

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 11, 1999, Budget Session
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A special meeting of the Carson City Board of Supervisors was held on Tuesday, May 11, 1999, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 6 p.m.

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| PRESENT: | Ray Masayko | Mayor |
| | Kay Bennett | Supervisor, Ward 4 |
| | Robin Williamson | Supervisor, Ward 1 |
| | Pete Livermore | Supervisor, Ward 3 |

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| STAFF PRESENT: | John Berkich | City Manager |
| | Kit Weaver | Assessor |
| | Alan Glover | Clerk-Recorder |
| | Noel Waters | District Attorney |
| | Al Kramer | Treasurer |
| | Gary Kulikowski | Internal Auditor |
| | David Heath | Finance Director |
| | William Naylor | Information Services Director |
| | Judie Fisher | Personnel Manager |
| | John Iratcabal | Purchasing Director |
| | Sally Edwards | Library Director |
| | Cheryl Adams | Deputy Purchasing Director |
| | Katherine McLaughlin | Recording Secretary |
| | (B.O.S. 5/11/99 Tape 1-0001) | |

CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 6 p.m. Roll call was taken. A quorum of the Board was present although Supervisor Plank was absent. Mayor Masayko lead the Pledge of Allegiance.

CITIZEN COMMENTS ON NON-AGENDIZED ITEMS (1-0017) - None.

PUBLIC HEARINGS CONCERNING THE FISCAL YEAR 1999-2000 BUDGET (1-0020) - Mr. Berkich and Mr. Heath began the discussion by explaining the revenue projections. Mr. Heath used computer enhanced slides to display figures representing the State Tax Department's estimated sales taxes for the last five years, the amount Carson City received, and the difficulty in projecting these figures. Carson City forecast a 2.5 percent increase for next year. State Taxation predicted 7 percent. State Economics Forum predicted 4.7 percent. Clark County's inflation factors may be impacting these estimates. Carson City is currently at 9.2 percent for the period February to-date. Previous years' experiences and justification for a conservative estimate were explained. Increased expenditures included the insurance premiums; a heart-lung court ruling for police officers which will increase the cost of Worker's Comp; and the Y2K problem. He had increased the on-going sales tax figures by \$16,000 based on the increase generated in February. The tentative budget had been based on the tax figures available in January. The Board could also reallocate \$150,000 from the Capital Facilities fund. This would increase the ongoing funding to \$256,000. The funding for Capital Facilities was explained. Discussion expressed the Board's feeling that Capital Facilities may now be overfunded as the Public Safety Complex had been constructed. Mr. Heath offered to meet with any Board member individually and explain the figures in depth. Mayor Masayko explained his reasons for feeling that the tax revenue could be increased by one or two percentage points. Mr. Berkich explained the unpredictability and violability of the sales tax figures and cited the experience which had occurred only two years ago to support using conservative figures. Discussion explained the CIP program which uses prior year savings for capital improvements. Supervisor Livermore questioned whether the current policy allows a Department to create savings within his/her budget due staffing or other changes which had occurred several years ago as the base budget is always increased by inflation. He felt that the budget should be constructed on actual expenditures rather than savings. The total CIP expenditures should be established by the Board and not internally through the current program. Mr. Berkich indicated that the Board could analyze and revise the proposed CIP expenditures at any time. This had occurred in the past. He also explained that the CIP program is impacted by

the revenue. The audit report includes a statement showing the savings generated by Department. A copy of the report is to be furnished to the Board later. Clarification indicated that the \$126,000 increase had been in on-going revenue. Supervisor Williamson requested an illustration displaying a 3-5 percent growth in revenue and a zero increase in salaries and benefits. Discussion indicated the City had never received less than a 3.5 percent increase in sales taxes. Mr. Berkich reiterated staff's reasons for having projected a zero percent growth factor in sales taxes and for adopting a conservative budget approach. Mayor Masayko then explained his support for Supervisor Livermore's comments regarding the CIP program. He felt that the annual under-estimated sales tax also provides funding for the CIP program. He questioned when the budget is "trued up" to reflect this figure. Mr. Berkich reiterated his comments concerning the need to project a conservative budget. Comments also pointed out that a 2.5 percent growth rate will not keep up with inflation. Personnel costs comprise the majority of the budget. Mayor Masayko agreed that the Board needed to conduct a workshop concerning these costs. He also indicated that as there is \$276,000 available for on-going costs/services he was willing to continue the process. He still felt that the growth factor should be 3.5 percent. Mr. Berkich pointed out that the budget included several items such as the regional juvenile facility and \$100,000 for transportation. Mayor Masayko expressed concerns over future revenue and expenditure projections and the City's ability to fund same. He urged staff to provide projections as far into the future as can be reasonably determined for the workshop. Supervisor Livermore pointed out that the ad valorem rate had not included the tax override approved by the electorate for Fire Station No. 1. This option is open and available if sales taxes drop significantly. Mayor Masayko reiterated his request that \$276,000 be made available for on-going allocation by the Board.

Discussion ensued on the Capital Improvement Program items, its funding source, the desire to workshop this program and its options, the future "emergency needs", and the possibility that these items could be acquired as part of the CIP program. Supervisor Livermore suggested that short-term financing be used to obtain some of the long-term capital improvements. The pros and cons of this approach were debated. Mr. Heath then distributed handouts to the Board and Clerk which revised the informational packet on this evening's meeting.

DISCUSSION AND POSSIBLE ACTION REGARDING THE FOLLOWING: A. INTERNAL AUDITOR (1-0728) - Gary Kulikowski; B. ASSESSOR (1-0908) - Kit Weaver; C. TREASURER (1-0960) - Al Kramer; D. INFORMATION SERVICES DIRECTOR (1-1308) - William Naylor, District Attorney Noel Waters; E. PERSONNEL (1-2114) - Judie Fisher; F. PURCHASING (1-2507) - Director John Iratcabal, Deputy Director Cheryl Adams; G. LIBRARY AND H. LIBRARY GIFT FUND (1-2618) - Director Sally Edwards, Library Board of Trustees Chairperson Bernie Sease; I. CLERK-RECORDER: i. CLERK, ii. RECORDER, iii. PUBLIC SAFETY COMPLEX, iv. ELECTIONS, v. RECORDS MANAGEMENT; AND vi. COURT CLERK (2-0156) - Clerk-Recorder Alan Glover - Staff reviewed and discussed their budget documents with the Board. Discussion included the reasons Mr. Kulikowski did not support the Grand Jury's recommendation that additional staff be added to his office. Outside contracts will be used to provide special audit services. Justification for this recommendation was provided. Discussion ensued concerning the cost-of-living adjustment and other personnel costs; the benefits of having Mr. Kulikowski's office in the vicinity of the Board's offices; the need for additional automation personnel; (1-1020) a program which allows banks to automatically pay a resident's utility bill and its cost; the cost for the investment manager which is subtracted from the interest returned; the Treasurer's inability to staff the court payment station; (1-1240) the fiscal impact of the business license revisions adopted last year and the potential need to adjust the fees this November; Information Services' personnel needs and options; (1-1829) the need for a professional website; (1-2579) the need for an envelope feeder; (1-2700) the Library personnel costs and needs in order to expand the hours it is open; (1-3380) the Library custodian's duties and the Library's use of Alternative Sentencing clients; (2-0195) the need for better Marriage License signage; (2-0245) the adequacy of the Courthouse and Election budgets; the cost to contract Election's computerized programs and the appropriateness for cost accounting Information Services services; and the use of hourly microfilm workers.

(1-1218) Mr. Kramer was requested to meet with the Courts and attempt to find a solution to the court payment station staffing problem. Supervisor Livermore requested the business license fee increase be included in the

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workshop information. (1-1605) Supervisor Williamson suggested that the SPAN program consider using \$50,000 of its allocation for personnel or contractors rather than committing its entire budget to programs/projects. Supervisor Bennett supported this approach and suggested that cost accounting be established to provide funding for Information Services. Mayor Masayko encouraged Mr. Naylor to use value engineering to determine if some services could be reduced/eliminated, etc. (1-2218) Supervisor Livermore urged Ms. Fisher to recheck her salary figures.

Supervisor Bennett placed the following items on the wish list: (1-1685) \$25,000 of one shot funds for contractual services for Information Services; (1-1690) a full-time personal computer and network support personnel for Information Services; and (1-2420) the increase for the retired employees' insurance premium. Mayor Masayko placed the following items on the wish list: (1-2455) \$5750 in on-going funding for retired employees ambulance membership program; (1-3210) the second librarian; (1-3409) \$10,000 in one shot funds for the Library custodian; and (1-3605) \$50,000 of one shot funding for library books. Supervisor Livermore placed the following items on the one shot wish list: (1-2596) the envelope feeder; and (2-0085) \$2500 in one shot funding for the Library travel and training program.

BREAK: A recess was declared at 8:23p.m. A quorum of the Board was present when Mayor Masayko reconvened the meeting at 8:35 p.m. although Supervisor Bennett did not return until 8:38 p.m. and Supervisor Plank was absent.

(1-3118) Supervisor Livermore cautioned Messrs. Berkich and Heath against giving Department Heads false hope that the Board could fund a phased staffing approach as had been suggested to the Library Board of Trustees. He was particularly concerned about this approach when the projected revenue figures fail to indicate adequate funding for such personnel. Mr. Berkich responded by explaining that the approach had been predicated upon the Library's previous personnel requests and the feeling that a phased approach could be easier to broach than such large numbers.

(1-3205) Supervisor Williamson placed one librarian on the wish list. (1-3189) Board comments encouraged the Library to place another ballot question before the electorate. (1-3210) Chairperson Sease announced the Library Foundation's fundraiser activities planned for August 20.

There being no other matters for consideration, Supervisor Livermore moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 4-0. Mayor Masayko adjourned the meeting at 9:45 p.m.

A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

The Minutes of the May 11, 1999, Carson City Board of Supervisors Budget Session

ARE SO APPROVED ON _____ August 5, 1999.

/s/
Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder