

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special May 11, 1998 Budget Meeting
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A special budget meeting of the Carson City Board of Supervisors was held on Monday, May 11, 1998 in the Community Center Sierra Room, 851 E. William St., Carson City, NV at 6:00 p.m.

PRESENT:	Ray Masayko	Mayor
	Greg Smith	Supervisor, Ward 1
	Jon Plank	Supervisor, Ward 2
	Tom Tatro	Supervisor, Ward 3
	Kay Bennett	Supervisor, Ward 4

STAFF: John Berkich, City Manager; Mary Walker, Finance Director; Dan St. John, Assistant City Manager; Jay Ahrens, Acting Utility Director; Tom Hoffert Water Superintendent; Kelvin Ikehara, Wastewater Superintendent; Ken Arnold, Environmental Control Manager; Sheila Gallegos, Utility Billing Supervisor; Charles Greer, Senior Accountant; Dave Merrill, Senior Engineer; Fran Smith, Recording Secretary - (BOS/UTIL) 5/11/98 (1-0000.5)

NOTE - Unless otherwise indicated each item was introduced by Mayor Masayko. Individuals speaking are identified following the heading of each item. 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.

- A. CALL TO ORDER** - Mayor Masayko called the meeting to order at 6:05 p.m. A roll call was taken and a quorum was present.
- B. PLEDGE OF ALLEGIANCE** - Mayor Masayko led the pledge.
- C. CITIZEN COMMENTS** - None.
- D. PUBLIC HEARINGS CONCERNING THE FISCAL YEAR 1998-99 BUDGET DISCUSSION AND POSSIBLE ACTION REGARDING THE FOLLOWING:**

Utilities Department
Ormsby Landfill
Sewer Fund
Water Fund
Golf Course Fund

Ormsby Landfill - (1-0019.5) Mr. Arnold provided details on the unfunded mandate that had to be taken care of. However, he felt there should be a significant drop in the figure next year. Ms. Walker explained the difference between the 1996-7 and the 1998-9 figures. She also talked about the post closure costs and how that item is tied in with a recommended 17 percent rate increase. She also said funds are being set aside to enable the City to pay for those costs. Supervisor Bennett felt that the Supervisors would appreciate some kind of a report providing details on the increase so that they can respond to questions from their constituencies. Supervisor Smith asked if the funds for the closure would be in a set aside account and Ms. Walker said yes. She then provided additional details on the revenue requirements. Supervisor Bennett talked about the new company taking over from Capital Sanitation and said the perception on the part of the public is that there would be a rate increase. She felt that something needs to be put out on this from a public relations standpoint so that the citizens can understand the process. Mr. Arnold agreed and said they have already started doing that. He also commented that the City needs to continually work with the public because the landfill needs to last as long as possible. Supervisor Bennett expressed a concern that people dump trash in the desert rather than take it to the landfill and that there should be some kind of public education. Mr. Arnold talked about people wanting to get rid of old appliances and said they will not be charged extra because that is part of the operator's contract. He also said the problem of people dumping toxic waste in the desert is not as bad as it had been because of the public education the department had done. Supervisor Smith talked about how the City takes every opportunity to prosecute the perpetrators. Earl

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Atkinson asked who benefits from recycled material. He also commented that the price he pays for taking a load to the dump differs each time. Mr. Arnold said the recycling market goes up and down and there can either be a gain or loss on the part of the recycling company. He added that the big benefit of recycling is saving space in the landfill. Ms. Walker explained that two years ago there had been a net profit of \$95,000 in the recycling at Capital Sanitation. She added it had come before the Board who had recommended it be put into the landfill fund to help pay for some of the post closure costs. However, she commented that last year there was a loss which is based on supply and demand. Mr. Atkinson then talked about how a landfill in Coeur d'Alene is operated and that the public is not charged anything to dump their trash. He also commented that the population of Coeur d'Alene is about the same as Carson City. Supervisor Bennett said she would like more information on how they are able to sustain not charging the public. Mr. Arnold said after the anticipated life of 17 years at the landfill that a transfer station would be the logical choice.

Sewer Fund - (1-0587.5) Mr. Ahrens said the Sewer Fund has wastewater, maintenance, and capitalization components. He noted this would be the same for the Water Fund and that there is also a Utility Billing component. Mr. Greer provided a financial overview of the fund and said it looks solid for this year and that he anticipates a one percent increase in revenue. He also said after calculating the revenues together and the estimated capital expenses there should be an excess of \$3,074,000 over the minimum required to operate the fund at the end of this fiscal year. He also expressed his feeling that there should not be a rate increase for the upcoming fiscal year.

Wastewater - (1-0695.5) Mr. Ikehara said the major increase in his budget would be the chemical line item and provided details on the materials he would be switching. He noted this is because of the increased safety where the public is concerned. He then said there would be a transfer of a senior engineer from the Water Department on a part time basis to be the in house inspector on the next expansion project. Ms. Walker said that is already in the budget. Therefore, a supplemental was not needed.

