# CARSON CITY BOARD OF SUPERVISORS Minutes of the Special May 15, 1996 Budget Meeting

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A special budget meeting of the Carson City Board of Supervisors was held on Wednesday, May 15, 1996 in the Community Center Sierra Room, 851 East William Street, Carson City, NV at 6:00 p.m.

**PRESENT:** Mary Teixeira Mayor

Greg Smith Supervisor, Ward 1 Janice Ayres Supervisor, Ward 2

Tom Tatro Supervisor, Ward 3

Kay Bennett Supervisor, Ward 4

**STAFF:** John Berkich, City Manager

Mary Walker, Finance Director

Mark Forsberg, Deputy District Attorney

Fran Smith, Recording Secretary

(BOS 5/15/96 1-0000.5)

**NOTE:** Unless otherwise indicated each item was introduced by Mayor Teixeira. 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 Teixeira called the meeting to order at 6:05 p.m. A roll call was taken and a quorum was present.
- **B. PLEDGE OF ALLEGIANCE** Supervisor Tatro led the pledge.
- C. CITIZEN'S COMMENTS None.

Golf Course Advisory Committee Chairperson Chuck Byrne reconvened the Committee and reported a quorum was still present.

#### **AGENDA ITEM**

PUBLIC HEARINGS CONCERNING THE FISCAL YEAR 1996-97 BUDGET DISCUSSION AND POSSIBLE ACTION REGARDING THE FOLLOWING: GOLF COURSE - WATER UTILITY - Health, Ormsby Sanitary Landfill - Utility Billing - Wastewater - Sewer Maintenance - Sewer Capitalization - Water Maintenance - Water Capitalization

GOLF COURSE - (1-0161.5) Finance Director Mary Walker - Randy Huckenmeister, Auditor with Kafoury Armstrong - Chuck Byrne, Golf Course Advisory Committee Chairperson - Mark Sattler, Committee Member - Dave Park - Committee Member - Tom Kunkle, Maintenance Supervisor at Eagle Valley - Mike Hair, Golf Course Consultant - Bob Tobias - Charles Rosenquist - Ms. Walker said the 1995 Legislature passed a bill which requires local government to reestablish different types of funds, primarily enterprise funds. She reported she has been working with Mr. Kuckenmeister regarding what fiscal level of funding should be available to remain fiscally sound.

(1-0185.5) Ms. Walker continued by saying in the City Manager's budget message they had said they would be providing a five year projection which would reflect the revenues and rounds caused by the current and future competition. She added there was a concern with the decline in number of paid rounds at both of the courses and that a consultant had been hired to provide an analysis of the effect the new courses would have the local courses. The consultant had said on the east course there would be no effect but on the west course it would be an eight percent decline. She talked about the rate increase of sixteen percent in January 1995 which resolved some short term problems. However, it has not increased the working capital balance to a point where the impact of the competitive courses would not be as heavy and provided figures on the capital she felt would be needed to

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maintain the necessary level. It was her recommendation to continue to review the alternative organizational structures and said the proposal for the private non profit structure is attractive from a financial standpoint because it would allow the golf course to be run as a business, it would eliminate levels of management making it more efficient, decisions could be made quicker, it would provide the ability to revise the golf pro's contract, and it would allow all the course revenue to remain there to make sure the debt payments are made, improvements can be made, and operational costs are met. She also said the private non profit structure would present a competitive advantage over competition because of the profit motive the other courses would have whereas Eagle Valley would not. Mayor Teixeira then made a statement emphasizing that the taxpayers of Carson City would absolutely not be at risk.

(1-0455.5) Mr. Kuckenmeister commented he has been working with Ms. Walker's people reviewing the five year projections for revenues and cash flows, and working capital balances in order to come to a conclusion as to what should be adequate balances. He provided extensive details and said it was his recommendation that there be higher reserves for debt service such as six months or a year for principal and interest for the upcoming year to be maintained by the fund that is responsible for paying the debt service reserves. Chairperson Byrne did not agree with the extent of the reserves outlined. He noted there might be disruption of the revenue stream as a result of competition but did not personally believe the competition will be as strong as predicted and explained his reasons for feeling that way. Supervisor Smith referred to the projections made and had a concern that the value of Eagle Value has to be maximized in order to avoid having to sell it, lease it, or infuse taxpayer dollars.

(1-0757.5) Supervisor Ayres felt the not for profit idea is attractive although she did not feel the course would be in trouble in the near future and wanted to go on record that she could not equate Eagle Valley's situation with the problems of other courses mentioned in discussions. Mayor Teixeira said the not for profit idea has been proven to work in other municipalities. He also commented that the course needs to be affordable for the local residents and at the same time protect the bottom line. Mr. Rosenquist had a concern with the projected decrease in number of rounds. He also asked if anyone is aware of what the two new courses will be charging for a round. Mayor Teixeira said he had seen the figure of \$29.00 with cart advertised by Empire Ranch. Mr. Sattler commented he did not believe the Las Vegas Paving course would be public. Mr. Rosenquist said he would like to see literature on the not for profit proposal. Mr. Berkich said this will be discussed at the special golf meeting on May 29 and at a workshop with the author on June 8. He also said the author, Lynnie Cook, had told him the process to implement the program would take six to eight months. Supervisor Bennett suggested using some outside counsel on the proposal because, with no disrespect to the District Attorney's office who are versed in civil law, other counsels would perhaps have experience with the not for profit idea. Mr. Berkich said he is working on that now. She complimented Ms. Walker on the way she had presented unwelcome news to the Board. Mayor Teixeira said all he wanted was to do what is best for Carson City.

Supervisor Bennett left the meeting at 7:05 p.m. A quorum was still present.

(1-1037.5) Mr. Berkich said Mr. Kunkle had developed the expense and capital portion of the budget. Mr. Kunkle said this was the first time the budget had been divided into three sections. Those were administration, operations, and maintenance. He provided figures and comments on how these had been ascertained and Mr. Hair said they had worked together to develop this budget. Mr. Kunkle next talked about each of these and detailed what their goals and objectives are. Mr. Tobias expressed his feeling that the Board and City staff do not know how to run the golf course. He had a concern that Mr. Kunkle had prepared a budget and that Mr. Bushman had not been brought into the process. He also had a concern with the 71 percent increase in maintenance costs in a six year period. He concluded his remarks by mentioning what he felt is a worsening condition of the courses. Mr. Park suggested putting whatever is left after paving the expanded parking lot into some type of a reserve for emergency repairs or equipment.

At this point Mayor Teixeira thanked the participants and recessed the meeting at 7:30 p.m. When he reconvened the meeting at 7:39 p.m. a quorum was present.

