

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

May 20, 2008

Website - <http://www.cityofnorthlasvegas.com>

CALL TO ORDER

4:02 P.M., Council Chambers, 2200 Civic Center Drive, North Las Vegas, Nevada

ROLL CALL

COUNCIL PRESENT

Mayor Michael L. Montandon
Mayor Pro Tempore William E. Robinson
Councilwoman Stephanie S. Smith
Councilman Robert L. Eliason

EXCUSED

Councilwoman Shari Buck

STAFF PRESENT

City Manager Gregory E. Rose
Assistant City Manager Maryann Ustick
City Attorney Carie Torrence
Assistant City Clerk Anita Sheldon
Communications Director Brenda Fischer
Finance Director Phil Stoeckinger
Fire Chief Al Gillespie
General Services Director Eric Dabney
Human Resources Director Joyce Lira
Information Technology Director Steve Chapin
Library Director Kathy Pennell
Parks and Recreation Director Mike Henley
Police Chief Joseph Forti
Utilities Director David Bereskin
Finance Manager Kay Godbey
Planning Manager Marc Jordan
Deputy City Clerk Marie Purcell

WELCOME

Mayor Montandon

VERIFICATION

Anita Sheldon
Assistant City Clerk

BUSINESS

1. **CONDUCT THE PUBLIC HEARING, PURSUANT TO NRS 354.596, ON THE CITY OF NORTH LAS VEGAS TENTATIVE BUDGET, THE NORTH LAS VEGAS REDEVELOPMENT AGENCY TENTATIVE BUDGET, AND THE NORTH LAS VEGAS LIBRARY DISTRICT TENTATIVE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009.**

Mayor Montandon opened the Public Hearing.

City Manager Gregory Rose stated the proposed budget was presented to the City Council during a workshop on March 18, 2008. City Manager Rose reported there were some proposed changes which he planned to address as he gave an overview of the tentative budget.

City Manager Rose stated the tentative budget was created using the City's priorities as defined by the City Council. Several factors impacted the tentative budget. The City's population continued to grow, which increased the demand for services, The City had adopted an aggressive Capital Improvement Plan, which included \$50 million to the Parks and Recreation Department. The number of police officers had increased, which resulted in the need for additional support staff. The City had gathered surveys from residents, and the budget included action to address deficiencies identified by the survey results . The economy caused a decrease of revenue and increased demands on Code Enforcement to maintain properties. The opening of the Alexander Library required addition of staff. There were provisions to enable the City to update outdated codes more expeditiously.

The tentative budget achieved an improvement in public safety service delivery capability. Current parks were improved and new parks were opened. Five vacant positions were eliminated. Funding was provided for the design and construction of the Alexander Library. The General Fund balance was maintained at 18% and property tax rates were maintained.

City Manager Rose displayed an overview of the revenues and expenditures of the balanced budget, which totaled \$841,373,500, and detailed the changes since the budget workshop. Revenues were adjusted by \$26,419,500 due to increased property taxes and increased utility revenues, which were a result of bond proceeds and a decrease in interest. There was a decrease in prisoner board revenues which was most likely due to a flaw in calculation. Capital projects revenues and several other factors contributed to an increase in revenues.

Expenditures were adjusted by \$10,477,846. Contributing factors included new SID debt services and an increase in the Lied Animal Shelter contract which was not known at the time of the workshop. Some Capital Improvement Plan (CIP) projects had been moved to Fiscal Year (FY) 2008, preliminary utility expenditures had been adjusted, and other miscellaneous adjustments were made. Regarding the changes to utilities, City Manager Rose stated capital, payment in lieu of taxes, salaries and operating costs increased.

There were changes to the budget that were not included in the budget book. The Justice Court Facility was redesigned to house the City's attorneys, funded by the City Hall Remodel Fund, which was funded by a one cent property tax. In addition, a vacant Combo Inspector position was deleted since the workshop.

City Manager Rose stated expenditures exceeded revenues, but the 18% General Fund balance was maintained. To achieve the General Fund balance, some adjustments for 2009/2010 had to be considered if the economy did not improve. There were 70 positions proposed in the 2008/2009 budget. Mayor Pro Tempore Robinson asked how many of the positions were non-public safety positions. City Manager Rose responded 33 were non-public safety positions. City Manager Rose further explained the Deputy City Attorney and Paralegal positions were support positions for the Police, the Senior Office Assistant supported City Council and CityTrak. The Internal Auditor was expected to result in a cost savings of over \$500,000 in one year. The Business License Supervisor assisted with updating codes in a timely manner. The HRIS Representative replaced a temporary employee to better service internal and external customers. The Court Clerk and Senior Office Assistant positions supported the Police Department. Council had been briefed previously on the Federal Programs Supervisor position. The additional Parks and Recreation positions increased crews and supervision for expanded Parks and Recreation services. The Management Analyst supported the Capital Improvement Programs in the Parks Department. The Municipal Court Clerk supported the Police. A Deputy Director was needed in Utilities to oversee, operate and maintain the new water reclamation program. The Pretreatment Inspector was authorized in the Capital Improvement Program.

