

**CITY OF NORTH LAS VEGAS  
SPECIAL CITY COUNCIL  
STUDY SESSION MINUTES**

March 30, 2004

**CALL TO ORDER:** 4:35 P.M.

**ROLL CALL COUNCIL PRESENT:**

Mayor Michael L. Montandon  
Councilwoman Stephanie S. Smith  
Councilman Shari Buck  
Councilman Robert L. Eliason

**EXCUSED:**

Mayor Pro Tempore William E. Robinson

**STAFF PRESENT:**

City Manager Gregory Rose	Acting Planning Manager Marc Jordan
Assistant City Manager Dan Tarwater	Acting Utilities Director David Bereskin
City Attorney Sean McGowan	Fire Chief Jim Stubler
Acting City Clerk Karen L. Storms	Detention Chief Ellingson
Human Resources Director Vince Zamora	Assistant Detention Chief Dan Lake
Finance Director Phil Stoeckinger	Police Chief Mark Paresi
Assistant Director Kay Godbey	Judge Warren VanLandschoot
Strategic Planning Director Eric Dabney	Assistant Court Administrator April Laswell
Parks & Recreation Director Michael Henley	Library Director Anita Laruy
Public Works Director Jim Bell	Assistant Library Director Kathy Pennell
Acting Community Development Director Kenny Young	Assistant to the City Manager Brenda Johnson
Planning and Zoning Director Jory Stewart	Deputy City Clerk Julie Shields

**VERIFICATION:** Karen L. Storms, CMC, Acting City Clerk

**BUSINESS:**

**1. WORKSHOP ON THE 2004-2005 TENTATIVE BUDGET.**

Mayor Montandon stated the purpose of this meeting was to discuss the proposed budget. City Manager Gregory Rose presented the projected budget for Fiscal Year (FY) 2003-2004 and the proposed budget for FY 2004-2005, with an emphasis for discussion on FY 2004-05.

City Manager Rose stated the budget process first began with identifying Council's priorities. A survey of the community was taken and the results were incorporated into the budget, where applicable.

**Budget Achievements:**

- Establishes an 18% Fund Balance for the General Fund
- Increased Service Delivery Capabilities
- Develops Park Land and Restores Parks
- Provides Funding to Establish a New Court
- Provides Funding for Vehicle Replacements
- Strengthens the Self-Insurance Fund
- Creates a Municipal Facilities Fund
- No Tax Increase

Proposed 2005 revenues for all funds were \$454.8 million and expenditures were \$406.6 million, resulting in a surplus budget with fund balances of approximately \$48 million.

Mayor Montandon asked whether the beginning balance was considered a revenue and City Manager Rose confirmed it was. Staff identified the amount of funding expended by capital projects within the fund balance as well as the amount of reserves remaining.

The proposed 2005 Budget Expenditures by Fund Type were \$406.6 million, and the General Fund (not including transfers) was \$135,209,500. Expenditures based upon function, general government, debt service costs and public safety represented a significant share of the total.

**General Fund Revenue Growth Fiscal 2004 Summary:**

- Estimated Revenue for Fiscal 2004 was \$129 Million, a 30.9% increase from 2003
- Average Five-Year Growth was 8.8%
- Anomalies Based on Record Growth in North Las Vegas
- Overall Increases in Almost All General Fund Revenue Sources
  1. Assessed Valuation Increased by 15%
  2. Consolidated Taxes Budgeted at the State's Estimate of \$31 million, 0.1% Increase - Actual Revenues Increased by 16.2% through December
  3. Record number of Building and Planning Permits. Building Permit Revenue Budgeted at \$6.5 million - Actual estimate is \$12 million

City Manager Rose stated Council allowed Staff five years to achieve an ending fund balance in the General Fund of 18% and Staff achieved this goal in one year. At the end of 2004, Staff projected an ending fund balance of 18.7% for the General Fund. Increased

revenues were amended at \$129 million versus \$107.9 million budgeted. The expenditures were estimated at \$121 million. The success of this achievement was because some staffing positions were eliminated and the City ended the mid-year budget process. Previously, if revenues exceeded what were anticipated, Staff would return to Council with a mid-year budget to augment the approved budget.

**Fiscal 2005 General Fund - Where the Money Comes From**

- 50% Intergovernmental; Consolidated Tax or Payment in Lieu of Taxes (PILT)
- 22% Licenses and Permits
- 11% Charges for Services
- 10% Property Taxes
- 4% Fines and Forfeits
- 3% Miscellaneous

**General Fund Revenue - \$139.1 Million**

- Revenues Increased by \$10.1 million, or a 7.9% increase

Variances are the Result of:

1. Consolidated Taxes	\$ 3.0 million
2. New PILT Technology	\$ 2.6 million
3. Taxes	\$ 2.1 million
4. Franchise Fees	\$ 1.0 million
5. Charges for Services, Misc.	\$ 0.7 million
6. Licenses, Permits, Fines	\$ 0.4 million
7. Intergovernmental	\$ 0.3 million
	<u>\$10.1 million</u>

**General Fund Expenditures - \$139.1 Million**

- Appropriations Increased by \$18.6 million

Variances are the Result of Increases In:

1. Salaries and Benefits	\$ 7.7 million
2. New Personnel	\$ 2.2 million
3. Increase in Self-Insurance Liability	\$ 1.2 million
4. Transfers	\$ 1.8 million
5. Non-Discretionary Accounts	\$ 1.1 million
6. Capital Outlay	\$ 1.0 million
7. Services and Supplies	\$ 3.6 million
	<u>\$ 18.6 million</u>

### **Expenditure Growth by Function**

- Expenditure Growth Over Fiscal 2004:
    1. Public Safety \$ 9.4 million
    2. General Government \$ 4.1 million
    3. Transfers to Other Funds \$ 1.8 million
    4. Public Works \$ 1.1 million
    5. Judicial \$ 1.0 million
    6. Culture and Recreation \$ 0.8 million
    7. Other \$ 0.4 million
- \$18.6 million

### **General Fund Expenditure Comparisons - Fiscal 2004 vs 2005**

A comparison of the General Fund Expenditures to the levels in 2004 indicated each designated area increased, particularly Public Safety.

### **General Fund Balance - Fiscal 1998 to 2005**

A review of General Fund balances over the past few years revealed that 2001 had a 19.1% fund balance. Fund balances fell in FY 2002/2003 and increased in 2004 to 18.7%. Based upon Council's policy, 18% would be proposed for 2005.

### **General Fund Summary - Proposed Fiscal 2005 Budget**

- Revenues = \$139.1 Million, a 7.9% increase
- Assessed Valuation Increased by 21.4%
- Expenditures = \$139.1 Million, a 13.1% increase
- Fund Balance Projected at 18% of Expenditures
- Transfers

The City Manager proposed a Municipal Facilities Fund be created in the amount of \$1 million dollars. These funds would be set aside to purchase strategic pieces of property and/or for the construction of other facilities.

The Self-Insurance Fund was under-funded for a period of time and it was necessary to strengthen it. Some funds were moved from the Self-Insurance Fund to off-set issues with the General Fund a couple of years ago, and Staff attempted to make that correction. The City Manager proposed \$500,000 be transferred to the Self-Insurance Fund.

### **General Fund Summary, continued**

The City Manager recommended a \$2 million transfer in FY 2003-2004 Budget to the Vehicle Replacement Fund, and Staff currently did not have a firm figure for the actual amount to be transferred to that fund for the entire City.

Public Works Director Jim Bell and Assistant Director of Fleet Operations Ray Burke would be charged with establishing a program for the entire City that reflected estimates to be set aside for a department's fleet. The City Manager recommended \$150,000 be allocated to the Fiscal Year 2005 Vehicle Replacement Fund.

