

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 1

A special budget session of the Carson City Board of Supervisors was held on Wednesday, April 2, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 6 p.m.

PRESENT:	Ray Masayko	Mayor
	Pete Livermore	Supervisor, Ward 3
	Robin Williamson	Supervisor, Ward 1
	Shelly Aldean	Supervisor, Ward 2
	Richard S. Staub	Supervisor, Ward 4

STAFF PRESENT:	Andrew Burnham	Acting City Manager
	Noel Waters	District Attorney
	Michael Griffin	District Court I Judge
	Ken Furlong	Sheriff
	Al Kramer	Treasurer
	David Heath	Finance Director
	Louis Buckley	Fire Chief
	William Naylor	Information Services Director
	David Nielson	Special Juvenile Master
	Sheila Banister	Chief Juvenile Probation Officer
	Tom Minton	Deputy Finance Director
	Steve Mihelic	Assistant Fire Chief
	Stacy Giomi	Suppression Battalion Chief
	Katherine McLaughlin	Recording Secretary
	Kathy Heath	Sheriff's Dept. Business Manager

(S.B.O.S. 4/2/03 Tape 1-0025)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. 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.

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 6 p.m. Roll call was taken. The entire Board was present, constituting a quorum. Mayor Masayko led the Pledge of Allegiance.

CITIZEN COMMENTS (1-0045) - None.

PUBLIC HEARING CONCERNING THE FISCAL YEAR 2003-04 BUDGET - DISCUSSION AND POSSIBLE ACTION REGARDING THE FOLLOWING: A. BUDGET OVERVIEW(1-0075) - Finance Director David Heath; Deputy Finance Director Tom Minton - Mayor Masayko explained the protocol for the meeting and indicated that public comments on the agenda items will be taken after the first two items. He also

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 2

indicated that not all of the items azenized for this evening may be heard. Mr. Burnham indicated that Items J, K and L had been azenized for the next budget session. Mayor Masayko felt that it was reasonable to expect that Items A through I could be heard this evening.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 3

Copies of Mr. Heath's slides and his handout are in the file. Discussion between Mayor Masayko and Mr. Heath indicated that the flat budget will have a deficit of \$2.3 million. Reasons for not using the Nevada Department of Taxation's figures in the budget were noted. The electorate approved tax override for Fire Station I had never been implemented. It was for the building and not for staffing. A legal option indicated that the bond will sunset in four or five years. Staff had included the assessment in the budget as the Nevada Dept. of Taxation continues to indicate that it can be levied. Supervisor Livermore indicated his objection to its ever being implemented. Mr. Heath indicated that the franchise tax increase for Southwest Gas will be effective soon. The attorneys are drafting an agreement for the Board to consider. The franchise fee increase had been considered in last year's budget due to its February implementation date. It is included in next year's budget. It was felt that the franchise fee increase would have generated between \$60,000 and \$70,000 for the period February 2003 through June 2003. Next year's estimate is \$150,000. As the fee can be increased by one percent every two years, the Board could implement another half of a percent increase this year. Discussion indicated that the budget may not have included the full increase within the licenses and permits line item. Mr. Heath indicated he will check the figures. Discussion also indicated that staff was not pushing for a tax increase, however, if the budget does not include a savings, the capital improvement funding mechanism will be suspended. It could be suspended for one or two years without harm, however, at some point it will be necessary to begin replacing capital items. At the current time a five-cent tax levy is assessed for these capital improvements. It generates approximately \$500,000. The City presently spends approximately \$1.7 million a year for capital improvements. These funds are provided by surpluses created by employee turnover. There is a \$2 million reserve that has been saved from excess revenue generated during the last two fiscal years. These funds could be used instead of increasing the ad valorem tax. Debt service on a capital improvement bond will need to be funded. It totals \$270,000. Discussion indicated that the CQI savings, which were from previous year's departmental savings, should be returned to the General Fund. This reduced the shortfall to \$350,000. Discussion also indicated that the salary increase was held at five percent, however, the medical insurance premium is estimated to be ten percent. The PERS contribution and Workers Comp will increase the benefits package even more. Mayor Masayko felt that the overall salary and benefits will be in the six percent range. Discussion indicated that staff had included a six-cent ad valorem rate in the budget estimates as allowed by the Statutes. The ad valorem cap is \$3.64. It will take approximately ten years to reach this cap. The assessed valuation rate increase is at four percent per year. This year there is a quirk in the rate which dropped the values. The need to grow economically in order to have more sales tax or ad valorem taxes was stressed. Comments indicated that a growth in sales tax is preferred to increasing the ad valorem rate.