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- WATER UTILITY (1-1541.5) Dorothy Timian-Palmer, Director of Public Utilities Mary Walker, Finance Director Randy Kuckenmeister, Auditor with Kafoury Armstrong Tom Hoffert, Water Maintenance Superintendent Jay Ahrens, Deputy Director of Public Utilities Ken Arnold, Environmental Control Manager Kelvin Ikehara, Utility Assistant Wastewater Supervisor Sheila Gallegos, Utility Billing Supervisor Darren Winkelman, Public Health Specialist Kathy Wolfe, Health Department Office Supervisor Mr. Kuckenmeister said they had developed minimum and maximum working capital reserve levels for both water and sewer funds and provided details. He also recommended a six month policy be in place for both.
- (1-1607.5) Mr. Hoffert read the maintenance mission statement into the record. He then reviewed the fiscal summary and noted there were increases because of standard merit increases, cost of living, benefits, etc. Mayor Teixeira asked about the minus 1875 percent decrease in the "other" category. Mr. Hoffert said it was a housekeeping item relating to fixed assets and obsolete items. He also commented on the sixteen percent increase in the capital outlay section and said they were proposing to buy a generator as a backup in emergency situations. He also commented that the Board of Supervisors had directed them to change the existing ordinance to implement an automatic meter reading program which they have done. He added they have also implemented the use of water management to utilize the use of surface water resources, have established the Voltaire Canyon Pressure Zone, and have developed and introduced water design standards.
- (1-1941.5) Ms. Timian-Palmer next reviewed the Water Capitalization budget. Included were improvements she anticipates making. Mayor Teixeira had a question about vehicle replacement and Mr. Hoffert provided details of the program.
- (1-2110) Ms. Gallegos read the Utility Billing mission statement into the record. She then explained that in the fiscal summary the expenses there was a five percent increase due to cost of living. She also explained in the Services and Supplies there was a ten percent decrease because the open cash receiving position in the Treasurer's Office was not going to be filled. She also noted the minus 348 percent in Capital Outlay because all the computer and printer projects are complete. She concluded her remarks by reviewing the goals for 1995-96 and those of 1996-97.
- (1-2381.5) Mr. Ahrens read the Sewer Maintenance mission statement into the record. He said the salaries had increased by one percent and that was reflected by the fact that for part of this year a sewer maintenance position had been eliminated. He also noted that the savings by eliminating the position would be used to outsource hydro rodding which would result in an overall savings in salaries and equipment costs. Ms. Timian-Palmer explained that they have two people who do monthly monitoring plus emergency blockages and that there will be cross training for filling in at vacation times and when someone is ill. Mr. Arnold then explained the items in the 1995-96 goals that had been achieved and Mr. Ahrens reviewed the goals they hope to achieve in 1996-97.
- (1-2845.5) Ms. Timian-Palmer then reviewed the details of minor and major capital outlay items of the Sewer Fund and Mr. Ahrens talked about the vehicle replacement program.
- (1-3015.5) Mr. Irekara read the Wastewater Treatment Plant mission statement into the record. He then reviewed the fiscal summary which included a nine percent increase in salaries, ten percent in benefits, and one percent in services and supplies. Mayor Teixeira asked about the nine percent increase in salaries. Mr. Irekara said it related to promotions. Ms. Timian-Palmer explained this also reflects people getting additional certification and that they go up a grade.
- (1-3305.5) Mr. Arnold read the Landfill mission statement into the record. He reviewed the revenue and expenditure figures in the fiscal summary and reviewed what had been achieved in the 1995-96 goals and what they hope to achieve in the 1996-97 goals.
- (2-0083.5) Mr. Winkelman explained he would be doing the environmental budget of the Public Health Division and Ms. Wolfe would be doing the nursing portion. He read the environmental mission statement into the record

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and detailed the fiscal summary noting the decrease in salary was due to the retirement of the previous health officer. He also commented on the food establishment inspection program. He also reviewed the 1995-96 and 1996-97 goals. He concluded his remarks by saying there was a supplemental request and explained this was for a contract between the City and a pest control service for mosquito abatement near the river and in the southeast portion of the City.

(2-0303.5) Ms. Wolfe read the nursing mission statement into the record. She explained that the increases in salaries and benefits and services and supplies is due to the addition of a community health nurse who will administer their immunization program. She then reviewed their goals for 1996-97 and then noted there were two supplementals. One was for an additional \$5,000.00 to be added to contractual services and the other was for an hourly employee to provide clerical support for an increased level of customer service. Discussion ensued on this increase submitted by the Nevada State Health Division which was originally \$60,000 with an increment of \$5,000.00 to be added each year. Mayor Teixeira asked that these be put on the one shot list.

There being no further business Mayor Teixeira entertained a motion to adjourn. Supervisor Ayres moved to adjourn. Mayor Teixeira seconded the motion. Motion carried 4-0. Mayor Teixeira adjourned the meeting at 9:50 p.m.