The City Manager considered this to be a very lean budget year with a heavy focus on capital equipment and a lighter focus on personnel. Fiscal Year 2005/2006 had \$10 million available for appropriations and was also anticipated to be lean year. A heavy emphasis was placed on capital equipment and automation and a lesser emphasis on personnel.

### **Fund 268 - Street Maintenance, Parks and Fire**

- Revenues Increased by \$5.9 million, a 31.6% increase
- Street Maintenance Expenditures (\$4.8 million)
  1. Street Rehabilitation Program (\$2.8 million)
  2. Ann Road/Decatur Boulevard (\$.7 million)
  3. Martin Luther King Boulevard, Phase II (\$.5 million)
- Parks Expenditures (\$2.0 million)
  1. Civic Center Landscaping (\$1.0 million)
  2. Borris Terrace/Tonopah/Herbert Park Improvement (\$.5 million)
  3. Multi-Generational Center Feasibility (\$.1 million)

The Multi-Generational Center was an item the City Manager would return to Council when the final budget was presented. One hundred thousand dollars (\$100,000) was requested to allow Staff to conduct a study for teen centers. A recreation supervisor would be requested as it was Staff's recommendation additional activities for children and teens were needed.

Staff recommended in Fiscal Year 2006/2007 a bond project be initiated to include the Multi-Generational Facility or the Senior Center, and a couple of fire stations.

### **Fund 0287 - Public Safety Tax**

- Revenues Increased by \$18.4 million, a 20.1% increase
- Fund Balance is 5% of Expenditures
- Expenditures:
  1. Safe Streets: \$5.7 million
  2. Police: \$9.9 million
  3. Detention: \$3.7 million
- Supplementals Include:
  1. Police Vehicles \$1.8 million
  2. Police Headquarters Duct Work \$300,000
  3. Mobile Data & Laptop Support \$195,000

Funds were contributed to upgrade the fleet for Police. A program was established to turn vehicles over every three years if warranted by mileage. Chief Paresi did not want to incur problems with patrol cars when responding to a call or traveling to the scene of an accident.

### **Utility Funds - \$83.8 Million**

- Utility Funds Are Two Separate Funds:
  - Water and Sewer Fund
- Utility Budgets Differ From Generally Accepted Accounting Principles
- All Expenses are Budgeted and Adjustments are Made at Year-End to Capitalize and Depreciate Assets

### **Water Fund Summary**

- Revenues = \$47.5 million, a 0.7% Net increase
- Water Rate Revenue Increased by \$3.4 million, or 10% Due to Rate Increases

### **Water Fund - \$56.2 Million**

- Water Budget Increased by \$8.5 million, or 20.8%
- P.I.L.T. Includes New Methodology
- Supplementals Include:
  1. Increase in Wholesale Water Cost (\$2.1 million)
  2. Capital Outlay and Capital Projects (\$6.7 million)

### **Water Fund, continued**

The City of Las Vegas recently announced a 40% rate increase over a two year period for their sewer treatment, impacting the City of North Las Vegas. The City had the necessary Utility funds to absorb those costs without imposing an increased rate to the taxpayers. The Unrestricted Fund balance was \$20.8 million.

### **Sewer Fund Summary**

- Revenues = \$25.2 million, a 26.2% Net increase
- Sewer Rate Revenues Increased by \$4.6 million or 37.4% Due to Rate Increases

### **Sewer Fund - \$27.7 million**

- Budget Increased by \$9.6 Million Due to the Following Factors:
  1. New Allocation Formula for Salaries, Benefits and Supplies and Services
  2. Debt Service Now Allocated to Sewer Fund
  3. P.I.L.T. Includes New Methodology
  4. Supplementals Include \$5.4 million in Capital Outlay and Capital Projects

### **Sewer Fund Statement of Unrestricted Net Assets Projected for Fiscal Year 2005**

- Balance of the Sewer Fund approximately \$19.7 million

### **Golf Course Fund**

The Golf Course Fund revenues were \$595,000; Operating expenditures were \$685,400, and this fund was under stress. Parks and Recreation Director Mike Henley was charged with bringing this fund into balance. City Manager Rose stated significant challenges called for significant changes.

