

**CITY OF NORTH LAS VEGAS
SPECIAL CITY COUNCIL MEETING MINUTES**

March 21, 2007

CALL TO ORDER: 4:33 P.M.

ROLL CALL

COUNCIL PRESENT:

Mayor Montandon
Mayor Pro Tempore Robinson
Councilwoman Smith
Councilwoman Buck
Councilman Eliason

STAFF PRESENT:

City Manager Gregory Rose
Assistant City Manager Samuel Chambers
Assistant City Manager Maryann Ustick
City Attorney Carie Torrence
City Clerk Karen Storms
Communications Director Brenda Fischer
Economic Development Director Mike Majewski
Finance Director Phil Stoeckinger
Fire Chief Al Gillespie
General Services Director Eric Dabney
Human Resources Director Joyce Lira
Information Technology Director Steve Chapin
Legislative Affairs Officer Kimberly McDonald
Acting Library Director Kathy Pennell
Parks and Recreation Director Mike Henley
Planning and Zoning Director Jory Stewart
Assistant Police Chief Joseph Forti
Assistant Police Chief Joseph Chronister
Public Works Director Majed Al Chafry
Utilities Director David Bereskin
Planning and Zoning Manager Marc Jordan
Redevelopment Manager Larry Bender
Senior Asst to the City Manager Kenny Young
Chief Deputy City Clerk Anita Sheldon

VERIFICATION:

Karen L. Storms, CMC
City Clerk

BUSINESS:

1. WORKSHOP ON THE 2007-2008 TENTATIVE BUDGET.

City Manager Rose, presented the proposed 2007-2008 budget, and stated that two years ago the City of North Las Vegas was at the height of growth in the housing market and that during that time Staff had recommended to strengthen the reserve funds in preparation for a decline in the economy. In comparison to last year, the City's building permits were down approximately 40%. This meant, in addition to the lost revenue, Staff performing some of the development related jobs were not as busy as they had been in the past. Because the City was a financially strong organization, the 2007-2008 budget proposed to maintain the current staffing levels to the development related departments. The budget proposed to use \$6.5 million from the capital reserve fund to cover the cost of some of the supplemental requests. Although the City was well positioned for this down turn of the economy, and if it did not rebound, Staff would restructure the organization in 2008-2009 for the protracted declining economy.

Finance Director Phil Stoeckinger gave a brief statement regarding the proposed budget and introduced Mr. Jeremy Aguero from Applied Analysis, who provided a presentation and overview of the analysis for a 10-year projection for general fund revenues for the City.

City Manager Rose stated that this budget proposed to enhance service levels primarily in the public safety area and to maintain service levels in all other areas. This budget achieved improvements in public safety service delivery capability in new parks and park improvements, provided funding for the design and construction of the library at Alexander Road and Martin Luther King Boulevard, decreased the property tax rate by half cent, and continued the 18% fund balance for general fund, which Staff strongly encouraged Council to maintain. City Manager Rose stated that the proposed budget revenues by source-all funds was \$674.9 million, with expenditures at the exact same amount.

City Manager Rose stated that in finishing out 2006-07, CTAX was less than what was anticipated, at \$6 million less than what was budgeted, which was a 0.3% decline from the prior year through December; however it may go up by slightly less than 1% by the end of 2006-07. Also building permit revenues were projected to decrease by 44%. Mayor Montandon asked if the City was making their own CTAX projections instead of or in addition to the State. City Manager Rose responded that the City did some modeling, but what was proposed in the 2007-08 budget was consistent with what the State had provided to the City. Finance Director Stoeckinger, also responded to Mayor Montandon's question, and stated that over the last five years, the Department of Taxation had historically averaged between 4-12% less than actuals, and one of the things the City had done for 2006-07 was look at the University of Nevada Las Vegas Center of Business and Economy Research to see what they had forecasted, and took an average of those two. This year Staff engaged the services of Jeremy Aguero, obtained information from the Department of Taxation and took the lesser percentage.

City Manager Rose further reported that mid year some cost saving changes were instituted, which included shifting some capital projects from general fund to tax overrides in the amount of \$1.4 million, plus a hiring freeze of all non-public safety positions, performed a 7% reduction in each department, and eliminated encumbrances to rollovers. In the fiscal year 2007-2008

general projections, Staff would continue to maintain an 18% fund balance with hiring freezes and budget cuts, amend revenues projected at \$191 million, and estimated expenditures at \$185.7 million. Also, for fiscal year 2007-2008 the anticipated revenues were \$204.2 million, an increase of 3.6%, which included a one time transfer of \$6.5 million capital reserves, property tax growth was estimated to be 17.6%, and CTAX was estimated to increase by approximately 8.9%.

City Manager Rose also reported that under Supplemental Positions, a total of 259 positions were requested, and that Staff was recommending approval of 102.5 positions, with most of those positions being in public safety, and the other positions distributed under Judicial, Utilities, General Government, Recreation, and community support. The City Manager provided a brief overview of the funding sources for the respective positions, and stated that it was important to note that for the general fund for non public safety positions, Staff was only recommending 10.5 positions at an estimate of \$700,000.

An overview of the following Other Fund Summaries was presented: Street Maintenance, Parks and Fire Capital Fund, with a revenue increase of 9.0% to \$12.4 million; debt service - Fire Station/Multi-Gen Facility at \$4 million, Street Maintenance expenditures at \$9.7 million, Parks expenditures at \$1.5 million, and Fire expenditures at \$1.5 million. Under Public Safety Tax/Safe Streets Fund, the revenues increased by 9% to \$32.6 million, and the expenditures increased by 15.8% to \$33.2 million.

Assistant Police Chief Forti addressed Council to explain the EARR Program and the Employee Assistance Resources Representative Coordinator position under their staffing supplementals. Mayor Montandon requested clarification on the cost for ten police officers by February 2008 and the cost of one canine officer for the same time period. City Manager Rose responded that capital equipment was included in this cost, and it also included the canine. The Mayor also asked if the one lieutenant position at \$224,000 for one year included benefits, in which City Manager Rose responded that it included benefits, as well as capital for vehicles, desks and computers.

Under the Other Fund Summaries account, City Manager Rose reported that in Fund 0288 "More Cops" program, which was approved by the State Legislature, projected revenues were at \$9.5 million with projected expenditures at \$10.7 million. The City Manager added that in the next fiscal year Staff intended to hire 30 officers and purchase related equipment, and for the three year total 105 officers would be hired.

City Manager Rose continued his overview on the Enterprise Funds, Water, Wastewater, Golf, and the Water Fund Revenues and expenses. The City Manager stated that under the Wastewater Fund expenses there was an appropriation increase of \$10.4 million, and much of that had to do with the debt service part of the reclamation facility. Mayor Montandon requested that each of the previous three categories, especially the expense side, be listed without the depreciation.

City Manager Rose then reported on the Departmental Budget Summaries; and indicated that the budget for the Municipal Court increased by \$1.4 million, which included \$43,900 in overtime. Mayor Pro Tempore Robinson asked the purpose for the overtime. Municipal Court Administrator Debbie Miller responded that the increase in overtime was due to the marshals,

which was not included when the positions were approved, so the existing overtime budget would not be sufficient to cover overtime for the marshals. Mayor Pro Tempore Robinson then asked, on average, how much overtime the marshals got. Municipal Court Administrator Miller responded that the City currently utilized more of the overtime until all of them were on board, and that the marshals had been used to help out with the Council meetings and various other projects. Also, Staff was attempting to reduce the cost by re-arranging some schedules and using reserve marshals.

City Manager Rose reported on the highlights of the Fire Department budget, which included adding 16 firefighters and equipment for Rescue 54 and eight firefighters for Rescue 56. Council was reminded that in the past the City primarily used overtime to cover the rescues and often they had to be put out of service, which gave the wrong impression to the public. He added that in 2006/2007 the City began to staff more units and did a phase-in of two units this year and two units were being proposed for next year. Mayor Pro Tempore Robinson asked the justification of the \$456,900 budgeted overtime for the fire department. City Manager Rose responded that until the department is fully staffed in all positions, overtime would continue to be used, and this was one of the reasons Staff was recommending that the City hire the additional personnel so that overtime could be reduced. He added that during the hiring process, staffing of the vehicles with trained firefighters would continue. Fire Chief Al Gillespie addressed Council adding that this issue had been a long term problem for the department. The Chief added that the department did not have a good analysis for a number of years, and as they began to bring the service to a level where they would like to have it, the department would continue to have an overtime budget that would remain a burden. Also, the department had a number of positions that would continue to be funded through overtime to fill in the numbers that were already on board. Further, the department would continue to have a gap in the number of people that were needed in the system, which would be reflected in some of the upcoming management studies that have been done.

In the overview of the Office of Housing and Neighborhood Services, Mayor Pro Tempore asked what the \$50,000 amount was for, and Senior Assistant to the City Manager Young responded that it was for the anticipated clean-ups, a number of specific items such as car towing, and some of the neighborhood initiatives that were anticipated the City would undertake. He stated that Staff was applying for a number of foundation grants to supplement some of the expected expenses.

In conclusion of the presentation City Manager Rose provided a brief overview of the various departments under General Government and Development Services, departments under Support Services, and offered to respond to any questions from the Council.

Mayor Montandon recognized the tremendous amount of work and effort by Staff in preparing the budget.

Councilwoman Smith stated that she did not see any increase proposed for the Ward situation as the City moved forward in that area. City Manager Rose responded that there were several positions very desirable for this particular budget, one was the Emergency Operations Manager or department director, which Staff had hoped to incorporate in this budget, but, because of fiscal restraints Staff was not able to include. The City Manager stated that if the City Council wanted to move forward with this, Staff would have to shift some things and look into reserve funds to reduce other areas.

Mayor Pro Tempore Robinson also expressed his thoughts on the Ward system, stating that this was entirely different from previous years, and that the City Manager should prepare to do some shifting to deal with this situation.

Councilwoman Buck thanked Jeremy Aguero for his report and stated that she hoped what was designed in this budget matched where Mr. Aguero was going. She asked how temporary was the command facility for \$1.8 million and what would the cost be for the permanent building. City Manager Rose responded that the funding source had not been identified for the permanent facility, so the temporary time line could be 5-10 years, and that was the reason a lot of time was being invested and why Staff was recommending that the City Council invest funding to make sure that it was a fairly good facility that could last up to that time line. The City Manager further stated that if the economy took off again, the City would be able to identify funding sources to retire the debt for this project. It depended upon what happened at the legislature, and, if the City was successful in getting additional consolidated tax.

Councilman Eliason expressed his concerns regarding temporary trailers to the northwest, which should only have lasted 5-10 years and were now long past due for removal. He stated that the City needed to find some funding to provide permanent structures. City Manager Rose responded that it would be very difficult to identify funding for permanent structures. Staff did a very good job in combing through all the revenues to make sure that the City received all the monies that were available. If the City was successful at the State Legislature, and, depending on the direction of the economy, it would be a different issue; however, because Staff did not know what would happen with CTAX, it was a great challenge. The City Manager added that, with the type of economy the City was experiencing, a buffer was needed against volatility.

ACTION: TENTATIVE BUDGET PRESENTED

2. DISCUSSION ON THE ROLE AND POWERS OF THE CITY COUNCIL.

ACTION: WITHDRAWN

PUBLIC FORUM

Dean Leavitt, 918 Dawn Valley Drive, North Las Vegas, requested that improvements be made to the Recreation Center on Bruce Street and Stanley Avenue.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 5:41 P.M.

MOTION: Mayor Pro Tempore Robinson

SECOND: Councilman Eliason

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Council Members Buck and Eliason

NAYS: None

EXCUSED: Councilwoman Smith

ABSTAIN: None

APPROVED: May 2, 2007

Mayor Michael L. Montandon

ATTEST:

Karen L. Storms, CMC
City Clerk