A Customer Service Specialist was needed to increase the number of service calls the Utility Department accommodated. Twelve employees plus a Cataloger were needed to staff the Alexander Library and were to be hired shortly before the Library opened. The Library District Budget and Redevelopment Agency Budget were unchanged since the workshop.

City Manager Rose recommended adoption of the proposed Fiscal Year 2008/2009 Budget of \$841,373,500.

Mayor Montandon asked how the 18% fund balance was maintained when \$10 million more was spent from the General Fund. He asked what the original ending Fund balance was. City Manager Rose replied funds were transferred from various funds that had excess balances, such as the self-insurance fund, municipal facilities fund and vacancy savings. In addition, five vacant positions were deleted. Finance Director Phil Stoeckinger explained the ending fund balance at the beginning of the fiscal year was 20.2 percent, which was slightly over \$43 million.

Mayor Pro Tempore Robinson stated he only supported Fire and Police Department positions and intended to vote against adoption of the proposed budget. He felt taxpayers were already overburdened. City Manager Rose responded Council had the right to delete the other positions, but his recommendation was to add the staff necessary to support the Police and Fire Departments for them to function effectively. Mayor Montandon added all the positions included in the proposed budget were derived directly from decisions which were made by the City Council. Councilman Eliason suggested the budget could be augmented later for expenditures such as the Library when it opened later in the fiscal year, but he did not support the budget aside from public safety positions at this time due to the economic climate.

City Manager Rose stated police officers had been hired over the last three years which created a need for additional support staff. Councilwoman Smith stated promises were made to taxpayers. Taxes had been collected, police officers were hired, arrests were made, and additional support staff was part of the public safety system. The new Library needed to be staffed and funding should be included in the projected budget of the fiscal year.

City Manager Rose stated the 18% fund balance was due in part to the implementation of Council's policies, and the City was financially sound. City Manager Rose acknowledged adjustments needed to be made the following fiscal year if the economy continued to decline. In the event that the economy continued to decline, at the workshop the City Manager had presented some adjustments the City could implement in the next fiscal year if warranted. However, it was not necessary to do so at this time. The City was financially sound through the coming fiscal year and the City Manager recommended adoption of the proposed budget as affordable, reasonable and necessary.

Councilwoman Smith added increased demands on Code Enforcement also required additional staff to serve the public.

Mayor Montandon asked Mayor Pro Tempore Robinson and Councilman Eliason why they supported public safety, but not public safety support staff. Mayor Pro Tempore Robinson said he felt public safety could operate with the current support staff for another year. He felt public safety positions were more important than a position in Utilities, for example. Mayor Montandon stated the Utilities position was necessary and there would be problems if it was not filled. Mayor Pro Tempore Robinson countered the water reclamation facility was not built yet. He said residents needed relief from additional costs and his position against adoption of the proposed budget as presented was firm.

Councilwoman Smith stated people paid taxes to the City for services from the City. Not adopting the budget did not give residents financial relief. She stated the City had collected taxes to provide services to the community and needed to follow through with providing the services. She felt the proposed support staff positions were necessary and beneficial to the City and the community, and customer service would decline if Council did not approve the additional staff.

Mayor Pro Tempore Robinson stated costs were rising and the City had the highest taxes locally. Mayor Montandon stated the only ways they could provide relief to residents were to cut staff and reduce property taxes. He stated for Council to withhold expenses from the budget and leave them in the fund balance for use later in the year was not budgeting and was deceptive. Council had to budget for known upcoming expenses. Councilwoman Smith said it was not good planning to give some small relief now when the City was financially sound, such as issuing rebates, only to wind up in a bad position later if the economy lagged. Mayor Pro Tempore Robinson said they would then need to lay off some of the City's staff. Councilwoman Smith said that action increased unemployment levels and worsened a failing economy, and created greater need for citizens.

Mayor Montandon said a budget had to be approved. Either they approved the proposed budget or they had to create another one. He could not allow a budget that seemed deceptive by leaving items in the ending fund balance that Council knew would be used later in the year but did not itemize in the budget. Mayor Pro Tempore Robinson reiterated he only supported the addition of firemen and police officers. Councilman Eliason agreed. Mayor Montandon asked about the Library staff. Mayor Pro Tempore Robinson agreed to support Library staff but no others. Councilwoman Smith said they needed additional staff for the court. Mayor Montandon stated if they amended the proposed budget, they had to calculate the difference and submit a balanced budget. He and Councilwoman Smith opposed not budgeting for known expenditures. Councilwoman Smith felt if the City did not spend the difference, it should be saved for when it was needed, but not left in the ending fund balance to be used later in the fiscal year. Known expenditures needed to be accounted for in the budget.

City Attorney Torrence stated if Council did not adopt a new budget by June 1, 2008, the City had to use the budget from last year.

In response to a question from Mayor Pro Tempore Robinson, City Manager Rose stated the payment in lieu of taxes for utilities in the amount of \$41,058,300, which was based on the formula Council had adopted, could be transferred to the General Fund. Councilman Eliason said they could they could transfer less and leave the balance in the Utility Fund. Mayor Montandon did not understand how that translated to giving the public some relief. Councilman Eliason replied the bond for the wastewater treatment plan was reduced.

City Manager Rose asked for clarification of Council's direction. Mayor Pro Tempore Robinson and Councilman Eliason both stated they had advised the City Manager previously which items they would and would not support and suggested the proposed budget should have reflected their preferences. City Manager Rose responded it was his responsibility to make sure Council was fully informed and give his professional recommendations on what was beneficial for the City and ensure Council was informed of the impacts of the decisions they made. Council decided policies and the role of City government. Staff carried out Council's decisions and policies but needed clear direction from Council to do so. City Manager Rose stated his professional recommendation was for Council to approve the proposed budget which was prepared with all the information he had gathered. He had a very good record of budgeting successfully, but ultimately the decision was for Council to make and Staff would follow Council's direction.

Mayor Montandon suggested Council adjourn and reconvene in one week when Councilwoman Buck was present. City Manager Rose agreed, stating the budget was the most important decision Council made.

Councilwoman Smith said the City was financially sound because they had prepared and were well managed. The City had reserves and was in a much better position than other cities. The proposed budget still left money in reserve, so she did not understand why some Councilmembers intended to vote against it. The City continued to grow and had committed to provide services to its citizens. She did not feel the City should or needed to cut back on services at this time.

Mayor Pro Tempore Robinson commented the payment in lieu of taxes for utilities accounted for much of the City's reserves. Mayor Montandon stated that was a result of a formula Council adopted which they could elect to change if they so desired. Councilwoman Smith stated payments in lieu of taxes was routine business.

Mayor Montandon closed the Public Hearing.

ACTION: PUBLIC HEARING ADJOURNED TO MAY 27, 2008 AT 4:00 P.M.

MOTION: Mayor Montandon
SECOND: Mayor Pro Tempore Robinson
AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Councilmembers Smith and Eliason
NAYS: None
ABSENT: Councilwoman Buck
ABSTAIN: None

2. **ADOPT THE CITY OF NORTH LAS VEGAS TENTATIVE BUDGET, THE NORTH LAS VEGAS REDEVELOPMENT AGENCY TENTATIVE BUDGET, AND THE NORTH LAS VEGAS LIBRARY DISTRICT TENTATIVE BUDGET EITHER AS PRESENTED OR WITH MODIFICATION, FOR FISCAL YEAR 2008 - 2009.**

ACTION: ADJOURNED TO MAY 27, 2008 AT 4:00 P.M.

MOTION: Mayor Montandon
SECOND: Mayor Pro Tempore Robinson
AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Councilmembers Smith and Eliason
NAYS: None
ABSENT: Councilwoman Buck
ABSTAIN: None

PUBLIC FORUM

Margaret Coleman (no address given) stated the City did not need more libraries. She stated she had financial and housing difficulties and asked Council to award some of the money in the budget to her. Mayor Montandon explained the budget was not for individual people and referred her to the Office of Housing and Neighborhood Services.

Warren VanLandschoot, Chief Judge, North Las Vegas Municipal Court stated there were serious problems with the court system and public safety and asked to meet with Councilmembers for discussion.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 4:53 P.M.

MOTION: Mayor Montandon

SECOND: Councilman Eliason

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Councilmembers Smith and Eliason

NAYS: None

ABSENT: Councilwoman Buck

ABSTAIN: None

APPROVED: August 6, 2008

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

ATTEST:

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