### **Self-Insurance Fund**

The Self-Insurance Fund was under funded and affected the City's ability to become self-insured.

•	Beginning Fund Balance	\$ 946,400
•	Total Revenues	\$7,495,100
•	Total Expenditures	<u>\$6,014,300</u>
•	Ending Fund Balance	\$2,427,200

### **Debt Service Fund**

•	Beginning Fund Balance	\$3,528,700
•	Total Revenues	\$2,613,000
•	Total Transfers	\$4,299,600
•	Total Expenditures	<u>\$6,936,400</u>
•	Ending Fund Balance	\$3,504,900

## **Departmental Budget Summaries**

### **JUDICIAL**

#### **City Attorney Highlights - \$2,385,600**

- Budget Increased by \$277,500, or 13.1%
- Supplemental Requests of \$224,200 Include Four Additional Positions
  1. Two Attorneys, Criminal Division
  2. One Attorney, Civil Division
  3. One Legal Assistant

#### **Municipal Court Highlights - \$7,318,000**

- Operating Budget Increased by \$1.6 million, or 28.6%
- Capital Projects Include \$9.6 million for the Justice Center
- Supplementals Include:
  1. Two Bailiffs (\$116,900)
  2. Two Court Clerks (\$47,400)

**Municipal Court Highlights, continued**

3. Judge (\$78,900)
4. Operations and Maintenance on New Justice Center (\$260,000)
5. Increase in Professional Fees for Temporary Employees (\$144,000)

**PUBLIC SAFETY**

City Manager Rose advised the final draft would be presented to Council and stated this budget would move North Las Vegas toward becoming the safest place on earth.

**Police Highlights - \$46,812,000**

- Budget Increased by \$9.4 million, or 25.1%
- 31.75 Additional Uniformed and Support Positions in the Police Department (\$1.6 million); 15 Positions Funded by the COPS Grant
- Eliminated 10 Part-Time Positions. Previously, officers performed administrative functions. The objective was to increase administrative personnel and return officers to the street.
- 19 Positions Approved in Fiscal Year 2004 to Staff Northwest Area Command (Deferred to 2005)
- \$1.8 million in New and Replacement Vehicles
- Other Supplemental Requests (\$1.4 million)
  1. Operations and Maintenance for the Washburn Facility (\$361,300)
  2. Furniture, Fixtures and Equipment for Washburn Facility (\$350,000)
  3. Mobile Data and Laptop Support (\$195,000)
  4. Other Supplementals (\$495,900)
- Capital Projects Include:
  1. Communications Dispatch Rehab (\$540,000)
  2. Completion of Washburn Facility (\$100,000)
  3. Headquarters Air Duct Replacement (\$300,000 Building Maintenance Budget)

**Detention Highlights - \$26,019,100**

- Budget Increased by \$2.1 million, or 8.6%
- Supplementals Include:
  1. New Jail Management System Software (\$780,000)
  2. Kitchen Supplies, Medical Contract, Puncture-Proof Vests (\$147,600)

The City Manager recommended staff and salaries not be expanded at the Detention Center at this time. The City averaged 750 inmates with a capacity to hold 850 inmates. When the inmate population increased, staffing needs would be addressed through use of overtime, as previously done. A detailed report was submitted to Council explaining this recommendation.

### **Fire Highlights - \$20,065,800**

- Budget Increased by \$2.6 million, or 15.0%
- Approximately 20 Additional Firefighters will staff Fire Station No. 56 in April, 2004. A portion of their salaries was considered in this fiscal year's budget and the full burden would be realized in FY 2005/2006.
- Supplementals Include:
  1. Unit 038 Apparatus Replacement (\$400,000)
  2. Operations and Maintenance Fire Station No. 56 (\$310,300)
  3. Fire Alarm Office Dispatch System (\$106,700)

## **GENERAL GOVERNMENT/DEVELOPMENT SERVICES**

### **Planning and Zoning Highlights - \$2,103,700**

- Budget Increased by \$380,300, or 22.7%
- Supplementals Include:
  1. Two Planners (\$138,200)
  2. Comprehensive Plan (\$105,000)
  3. Increase in Advertising Budget (\$35,000)

**Community Development Highlights - \$13,273,500**

- Budget Increased by \$2.9 million, or 27.6%
- Supplementals Include:
  1. \$69,100 for Community Services Analyst
  2. \$569,000 in Engineering Costs for Grants - Housing Program
  3. Redevelopment Fund Will be Presented on May 19 with Final Budget

**Parks and Recreation Highlights - \$11,700,400**

- Operating Budget Increased by \$1.5 million, or \$14.9%
- Supplementals Include:
  1. Recreation Supervisor (\$71,700)
  2. Maintenance Worker, Jan. 05 (\$25,200)
  3. Safekey Personnel (\$29,400)
  4. Operations and Maintenance on Simmons/Gowan Park and the Las Vegas Wash Trails (\$250,400)
  5. Taste 'n Tunes (\$99,500)
- Capital Projects
  1. Lower Las Vegas Detention Basin Park (\$2.9 million)
  2. Simmons/Gowan Park (\$2.8 million)
  3. Civic Center Landscape (\$1.0 million)
  4. Other Park Improvements (\$1.9 million)

**Public Works Highlights - \$28,644,800**

- Operating Budget Increased by \$2.6 million, or 10.1%
- Supplementals Include:
  1. Six Additional Positions (\$377,100)
  2. Two Street Sweepers (\$350,000)
  3. Motor Equipment Division (\$173,000)
  4. Aerial Lift Truck (\$95,000)
  5. Four Pick-Up Trucks (\$117,500)
- Capital Projects Budget = \$91,122,300
  1. Flood Control Projects: \$35,148,500
  2. Transportation Projects: \$55,973,800

**Utility Department Highlights - \$92,201,500**

- Water: \$56.2 million
- Sewer: \$27.7 million
- Aliante Water Improvements: \$8.3 million

### **Water Fund Highlights**

- Capital Projects Include:
  1. Ann Road Improvements (\$684,400)
  2. Automatic Meter Reading (\$2 million)
  3. Moccasin Road Reservoir (\$2 million)
  4. Water System Bolstering (\$650,000)
  5. Carlton No. 2 Reservoir Repainting (\$500,000)
  6. Waterline Oversizing and Other Improvements (\$879,000)

### **Sewer Fund Highlights:**

- Capital Projects Include:
  1. Wastewater Reclamation Facility Design (\$2.4 million)
  2. Sewer Metering Station (\$714,000)
  3. Cheyenne/Commerce, Donovan Way/Alexander and Ann Road Sewer Lines (\$1.5 million)
  4. Sewer Line Oversizing/Other Improvements (\$470,000)

### **Library District Highlights - \$2,137,900**

- Budget Increased by \$385,800, or 22%
- Supplementals Include:
  1. Aliante Library Design (\$310,000)
  2. Contingency Reserve (\$10,000)
  3. Master Plan Study (\$30,000)

Councilwoman Smith asked if funding came from the Library budget or City funds. City Manager Rose confirmed funding came from the Library District.

## **SUPPORT SERVICES**

**Strategic Planning Highlights - \$3,889,400**

- Budget Increased by \$528,250, or 15.7%
- Budget Now Includes Building Maintenance and Janitorial
- Supplementals Include:
  1. Part-Time Office Assistant (\$23,700)
  2. Overtime, Supply and Services Increases to Janitorial and Building Maintenance (\$48,900)
  3. Replacement Vehicle (\$28,800)
- Capital Projects Include:
  1. City Hall Campus Remodel (\$270,000)
  2. Air Duct Replacement at the Police Department (\$300,000)
  3. Electrical Upgrades at Central Garage (\$20,000)

The City Manager would ask the department be renamed sometime in the future as it was one that provided internal services.