Sewer Maintenance - (1-0779.5) Mr. Arnold said there would only be a one percent increase in the budget and that the maintenance has been going well. He also talked about the environmental control program which is working well with businesses, industries, restaurants, etc.

Sewer Capitalization - (1-0915.5) Mr. Ahrens said this is funding the treatment plant expansions and improvements in odor control. He also explained what their replacement programs take care of, how they control groundwater contamination, and the impact the bypass will have on utilities. At this point Mr. Ikihara talked about a proposed de-watering facility building and provided details on how it would operate. He had a supplemental which was for a construction engineer related to that project. Ms. Walker said although this request came in late there is enough working capital to pay for it. Mayor Masayko then said since this is an enterprise fund the Board could probably approve the expenditure for the project at this meeting. Supervisor Bennett then moved to increase the funding for the sludge de-watering facility by \$266,800. Mayor Masayko seconded the motion. Mr. Ahrens explained how a contract would be negotiated with Carollo, the design engineer for the project, to have them provide services. Discussion ensued on the process involved and Mr. Merrill explained the work to be accomplished. Motion carried 5-0.

Utility Billing - (1-1375.5) Ms. Gallegos explained what some of the items would cover. However, she said a big item this year is a new computer program they will be converting to in September which will take them through the year 2000 and explained how it will provide shortcuts which should streamline the process and make it more efficient. She explained there is a nine percent overall increase in the operating cost but three percent represents costs necessary to install the new billing program. She also commented on some of the new services which will be offered to customers. She then stated she had been able to get a lower postage rate on utility bills which would save approximately \$8,000 per year.

Water Utility - (1-1535.5) Mr. Greer provided details on the projected five year income and said this fund is in good shape. He also talked about bonding for \$1,674,000 this year for capital projects. He felt after this is

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projected into the five year plan there should be funding to cover everything and that there should be approximately \$250,000 of working capital in excess of the minimum that is required.

Water Maintenance - (1-1645.5) Mr. Hoffert talked about the reduction of \$100,000 in water meter expense but also said the water maintenance capital shows an increase of \$1,000,000 to accomodate the retrofit of 4,950 meters in the coming fiscal year. He said the \$100,000 would basically make the bond payment so there would be a net effect on the budget. He noted there would be no additional employees but there is a ten percent increase in the budget because of flood related projects that are a carryover. He added these are the construction portion of Ambrosetti Pond in Douglas County and the Vicee Canyon storm water re-charge detention facility.

Water Capitalization - (1-1751.5) Mr. Hoffert talked about the additional three million gallon Ash Canyon tank to be constructed in the 1998-99 fiscal year. He added that \$75,000 would be refunded to the City by WNCC as their portion of the tank expenditure. He then said lines will be run for effluent at Governors Field and Edmonds Sports Complex and this is proposed for 1998-99. Mr. Ahrens noted that this is funded by reselling the connection fees when it is transferred to effluent. Mr. Hoffert referred to the NDOT bypass and said it would cost approximately \$1,000,000 for water facilities that would need to be replaced. However, he said at least half would be reimbursed by NDOT for re-routing of those lines. He also talked about water meters and referred to the \$1,020,000 shown of which \$20,000 would be for large meters over \$500 for new development and connections. He added that the \$1,000,000 is for bonding and that a little more than one third is to retrofit 14,000 meters to be radio read which would result in better accuracy. Therefore, this would equate to a four percent increase in revenue.

Golf Course Fund - (1-1943.5) Mr. Greer said all that remains on the City books are the land, buildings, improvements, and cash reserve for debt service. He added all they are looking at is the collection of debt service payments from the not for profit corporation which would be approximately \$638,000 to be paid this year. He noted this is on a monthly basis which would be \$60,000 per month from July through November and then \$46,000 per month for the balance of the fiscal year. He also talked about the cost of insurance which is \$40,000 per year and is handled through the City's insurance fund and the not for profit will be re-paying the City for this.

POSSIBLE ACTION ON BUDGET MATTERS PREVIOUSLY CONSIDERED AT PUBLIC HEARINGS - (1-2001.5) Mr. Berkich said an issue for the Board to decide upon is alternatives to the two man in, two man out OSHA regulations. He added that he and staff have been working with the Fire Department and their staff on the alternatives. He felt this could be agendized for discussion at the May 13 meeting. He provided the Board with copies of an executive summary which had been prepared. Supervisor Smith asked Mr. Berkich make sure the word gets out that it will be discussed at that meeting. Mr. Berkich said they have been contacting all the interested people. He added that the association will be represented as will Warren Engine Company and said any other interested parties are welcome.

There being no further business Supervisor Plank moved to adjourn. Mayor Masayko seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 8:05 p.m.

The Minutes of the May 11, 1998 special budget meeting of the Carson City Board of Supervisors

ARE SO APPROVED _____ 6/18 _____, 1998

/s/ _____
Ray Masayko, Mayor

ATTEST

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/s/ _____
Alan Glover, Clerk-Recorder