B. CAPITAL IMPROVEMENT PROGRAM (1-0489) - Chamber of Commerce Chief Executive Officer Larry Osborne - Mr. Heath's review of the Capital Improvement Program included Internal Finance Committee's recommendation that the Animal Shelter expansion be delayed. The listing totaled \$1,921,412 with the kennel expansions. Discussion indicated that the MPO funding for transit had been included in the budget. PRIDE's request for a \$55,000 match of the MPO funds was explained. MPO funding for transit must be matched on a 50/50 basis. The City's current transit contract is for \$400,000. The General Fund obligation is \$200,000.

Public comments were solicited. Mr. Osborne indicated that the Chamber had been involved in the process and had submitted recommendations. The budget shortfall is there. The Chamber appreciated the efforts which had been made to cut the budget. Some Departments had failed to provide a three percent reduction. Others have

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 4

recommended cuts that will impact safety, health, or youth sports. He was confident that the cuts could be made without implementing these reductions. Businesses and residents will have to pay more to continue to enjoy their quality of life. He indicated that the Chamber will work with the City to find this funding. The Chamber will support a business license fee increase. He supported Supervisor Livermore's opposition to implementing the Fire Department tax override for personnel or General Fund improvements. He acknowledged that the Board is facing the hard decisions and will have to make the necessary cuts. The businesses and residents will support an ad valorem increase but not one that is 12 cents. He encouraged the Board to dip into its reserves to offset the deficiency but not all of the reserves should be used. He felt that a three to five-cent tax increase could be supported. The Chamber will continue to monitor, review and support the budget process when it can. An across the board reduction should occur before an increase is requested.

Mayor Masayko thanked him for his comments. He also indicated that the Board had asked staff to find three percent across the board. Staff had provided \$525,000 in its first search. Staff will be discussing how the three percent reduction will impact the staffing and service levels. It is the Board's duty to find additional funds. This will occur during the budget discussions. An eight-cent ad valorem rate will generate approximately \$800,000. He felt that all Departments should be represented at the budget sessions. The Board could accept the three percent reductions as offered and may ask the others to tighten their belts and work with the Board to find other reductions. No formal action was taken.

C. DISTRICT COURT I AND D. DISTRICT COURT II (1-0730) - Judge Michael Griffin, Judge William Maddox, District Attorney Noel Waters - Discussion explained the need for a drug court and the drug programs that have been established with State funds. Another State-funded program will tie the Courts, District Attorneys, and Sheriffs Departments together statewide. It will transmit and translate any arrest information without additional input by another individual. It is the first program of its kind. It will be presented to a seminar in Kansas City this fall. The City will be responsible for some costs incurred for data conversion, some hardware, and a person to manage the system. Judge Griffin complimented Treasurer Al Kramer on suggesting a better method of jury processing which saved time and paperwork. The status of the Resendez murder trial and of the Stanton Park civil trial were described. If neither case goes to trial, a savings will occur. Mayor Masayko noted that the Courts had provided \$1,000 more than the requested three percent reduction. He thanked them for their assistance and cooperation. Both Judges emphasized that they cannot control attorney costs when trials occur. Their budgets were based on their best guesstimate at this time. Discussion explained the differences between the two budgets. Comments noted that not all of the Departments had cooperated and found the requested three percent savings. Remarks also urged the Judges to look for grants to help fund the security costs. The Board again thanked the Judges for their cooperation and the reductions that they had made.

E. JUSTICE COURT/MUNICIPAL COURT (1-1046) - Judge John Tatro, Judge Robey Willis, and Consultant Sharon Murphy - Code revisions that will generate additional revenue were included in their recommendations. This included implementation of a \$10 building facility's fee. It was felt that the City would be more successful in collecting this assessment than it had with others. The fee was included in the budget revenue projections. The Judges complimented Ms. Murphy on her effort to revolutionize their Courts. The Board commended them on the Code revisions they had made which had increased the City's revenue. Mr. Heath was asked to review the fees and fines for the Justice Court and the collections made by the Treasurer's Collection Unit

to insure that the revenues had not been under estimated. The importance of keeping the Collection Unit was discussed. Judge Willis explained how the change in Sheriff administrators had impacted the Court system and reduced the number of speeders in school zones. Mayor Masayko requested that the record show that the Board was accepting with thanks a reduction of \$36,339 in next year's budget along with a \$100,000 funding source for repayment of the Courthouse capital project.

F. ALTERNATIVE SENTENCING (1-1400) - Chief Alternative Sentencing Officer Matthew Fisk, Chief Deputy Sheriff Rich Keema, Justice of the Peace John Tatro - Discussion explained the impact a three percent reduction will have on the Division's ability to supervise its clientele. The supervision fee had been increased to \$40 which will create additional revenue. They are analyzing a proposal to charge for drug testing. A ten percent increase in salaries and benefits was created by an overtime issue where an officer was paid at straight time instead of time-and-a-half for overtime and an increase in the Law Enforcement PERS rate. The copier rental costs were noted. Discussion pointed out the struggle experienced within the Department in trying to manage the current caseload with limited staffing. Supervisor Williamson pointed out that the program saves money for the City by keeping individuals out of jail which has a higher operational cost. A balance between the value of having the individual in the community and working to support his/her family and that of the cost of being in jail and using social services to support the family needs to be weighed against the budget needs. Supervision over the clientele requires odd work hours and includes circumstances not normally found with other positions. Chief Deputy Sheriff Keema explained that the daily housing cost of a jail inmate is between \$70 and \$80. Judge Tatro explained his daily contact with the Alternative Sentencing Officers and expressed concern that, if the staffing level is reduced, they may encounter burnout from the workload. Their services were limned to illustrate the dedication and efforts put into the program. Chief Alternative Sentencing Officer Fisk agreed to provide the Board with a status report on his program. Mayor Masayko directed Mr. Heath to accept the offer of a \$3,000 reduction and "leave the \$7,000 on the table". They had made their case for not meeting the three percent reduction. Discussion indicated that the \$3,000 reduction had come from the training budget which was for this year. The revenue enhancements were to be pursued. Judge Tatro volunteered to find additional funds within his budget to assist the Division. Mayor Masayko indicated that this would not be necessary and that the Board was not asking him to do it.

RECESS: A recess was declared at 7:38 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 7:48 p.m., constituting a quorum.

H. JUVENILE COURT AND I. JUVENILE DETENTION/PROBATION (1-1742) - Juvenile Master David Nielson, Chief Juvenile Probation Officer Sheila Banister, Juvenile Service Program Coordinator John Simms - Discussion with Juvenile Master Nielson indicated that \$8,000 had been reduced from his budget. This may impact a portion of his service level. Chief Juvenile Probation Officer Banister explained her concerns with the need to reduce her budgets by three percent as it will impact her ability to provide services and to meet statutorily mandated requirements. She volunteered to use her administrative assessment funds to support a part-time temporary work program even though it may impact her ability to provide computer equipment/software and to match grants. She committed to looking for additional grants, however, they are becoming harder to find and obtain as indicated by the potential loss of one \$35,000 grant. She hoped that the budget picture is better next year. Mayor Masayko pointed out that the assessment fees had already been included in the fines and forfeitures revenue. It could not be counted twice. Discussion explained the need for hepatitis and TB testing/vaccines. The fees assessed to the families

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 6

for services were limned. Mayor Masayko pointed out that her budget had included the fees for both the Silver Springs and the China Springs facilities. He felt that she should not have to reduce her budget by the three percent for the payments mandated for those facilities. This reduced the amount required for the three percent cut to \$69,000. He encouraged her to relook at the budget and thanked her for the \$24,279.

