192	640,513,192	640,513,192	646,918,324	659,856,690	673,053,824
Start-of-Year Other Value		\$1,830,037,691	\$1,830,037,691	\$1,830,037,691	\$1,848,338,068	\$1,885,304,830	\$1,923,010,926
Market Value Rate of Growth		0.0%	0.0%	1.0%	2.0%	2.0%	2.0%
Market Value Growth		\$0	\$0	\$18,300,377	\$36,966,761	\$37,706,097	\$38,460,219
Market Value, End of Year		\$1,830,037,691	\$1,830,037,691	\$1,848,338,068	\$1,885,304,830	\$1,923,010,926	\$1,961,471,145
Assessed Value, End of Year	35%	\$640,513,192	\$640,513,192	\$646,918,324	\$659,856,690	\$673,053,824	\$686,514,901
New Other Sq.Ft.		0	0	0	0	0	0
Avg. Market Value (per sq.ft.)	\$100	\$100	\$100	\$101	\$103	\$105	\$107
New Market Value Added		\$0	\$0	\$0	\$0	\$0	\$0
Total Value							
End of Year Assessed Value		\$1,541,189,164	\$1,541,189,164	\$1,563,821,518	\$1,609,827,691	\$1,668,643,737	\$1,737,146,267

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**Table 14a
Property Tax Estimates
City of Pahrump Incorporation Feasibility Analysis**

<u>Property Taxes</u>							
Tax Rate:							
Existing Town Rate (FY10)	0.2402	0.2402	0.2402	0.2402	0.2402	0.2402	0.2402
Shift from County for Transferred Service Costs				0.3775			
Other Increases							
Total	0.2402	0.2402	0.2402	0.6177	0.6177	0.6177	0.6177
Allowed A.V. Revenue Base	\$3,701,936	\$3,701,936	\$3,756,299	\$3,866,806	\$4,008,082	\$4,172,625	
Change from prior yr		0.0%	1.5%	2.9%	3.7%	4.1%	
<u>Residential</u>							
Existing Residential A.V. (end of yr)	\$750,658,728	\$750,658,728	\$765,235,315	\$794,962,822	\$837,011,947	\$888,243,154	
Allowed A.V. Revenue Base	\$1,803,082	\$1,803,082	\$1,838,095	\$4,910,537	\$5,170,277	\$5,486,736	
Rate of Change	0.0%	0.0%	1.0%	2.0%	2.5%	2.5%	
Rate of Change in excess of cap	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Change in excess of cap	-	-	-	-	-	-	
(less) Abatements	\$0	\$0	\$0	\$0	\$0	\$0	
Revenue Net of Abatements	\$1,803,082	\$1,803,082	\$1,838,095	\$4,910,537	\$5,170,277	\$5,486,736	
<u>Commercial/Industrial</u>							
Existing Comm'l/Ind'l A.V. (end of yr)	\$150,017,244	\$150,017,244	\$151,667,879	\$155,008,179	\$158,577,966	\$162,388,212	
Allowed A.V. Revenue Base	\$360,341	\$360,341	\$364,306	\$957,496	\$979,546	\$1,003,083	
Rate of Change	0.0%	0.0%	1.0%	2.0%	2.0%	2.0%	
Rate of Change in excess of cap	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Change in excess of cap	-	-	-	-	-	-	
(less) Abatements	\$0	\$0	\$0	\$0	\$0	\$0	
Revenue Net of Abatements	\$360,341	\$360,341	\$364,306	\$957,496	\$979,546	\$1,003,083	
<u>Other</u>							
Existing Other A.V. (end of yr)	\$640,513,192	\$640,513,192	\$646,918,324	\$659,856,690	\$673,053,824	\$686,514,901	
Allowed A.V. Revenue Base	\$1,538,513	\$1,538,513	\$1,553,898	\$4,075,978	\$4,157,497	\$4,240,647	
Rate of Change	0.0%	0.0%	1.0%	2.0%	2.0%	2.0%	
Rate of Change in excess of cap	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Change in excess of cap	-	-	-	-	-	-	
(less) Abatements	\$0	\$0	\$0	\$0	\$0	\$0	
Revenue Net of Abatements	\$1,538,513	\$1,538,513	\$1,553,898	\$4,075,978	\$4,157,497	\$4,240,647	
Total Allowed A.V. Revenue Base	\$3,701,936	\$3,701,936	\$3,756,299	\$9,944,011	\$10,307,321	\$10,730,466	
(less) accrued abatements	(\$721,228)	(\$721,228)	(\$721,228)	(\$721,228)	(\$721,228)	(\$721,228)	
(less) current yr abatements	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal, Abatements (1)	(\$721,228)	(\$721,228)	(\$721,228)	(\$721,228)	(\$721,228)	(\$721,228)	
Subtotal, after Abatements	\$2,980,708	\$2,980,708	\$3,035,071	\$9,222,783	\$9,586,093	\$10,009,238	
	(\$180,000)	(\$180,000)	(\$180,000)	(\$180,000)	(\$180,000)	(\$180,000)	
TOTAL (2)	2,800,708	2,800,708	2,855,071	9,042,783	9,406,093	9,829,238	

(1) Subtotal of abatements for FY10 correspond to Town budget (Schedule S-3).

(2) Adjustments to provide conservative estimate reflecting potential continued declines in assessed value.

(3) Required property tax shift from County: \$5,818,090 See Table 2a

Table 14b
Estimate of Impact on County and Pahrump Tax Rates
City of Pahrump Incorporation Feasibility Analysis

Town's Allowed Revenue Base		\$3,700,000
Increase from transferred County Revenue		\$5,818,090
Increase in current Town rate to equal required \$:		157%
Current Town Rate		0.2402
Addition to Town Rate	157%	<u>0.3775</u>
		0.6177
County General Fund Rate		0.9947
County property tax (net of abatements)		\$20,932,765 FY10 Budget Schedule S-3
Property Tax shift to new city		\$5,818,090
% reduction in property tax		-27.8%
Current County GF rate		0.9947
Reduction in factor		-0.2765
New County factor		0.7182
Increase in City factor vs. County reduction		0.1010
Current cumulative factor in Pahrump		<u>2.8171</u>
		2.9181
% increase		3.6%

Table 15
Summary of Motor Vehicle Fuel Taxes and Other Road-Related Revenues
City of Pahrump Incorporation Feasibility Analysis

	Rate		NRS	Town of Pahrump	FY10 Nye County		Est'd City of Pahrump	Nye County Net of City
Public Mass Transportation	0.25 percent		NRS 377A		\$1,166,720	(1)	-	\$1,166,720
Fuel Taxes								
County Option (RTC)	4.00 cents/gal.		NRS 373.030, .080	na	815,228	(2,8)	675,217	140,011
County Option 1	1.00 cent/gal.		NRS 365.192, .196	na	205,355	(3)	168,558	36,797
MV Fuel Tax	1.25 cents/gal.		NRS 365.180, .550	na	846,144	(4)	-	846,144
MV Fuel Tax	1.75 cents/gal.		NRS 365.190, .560	325,000 #	32,928	(5,7)	325,000	32,928
MV Fuel Tax	2.35 cents/gal.		NRS 365.180, .550	na	1,590,756	(6,7)	<u>512,346</u>	<u>1,078,410</u>
Subtotal, Fuel Taxes					\$3,490,411		\$ 1,681,121	\$2,134,290
Impact of City Incorporation on County Fuel Taxes (includes loss of 1.75 cent tax transfer)								(1,681,121)

- (1) County Budget labels this "1/4 cent Public Transit" (Spec. Rev. Fund 208). Sales tax distributed back to County of collection.
(2) County Fund 212. Incorporated cities receive allocation based on a.v./County a.v. (\$1,667,106,471/\$2,012,794,024) = 82.83 %
(3) County Fund 205. City allocation per population/County pop. (38,882/47,370) = 82.08%.
(4) County Fund 205. No pass-through's to cities. County allocations weighted by miles and pop, adjusted for "excess" revenues.
(5) Pahrump returns funds to County via IGA. Cities and towns receive shares relative to a.v./County a.v.
(6) Allocations to cities based on formula weighted 1/4 on Total Area, 1/4 on Population, 1/4 on Road Mileage, 1/4 on Vehicle Miles Traveled; adjusted for "excess" revenues.
(7) Distributions reduced by 2% for dealer discounts, other allocations and admin. charges.
(8) Distributions reduced by 2.5% for dealer discounts, other allocations and admin. charges.
(9) Fuel tax estimate per Town budget; State projections differ slightly.

Table 16
2.35 Cent Motor Vehicle Fuel Tax
City of Pahrump Incorporation Feasibility Analysis

Entity	Area (Sq. Mile)	Percent of Total	Final Population	Percent of Total	Road and Street Mileage	Percent of Total	Annual Vehicle Miles	Percent of Total	Average Percent	Projected Revenue for Fiscal Year 2009- 2010
Nye County	17,735	98%	9,370	20%	1,880	70%	70,050,849	83%	68%	\$1,078,410
Pahrump	365	2%	38,000	80%	795	30%	14,237,270	17%	32%	\$512,346
Total, County	18,100	100%	47,370	100%	2,675	100%	84,288,119	100%	100%	\$1,590,756

(1) Swirczek, Jodi, Nevada Dept. of Transportation, 10/21/09.



APPENDIX C:
NRS 266 Information Requirements

Nevada Revised Statutes (NRS 266.016 – 266.0285) delineate data requirements and factors to be considered during the incorporation process. Some of this data applies to the incorporation petition, the hearing and review process. If “Option 2” is pursued (the legislative process) some of these items will not apply, however, it will be necessary for the legislature to consider many of the fiscal, social, and economic factors required below.

Following is a summary of these requirements. As the process progresses, these items and factors may be updated to reflect more current information.

NRS 266.016 Petition

Number of qualified electors (NRS 266.016 re: petition requirements; note: one-third is required): ***21,207 registered voters (8/11/09); one-third equals 7,069 signators.***

NRS 266.017 Suitability

Real property that has not been subdivided and is 100 acres or more: ***There are 84 parcels equal to or greater than 100 acres. The assessor’s data does not identify subdivided status.***

NRS 266.019 Petition Contents

The total acreage of the area: ***Total acreage of the Pahrump Planning Area is approximately 365 square miles. The precise acreage will be determined following the creation of a map of the proposed boundaries.***

Number of residents: ***Pahrump’s population on July 1, 2008 totaled 38,882 according to the certified estimate³⁷ produced by the Nevada State Demographer. The population increased 2.5 percent from the prior year, significantly slower because of the recession compared to prior years. Nye County estimates³⁸ that Pahrump’s population declined slightly to 38,275 by the end of the third quarter of 2009.***

Number of owners of record of real property: ***There are an estimated 30,075 property owners (based on a count of unique property tax billing addresses), out of 50,325 total parcels.***

NRS 266.0263 Statement by Dept. of Taxation (current and projected tax burden)

Median-priced home: ***The median resale price for existing homes for 2009 through October was \$122,000, down from \$182,000 in 2008. The median price for a new home was \$153,000 in 2009, down from \$200,000 in 2008. (source: MDA Dataquick Information Systems).***

³⁷ Nevada County Population Estimates July 1, 1986 to July 1, 2008, Nevada Dept. of Taxation

³⁸ Nye County Population Estimates Through the Third Quarter, 2009, Nye County Department of Planning, 19/20/09

Present tax rate: ***The Town's current tax rate (FY10) is 0.2402, and the combined tax rate of all entities is 2.8171.***

Projected tax rate: ***Assuming that property tax and CTX are shifted from the County to the new city in the proportions indicated in this feasibility report, the city's rate would be 0.6177, an increase of 0.3775, and the combined tax rate of all entities would be 2.9181. The County's current General Fund rate 0.9947 would decline to 0.7182.***

NRS 266.0285 Factors for consideration

Population: ***Pahrump's population on July 1, 2008 totaled 38,882 according to the certified estimate³⁹ produced by the Nevada State Demographer. The population increased 2.5 percent from the prior year, significantly slower because of the recession compared to prior years. Nye County estimates⁴⁰ that Pahrump's population declined slightly to 38,275 by the end of the third quarter of 2009.***

For the decade from 1996 through 2006, the Town's population grew from 17,540 to 36,645 at an average annual rate of 7.6 percent. The rate of growth peaked at 10.2 percent in 2006 before slowing to its current rate.

Projections⁴¹ published in August 2008 forecast a moderate recovery for the period from 2007 to 2014. The estimates forecast the equivalent of a 4.8 percent annual average growth rate for Nye County; although projections are unavailable by town, Pahrump historically accounts for most of the Nye County growth. The 4.8 percent rate is projected to slow to 2.6 percent between 2014 and 2021. For the entire period 2007 to 2021 the forecasted population grows at a 3.7 percent annual average.

At an average growth rate of 3.7 percent, Pahrump's population would grow by about 1,400 people annually, or 570 units per year assuming 2.5 persons per household (2000 census). The actual rate of development will depend on economic cycles. At some point, buildout may be constrained by the availability of water, which currently is being studied by the County.

The estimates described above are lower than the estimates produced in 2005⁴² for the Pahrump Capital Improvement Plans and Impact Fees. That report projected residential unit growth of 750 units to 1,000 units per year through 2015.

³⁹ Nevada County Population Estimates July 1, 1986 to July 1, 2008, Nevada Dept. of Taxation

⁴⁰ Nye County Population Estimates Through the Third Quarter, 2009, Nye County Department of Planning, 19/20/09

⁴¹ Nevada County Population Projections 2008 to 2028, Nevada State Demographer's Office, August 2008

⁴² Nye County CIPs and Impact Fee Study, Appendix 8: Land Use Assumptions & Demographics, Consensus Planning and TischlerBise, Draft 7/8/05

Land area: ***Taxable land area accounts for approximately 293 acres within the total Pahrump Regional Planning District totaling about 365 acres; the balance includes federally owned land.***

Land uses: The uses within the 293 acre area are shown below:

**Table P-1
Pahrump Land Uses**

	Acres	Units or Bldg. Sq.Ft.
<u>Residential</u>		
Single Family	16,384.0	
Multi-Residential	<u>2,908.5</u>	
Total	19,292.5	18,205 units
<u>Commercial</u>		
Total	2,443.2	672,131 sq.ft.
<u>Industrial</u>		
Total	446.6	102,739 sq.ft.
<u>Rural</u>		
Agricultural	709.5	
Quarries	<u>314.7</u>	
Total	1,024.2	
<u>Utilities</u>		
Total	282.8	
<u>Vacant</u>		
Total	164,285.0	
TOTAL	187,774.4	
	293.4	sq.miles

Source: Steve Osborne, Nye County Planning Dept. (rec'd by EPS 8/21/09)
Housing counts as of 7/20/09.

Topography – ***The city boundaries would fall within the mountain ranges surrounding the Pahrump Valley, and is flat with a slight uphill slope towards the northern end of the Valley.***

Natural boundaries: ***The Pahrump Valley and surrounding maintains create a natural geographically distinct area that encompasses the potential boundaries of the city.***

Drainage basin

Extent of agriculture: ***As noted in the table above, agricultural land uses account for about 710 acres of the total area, or less than ½ of one percent of the total area.***

Mineral production: ***As noted in the table above, quarries account for about 315 acres, or less than ¼ of one percent of the total area.***

Other uses not requiring significant improvements: ***as noted, federally owned and managed lands account for a substantial portion of the Pahrump Regional Planning District. These lands are largely undeveloped, and would remain so, except for those lands immediately adjacent to urban uses, which may provide for open space and recreational activities.***

Extent of commercial and industrial development: ***As noted in the table above, commercial and industrial development accounts for about 2,900 acres, or less than 2 percent of the total land uses.***

Extent and age of residential development: ***More than ½ of the housing stock in Pahrump is less than 15 years old, as a result of the significant growth that has occurred in recent years.***

Comparative size and assessed value of subdivided land and unsubdivided land. ***County data does not include a designation for subdivided vs. unsubdivided land. However, based on the review of parcels equal to or greater than 100 acres, these parcels total approximately 116,275 acres, and their assessed value totals \$131.1 million.***

Current and potential transportation issues: ***The Pahrump Regional Planning District Master Plan Update identified the need to continue to promote a system of arterial, collector and local streets capable of accommodating anticipated travel demands in a save and efficient manner. The Master Plan indicated implementation actions to prepare a Traffic Study and Transportation Master Plan. These tasks would become the responsibility of the new city.***

Past population trends: ***See discussion above under "Population".***

Past construction trends: ***See discussion above under "Population".***

Growth projections 10 years in "adjacent incorporated and unincorporated areas" : ***See discussion above under "Population."***

Water service, and future needs-present cost, method and adequacy of regulation and service: ***Currently there is no municipal water system or master plan for Pahrump. Water is provided by wells and private entities serving subdivisions and development in the area. The Pahrump Regional Planning District Master Plan Update recommended development of a water system master plan to provide a guide for the expansion and connection of numerous existing water systems in Pahrump to improve reliability of drinking water supplies and fire protection response.***

Sewer service, and future needs-present cost, method and adequacy of regulation and service: ***Currently there is no municipal sewer system or master plan for Pahrump. Private entities provide for sewer collection and treatment. The Pahrump Regional Planning District Master Plan Update recommended consideration of a single municipal sewer***

system to assure continuity, provide for future service to smaller lot areas, and to provide proper planning to avoid contamination of groundwater.

Fire rating and protection, and future needs-present cost, method and adequacy of regulation and service: **Fire protection would continue to be provided as it is currently provided, with no impact on future needs or service provision as a result of incorporation.**

Police protection, and future needs-present cost, method and adequacy of regulation and service: **The feasibility analysis estimates that future revenues, including property taxes and CTX shifted from the County to the new city, should be adequate to continue to fund current levels of service. Growth and development may require increases in services that would be funded by increases in tax revenues. The feasibility analysis assumes that initially the new city would contract with the County Sheriff for police protection services.**

Improvement and maintenance of streets, and future needs-present cost, method and adequacy of regulation and service: **The feasibility analysis estimates that future revenues, including fuel taxes, should be sufficient to fund current levels of service. Road impact fees generated within the area would continue to fund capital improvements. These funds would be managed and prioritized by the city rather than by the County as is currently done. The feasibility analysis assumes that initially the new city would contract with the County for public works services.**

Administrative services, and future needs-present cost, method and adequacy of regulation and service: **The feasibility analysis indicates that incorporation would result in increased local administration of municipal services as a result of a shift from County administration to city administration, and could be funded by existing revenues. Services could be increased to the extent that future development and increases in the tax base occur.**

Recreational facilities, and future needs-present cost, method and adequacy of regulation and service: **Current recreational facilities would continue to be maintained and provided in the same manner as they are currently maintained and provided (see Table 3 in the feasibility analysis).**

County-present and projected revenues: **See Table 2 in the feasibility analysis, and related text, including Chapter 8.**

Proposed city-present and projected revenues: **See Table 1a and 1b in the feasibility analysis, and related text.**

County revenues and services-probable effects: **See Table 2 in the feasibility analysis and related text, including Chapter 8, and Table 3 for a summary of changes in services.**

Adjacent areas revenues and services-probable effects: **No impact is anticipated on adjacent areas, other than the effects on the County as noted in the feasibility report.**

Social, economic and governmental structure of County and "adjacent areas"-probable effect of incorporation, and any alternatives.

Water availability and other natural resource requirements"-probable effect of incorporation, and any alternatives: ***Incorporation is not assumed to alter current or future development patterns, and therefore have no effect on water availability or other natural resource requirements.***

Any determination by a governmental agency that the area is suitable for residential, commercial or industrial development: ***Nye County has prepared and adopted a Master Plan Update (November 19, 2003) for the Pahrump Regional Planning District that identifies current and proposed land uses, areas suitable for development, and areas requiring further study. It is anticipated that the new city initially would adopt current County planning goals, standards and designations applicable to the area.***