**Human Resources Highlights - \$1,876,800**

- Budget Increased by \$142,900, or 8.2%
- \$50,000 in Advertising Costs Moved from General Expenses
- Supplementals Include:
  1. Customer Service Training and Media Relations Class (\$37,500)

**Finance Highlights - \$2,908,300**

- Budget Increased by \$300,200, or 11.5%
- Supplementals include 1.5 new positions (\$158,300)
  1. Financial Applications Administrator (\$92,200)
  2. Part-Time File Clerk, (\$17,700) (Replaces Temporary Position)
  3. Publications Budget (\$20,000)

**City Clerk Highlights - \$1,398,800**

- Budget Increased by \$499,400, or 55.5%
- Supplementals Include:
  1. Election costs, Spanish Translations (\$250,000)
  2. Building Permit Archive Project (\$154,500)
  3. Increases to Advertising Budget (\$45,000)

**Information Technology Highlights - \$5,464,400**

- Budget Increased by \$947,900, or 21%
- Over \$1.5 million in Supplementals:
  1. E-mail Administrator (\$78,800)
  2. Contract for Oracle/Database Developer (\$135,000)
  3. Oracle Software Upgrades (\$367,700)
  4. Hardware Replacement (\$236,800)

## **CITY MANAGEMENT**

### **City Manager Highlights - \$1,827,600**

- Budget Increased by \$495,250, or 37.2%
- \$380,000 Moved from Other Divisions, Including Triage Funding, Newsletter and Federal Lobbyist
- Supplementals Include:
  1. Consortium Tax Consultant (\$38,500)
  2. Homeless Initiative Support (\$7,000)
  3. City's Share of Nevada Commission on Ethics (\$3,600)

This budget included \$2,000 for the City Manager to hold public information meetings, which may or may not occur, and is based on the number of Town Hall Meetings.

### **Budget Highlights**

- Proposed Revenues = \$356.3 million, an increase of \$61.6 million, or 20.9%
- Proposed Appropriations = \$399.1 million an increase of \$70.1 million, or 21.3%
- Property Tax Rate Maintained at \$1.2037
- 70.9 Additional Positions, 49.7 in Public Safety
- General Fund Balance Projected at 18%

Mayor Montandon stated this was one of the better budget presentations to Council. He looked forward to developments in planning and engineering associated with the City's water reclamation project and the savings it would generate. Mayor Montandon supported the transfer of funds into the City Manager's Office to better track the homeless programs.

Councilwoman Smith thanked Staff for their presentation and conveyed they had done a good job prioritizing and allocating funds.

### **Budget Highlights, continued**

Mayor Montandon referred to City Manager Rose's earlier comment regarding hitting the target of an 18% Ending Fund Balance within one year, rather than within five years. He credited the City Manager and Staff for attaining that goal and added it was a combination of increased revenues and the City Manager's hard work.

City Manager Rose acknowledged Staff for the effort they put forth toward the budget process. He noted a number of changes occurred this year and the final document would be more understandable and readable for Council and the Public.

## **PUBLIC FORUM**

There was no public participation.

## **ADJOURNMENT**

The meeting adjourned at 5:30 p.m.

**ACTION:** APPROVED

**MOTION:** Mayor Montandon

**SECOND:** Councilwoman Smith

**AYES:** Mayor Montandon, Council Members Smith, Buck and Eliason

**NAYS:** None

**ABSTAIN:** None

**APPROVED: May 19, 2004**

/s/ Michael L. Montandon  
Mayor Michael L. Montandon

Attest:

/s/ Karen L. Storms  
Karen L. Storms CMC, City Clerk