(1-1995) Mr. Simms explained his efforts to reduce the budget by three percent without cutting the staffing level. A reduction in staffing creates a security concern. Mayor Masayko explained that the proposal was to reduce a position to half-time, however, the benefits had remained at the full-time level. He suggested that the position be reduced to 26 or 27 hours a week. This will create a \$11,000 savings. When this amount is added to the \$24,279, they were close to the three percent requested. Ms. Banister then volunteered to reduce her budget by the \$11,000 in order to avoid the security issue she felt would be created by reducing the staffing. Mayor Masayko indicated a willingness to accept \$34,000 as the three percent reduction. He also indicated that if the revenue sources can be increased, he would be willing to reconsider the position. Justification for holding the line and requiring the three percent reduction was explained. Mr. Simms indicated that he was not comfortable with a reduction in staffing, however, would try to make the 29.5 hour position work. Board comments supported Mayor Masayko's desire to hold the line due to the number of other budgets which must be discussed. The position will be added to a list for reconsideration if funding should materialize. Board comments also noted the liability issue being created by reducing the staff and the need to find another funding source to make up the difference for the cost of the China Springs and Silver Springs facilities which had been erroneously included in her reduction assessment. Mr. Burnham committed to looking for additional funding to avoid reducing the staffing level. Supervisor Livermore supported his search. Mayor Masayko reiterated the direction that the position is to be highlighted if the hours are reduced so that it can be considered for restoration should funds be found. Supervisor Livermore expressed a willingness to accept a funding reduction from Juvenile Probation or an increase in revenue to meet the reduction needs for Detention. Clarification indicated that the reduction totaled \$46,000. They had offered \$35,000. They are to attempt to find an additional \$11,000. If a staffing cut must be made, they are to inform Finance so that it can be highlighted if additional funding is found elsewhere in the budget.

G. DISTRICT ATTORNEY(1-2431) - District Attorney Noel Waters and Office Manager Carrie Lipparelli - Ms. Lipparelli distributed a packet to the Board and Clerk. (A copy is in the file.) Mr. Waters delineated the dilemma he encountered in attempting to reduce his budget by three percent without cutting personnel. He urged the Board to make its cuts by prioritizing the community's safety which would eliminate low risk items. His tightly run function could show savings when compared to the operational costs of District Attorney offices in the surrounding Counties. His reductions totaled \$12,480. He asked that the part-time data entry position be retained. Mayor Masayko asked that the record be clear without being argumentative that the Board recognized the impact to public safety, incarceration, etc., as had been indicated to Ms. Banister. The Board is not telling her that she must make that reduction. There are other places she can make the reduction as Mr. Waters had indicated. It is the Department Head's call regarding the prioritization. The Board had not extracted it. He also indicated for the record that he was persuaded that the representation that had been made, i.e., the underfilling of Mr. Woodbury's job, is a sacrifice on his part. It recognizes that the Board is the recipient, along with other committees and commissions, of a Deputy District Attorney's time. He felt that Mr. Waters had made his case for the data entry clerk. The three percent was the target. They did not intend to push him to the wall. Mr. Waters explained his discomfort with having to talk about the other Departments with whom he is familiar. Although he is an independent elected official, he is

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 7

part of the budget process. He then noted desperate incidents which had occurred in the jail. The savings created by cutting one part-time employee's hours pale when compared to the liability cost of such an instance. Discussion indicated that if the Legislature increases the salary for elected officials, he did not have the funds for the increase within his budget. Discussion indicated that the increase is not in the budget for the Board of Supervisors.

Mr. Waters' supplemental request for office furnishings, computer equipment, supplies and administrative support costs for a 75 percent grant funded domestic violence Deputy District Attorney and an investigator was then explained. The grant also requires the City to make the positions permanent in three years. He felt that he may not get both grants but understood that he had a good "shot" at one of them. The third request was for surveillance equipment. Surveillance equipment is presently on the roof and at the entrance to the Courthouse and in the detention facility. They are also needed in the hallways, courts, and on the second and third floors. A \$7,000 Law Enforcement Block Grant has been obtained. The equipment costs \$35,000. Additional grants are being sought. Discussion indicated that this equipment had not been included in the CIP program. The equipment will be handled by the security officers at the front door. It should not require additional personnel. The professional background desired for the investigator was discussed. Discussion indicated that the retirement costs for the Deputy District Attorney and the Investigator had been reversed. The Investigator is a sworn peace officer and part of the Law Enforcement PERS. Mayor Masayko felt that matching funds should be found when the grant is obtained. He also explained his belief that the CIP funds should be used for surveillance equipment and that Mr. Burnham could include it in the program if desired. Mr. Waters explained that he had not intended to supplant anything on the CIP program. The equipment had not made the priority listing for the CIP plan. He indicated an intent to bring the item back through the entire process next year. Mayor Masayko suggested that he attempt to obtain Homeland Security and/or First Responder grants. He accepted Mr. Waters' offer to not add the equipment to the CIP plan. Mr. Waters also explained his intent to not compete with the SPAN program for funding. Discussion indicated that the Board would accept the \$49,155 reductions in the District Attorney's budget.

J. FIRE DEPARTMENT (1-3065) AND K. EMERGENCY MANAGEMENT (2-0480) - Fire Chief Louis Buckley, Assistant Fire Chief Steve Mihelic - The Department found it difficult to find \$162,000 in reductions in its service oriented budget without cutting personnel. If personnel can be eliminated, the cuts can be made. Mayor Masayko explained that the direction that had been given by the Board was to provide a three percent cut where it would provide the least impact to service levels and for the Department Heads to advise the Board as to the impact such reductions would have and how it will be mitigated. Fire Chief Buckley felt that they could cut the overtime and then in eight months return with a request for supplemental funding. It would also be possible to reduce the number of campaign fires the City, through its interlocal agreements, responds to in other areas. Agencies which do not reimburse the overtime costs will no longer receive support. Coverage could be continued for those that do reimburse the City for costs incurred fighting the fires. (2-0028) Operation services and supplies could be reduced, however, these impacts will have to be addressed in the future. The furniture and fixtures under the capital replacement program could be eliminated, however, this prevents their replacement when they break. Axes could be used instead of chain saws. One inspector position in fire prevention would have to be eliminated. This would change the tiered inspection program, which he described. He also indicated that a self-inspection program for low risk businesses could be implemented as an alternative. Reasons he felt that the three administrative positions were a higher priority than one fire prevention inspection were limned. Mayor Masayko indicated that the Board is serious about wanting a three percent across the board reduction in budgets. As 75 to 80 percent of the budget is allocated

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 8

to public safety and service, there are not a lot of other items left that could be cut without impacting service levels. The Board is the one who will make the ultimate decision as to the impossibility of meeting the three percent reduction goal. The Board should not make the cuts as it is not the expert on managing the Fire Department. The record should be clear about the impacts that will be created by the reduction. Fire Chief Buckley then explained a notice he had received that indicated that applications for Homeland Security grants had to be submitted within three weeks. He asked that this information be provided to his Department posthaste so that it could be completed and forwarded within this timeframe. He plans to submit four County grants and will need time for their submittal. He also felt that in order to use Building Inspectors to do the fire inspections, labor negotiations will be required to make the positions civilian inspectors. He questioned whether it would be possible to do this as the Charter mandates there be a Fire Prevention Division. This may mandate a Charter revision and/or a legal opinion from the District Attorney's office. He acknowledged that there are Departments who have combined the Building Inspection and Fire Prevention Divisions. Mr. Burnham indicated that they will look into the matter. Fire Chief Buckley then explained his oversight of a fuel management grant. Mayor Masayko indicated that it should not be cut by three percent. He also indicated that the Department would make another presentation on its recommendations at Monday's meeting. Fire Chief Buckley indicated that the recommended \$50,000 in reductions will impact services. He also indicated that he will return with more recommendations on Monday as the restriction against impacting services had been removed. Supervisor Williamson suggested that he not consider a reduction in the hazardous material inspection group. Fire Chief Buckley indicated that he understood the direction is to make recommendations which would have the least impact although the long term impact will remain if mitigation is not provided in the future. He then explained the negotiations which are occurring with the State Fire Marshall to take over its hazardous material inspections and the fees which the City will receive in return for this service. The concept will reduce unwarranted and unnecessary inspections as well as provide necessary inspections where they are not now occurring although the businesses are paying for them. The proposal may generate \$10,000 in additional revenue. The City has been performing fire inspections at these businesses and had not performed hazardous material inspections.

Discussion ensued on the recruitment effort to attract additional Warren Engine Volunteers. There are now 15 volunteers in training. It is considered the training grounds for future firefighters. He felt that there is a place and need for volunteers and looked forward to discussing their role with the future City Manager. Funding and support will be needed for the volunteers. He disagreed with the memo regarding the proposal to reduce the funding for the volunteers by 50 percent. He only supported the \$50,000 reduction previously discussed. Discussion explained the impromptu fire inspection concept. He reiterated that he was not advocating laying off a person, however, felt it would be necessary in order to meet the three percent reduction requirement. Mayor Masayko reiterated that the Board would make a decision on the position on Monday. If it absolutely the only alternative, it will have to be cut. The Board accepted the \$50,000 in reductions and asked that they continue to search for an additional \$112,000 or a minimum of between \$95,000 and \$100,000. The Board also wanted to know the ramifications of these reductions. Fire Chief Buckley indicated that he understood the direction. Supervisor Livermore indicated that he supported Mayor Masayko's comments, however, he will use his own judgement in deciding whether to make the cuts or not. The Fire Chief's expertise was solicited in helping him understand the ramifications and justifications for the reductions. He also reiterated his intent to support an ad valorem increase if absolutely necessary. Fire Chief Buckley also indicated that he would not play the game of making the cuts that create impacts elsewhere.

Fire Chief Buckley then explained that in order to make a reduction it would be necessary to reduce the funding by

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 9

six percent as it matches grants on a 50/50 basis. The FEMA travel and training is not used except for FEMA training. FEMA reimburses the City for 100 percent of the costs incurred attending its classes. Mayor Masayko agreed that it should not be cut. Clarification indicated that the FEMA funds are accounted for in the revenue side of the budget and that the total amount allocated had never been spent. Fire Chief Buckley suggested that the line item be budgeted at a zero amount. If the funds are spent, they will use training from the Fire Department. When the funds are reimbursed, they will be returned to the Fire Department Training line item. Mr. Heath agreed to this process. This process allowed Fire Chief Buckley to offer \$3,106 which closed this budget. Mayor Masayko reiterated the intent to look at the other budgets on Monday evening.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 2, 2003, Budget Session
Page 10

L. SHERIFF'S DEPARTMENT (1-1725) - Deferred to Monday, April 7.

Mayor Masayko then described the protocol for Monday's session. There being no other matters for consideration, Supervisor Livermore moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 9:20 p.m.

The Minutes of the Special April 2, 2003, Carson City Board of Supervisors Budget Session

ARE SO APPROVED ON June 19, 2003.

/s/
Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder