

CARSON CITY BOARD OF SUPERVISORS  
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A special budget meeting of the Carson City Board of Supervisors was held on Monday, March 18, 2002, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 6 p.m.

PRESENT:	Ray Masayko	Mayor
	Jon Plank	Supervisor, Ward 2
	Robin Williamson	Supervisor, Ward 1
	Pete Livermore	Supervisor, Ward 3
	Richard S. Staub	Supervisor, Ward 4
STAFF PRESENT:	John Berkich	City Manager
	Michael Griffin	District Court Judge, Department 1
	William Maddox	District Court Judge, Department 2
	Dave Nielsen	Special Juvenile Master
	Noel Waters	District Attorney
	Al Kramer	Treasurer
	Andrew Burnham	Development Services Director
	Daren Winkelman	Environmental Health Director
	David Heath	Finance Director
	William Naylor	Information Services Director
	Sheila Banister	Chief Juvenile Probation Officer
	Mathew Fisk	Chief of Alternative Sentencing
	Brian Percival	Asst. Chief of Alternative Sentencing
	Tom Minton	Deputy Finance Director
	Tom Hoffert	Utilities Operations Manager
	Ken Arnold	Deputy Health Director
	Claudia Saavedra	Alternative Sentencing Coordinator
	John Simms	Juvenile Service Program Coordinator
	Ron John	Sergeant
	Katherine McLaughlin	Recording Secretary
	Valerie Hill	Juvenile Detention/Probation Management Assistant
	(B.O.S. 3/18/02 Tape 1-0001)	

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 this list. 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, 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 (1-0019)** -None.

**PUBLIC HEARINGS CONCERNING THE FISCAL YEAR 2002-03 BUDGET, DISCUSSION AND POSSIBLE ACTION REGARDING THE FOLLOWING:**

**A. BUDGET OVERVIEW (1-0022)** - City Manager John Berkich, Finance Director David Heath, Dr. Tom Harris, Deputy Finance Director Tom Minton - Mayor Masayko noted the funding shortage and cautioned that until this shortfall has been addressed, there will be no funding for any other items. Mr. Berkich introduced Dr. Tom Harris and highlighted the agendas for the remaining budget sessions. Discussion indicated there is time to address the budget shortage before submittal to the State. The Internal Finance Committee members were introduced. Mr. Heath reviewed his computerized slides on the status of the budget. (Copies are in the files.) Current projections indicate the City is \$790,000 in the red.

Dr. Harris briefly explained his background and his review of the City's economic forecast. National and State economic trends were noted which clearly indicate a subdued economy. The economic impact of 9-11 was described. Household expenditures have been the main engine keeping the nation's economy out of recession. Inventories are low which means that business will begin picking up. This will break us out of the recession and increase the State's income. The state is a large employer in this area and the Governor's hiring freeze does impact our economy. The City's unemployment rate is now at 5.7 percent. The City's vigorous economic growth since 1999 including the increased employment opportunities were described. The State had also experienced a four percent growth rate in its employees since 1995. In 1995 17 percent of the City's work force was State employees. In 1999 the number had decreased to 16 percent. This illustrates that the community is diversifying its economy. This mitigates the impact created by any one entity during a recession. He supported the assumptions Mr. Heath and his staff had done in making the revenue projections for next year, including the impact Walmart's closure would have. The projected 3.5 percent increase in revenue projects was felt to be warranted. He did not believe that hyperinflation would occur in the coming year. The increases in fuel costs fluctuate according to the fuel supplies. This trend will continue to occur. As employment grows in the future, more rapid growth may occur. He cautioned the Board to hold the line at the 3.5 percent projections.

Discussion between the Board and Dr. Harris indicated that national inflation had grown at a rate of 1.5 percent last year. Dr. Harris felt that the capacity in the economy would be able to handle the inflation pressures. The medical care costs are part of the core inflation figures. Demand for more health services is created by better economic conditions. This drives up the insurance costs. Universities are increasing their biotechnology and medical research. These items added to the aging population increase the costs. New technology, expiring patents, and more competition will help lower medical costs. He agreed that the City's 12 percent increase in medical insurance during an inflation rate of 1-1/2 percent is a contributor to the personnel costs. The revenue projections used a growth rate of 3.5 percent. His employment figures had included Federal, State, and local government employees. The hospital's regionalization will attract clients from outside the City which will be an economic benefit to the community as those individuals may conduct other business while here. It was felt that this would be a small contributor.

Discussion among Dr. Harris, Supervisor Livermore, and Mr. Heath indicated that the estimated 12 percent insurance increase had been supplied by the City's Insurance Team. The Hospital had not projected a double digit increase in its revenue. The impact of Medicare and Medicaid were noted. Mr. Heath indicated that the insurance premium may be less than the 12 percent projected. Dr. Harris also explained that as Walmart's new

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store will have many more amenities and services than the current location it would be hard to accurately predict the total impact it will have on the City's economy. Home Depot and Target could also help attract more shoppers from Carson City but the converse is also true. Carson City's retail shops may attract shoppers from that area. People purchase based on prices, quality, and selection. If Carson City can maintain better prices, quality and selection, the leakage may not be as much as projected. Some individuals may react to Walmart's abandonment of Carson City and not cross the County line for a time.

Dr. Harris indicated that he would furnish the estimate of the number of retailers who will be lost by the relocation of Walmart. One of his colleagues has indicated that the leakage could impact a 60-mile radius which depends upon the salesmanship of the business operators. He also pointed out that the City has residents who are employed in Reno and the need to get them to shop in Carson City. The City's major retailer is the auto dealers. This will not change. Auto sales had been brisk which was felt to be due to the incentive programs. Costco is a new revenue source and its projections were estimated. With the nationwide recession and the State hiring freeze, it was felt that the 3.5 rate was prudent. He also supported inclusion of any other economic factors occurring in Douglas County, such as the Ledbetter project. All of the counties are experiencing revenue shortfalls. He preferred a conservative estimate rather than a liberal estimate. Supervisor Staub suggested that the City include any potential new businesses in its estimates. Discussion indicated that last year's projected growth rate was at 2.5 percent even though regional growth in population and inflation had been more than 2.5 percent. Dr. Harris agreed that regional shopping and employment will continue to grow. Mayor Masayko felt that the inclusion of the Ledbetter project in the revenue projections is very speculative at this time. It will need to be in the 2003-04 budget. Mayor Masayko thanked Dr. Harris for his report.

(1-0583) Discussion ensued between Mayor Masayko, Mr. Heath, and Mr. Minton concerning the estimated increase in the employee health insurance premium. Mr. Berkich indicated that the final cost will be known in late April or early May. Mayor Masayko felt that final figures will be in the six to seven percent range and that the insurance cap was to be part of the five percent personnel-cost cap. This may require a reduction in other personnel costs in order to hold the line. Mr. Berkich indicated a willingness to work with whatever figure the Board establishes. The personnel wages had been capped at five percent. Benefits had not been included in the calculation. Mayor Masayko asked that calculations be shown with the benefits included.

Discussion explained that the loss of \$63,000 in other revenues was due to the timing when federal grants are issued. The budget is augmented when the grants are received. Mr. Heath pointed out that if the Board wished to establish a different percent increase for the employee health insurance coverage, the rates could be adjusted "via dependent care, etc." to stay within the budget. Mayor Masayko expressed a willingness to accept the projection as provided, however, did not wish to have a high estimate established in order to come in under the estimate when the negotiations are completed.

Mr. Heath then explained the assumptions used to develop the estimated sales tax revenue. Mayor Masayko stated for the record and for the audience, including those watching this evening, that they were talking about a decrease in sales tax between this year and next. The cost of doing government business is increasing perhaps \$2 million a year. It should not surprise anyone that next year's budget increase is almost \$2 million. This is the reality of doing business in Carson City. This clearly indicates that at some point in the future, there will be a budget shortage. The Board needs to work from the worse case scenario and address it before

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tweaking anything else. The individuals who believe that the City is not giving them the full information as far as our ability to fund is, or that there is a rabbit going to be pulled out of a hat next Thursday, should be notified that this is not going to happen. He could not believe that Super Walmart will increase its sales another 50 percent over the sales that they have right now in the way of leakage from Carson City. He was not certain that the \$1.2 million was the worse case scenario and that we need to add another \$750,000 worth of losses into the "yet unbuilt, unidentified Ledbetter project". The Board will soon be asked if the estimates are to be revised or the taxes increased. Increasing the taxes must also consider whether the residents can support such an increase. The Board must provide accountability. He felt that the \$2 million is clearly overstated. The Board had reserved \$1 million in anticipated sales taxes from the previous year. Mayor Masayko urged the Board Members to direct staff to reserve \$400,000 of that \$1 million against the leakage if it is felt that this leakage will occur. He, personally, did not believe that it will occur. An estimate of \$800,000 was felt to be more realistic. This also provides the Board with a fighting chance at being able to balance the budget. Next year the City will know what the actual impact is and what the economy is doing.

Discussion ensued between the Board and staff concerning the lack of factual information regarding the Ledbetter project and the potential tenants who will fill it. The project is projected to be a 300,000 square foot facility. Walmart's current site is 120,000 square feet and its future facility is 200,000 square feet. The mix of taxable sales items will tell what the impact will be. The Ledbetter project is projected to be completed and open for business in fiscal year 2003-04. It has not been included in the estimate for fiscal year 2002-03. Walmart will open in August. Mayor Masayko reiterated that the City/Board had reserves which should be used to fill the void. Mr. Berkich agreed that the reserves could be used. Cuts or other funding sources will have to be found to fill any future void if the shortage remains. Mayor Masayko reiterated his belief that the additional \$400,000 in leakage, which had been included in the budget calculations, was too high. He also felt that this issue should be solved before moving forward with the budget discussions as it will eliminate the need to discuss supplementals if there are no funds to pay for them. The Board could raise the taxes by \$700,000. Mr. Berkich felt that the \$1.2 million was warranted as the new store will attract more people as it is a new product and that it will peak at that figure during the year. Mayor Masayko pointed out that the new product will be a food store which is being added to the current store's amenities. He also pointed out that sales taxes are not assessed against food products. Attaching food to dry goods creates more customer turnover, which is the object of the new store. The current store is totally dedicated to dry goods. For this reason he felt certain that Mr. Berkich's estimate was overstated.

Supervisor Williamson also felt that the estimate was high. There had been minimal improvements and retail opportunities within the City included within the assumptions/estimates. She acknowledged that the estimate for Walmart was based on its being new and the belief that "everyone would be driving south". Her personal boycott does not appear to be working, but she will continue to maintain it. She also pointed out that during her limited tenure on the Board there had always been more money at the end of the year than had been estimated. This is a good approach. Some of the \$1 million should be used to supplant the estimated loss so that minimal increases in taxes or other funding sources can be maintained. There is also the \$3.5 million rainy day fund. The City will not be forced to turnout the lights as Walmart leaves. Clarification by Supervisor Williamson indicated that \$800,000 reserved to mitigate the Walmart impact was to be added to the budget and that up to \$600,000 is to be used from the rainy day reserves. Mayor Masayko indicated that he also had some ideas regarding this fund, including the regional youth center.

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Supervisor Staub commended staff for being conservative, however, did not believe that the \$1.2 million was accurate. He suggested that the difference be \$800,000 as he believed that it will draw more people to the area who would stop in Carson City for other items. The estimated impact of the Ledbetter project was speculative at best. The Board should consider other business opportunities which will come to the area that will offset the loss of Walmart, etc. There is nothing in the Capital Outlay account. There has been a doubling of the contingency fund from \$300,000 to \$600,000. The ambulance subsidy was eliminated. Mr. Heath explained the direction given to staff regarding personnel costs. The extra \$300,000 in the contingency fund is to pay for contractual personnel upgrades and for employees warranting a 7-1/2 percent merit. The Board will be able to track these augmentations as they will be funded from the contingency account. This will make the two year budget simpler, more effective, and reduce staff preparation time. Supervisor Staub felt that the Board should be made aware of these items before they occur. These are personnel costs and not true contingency items. He also felt that this would provide an untrue estimate of personnel costs as these costs could raise it above the five percent target. Mr. Heath explained that he had informed the Board about these costs previously. The final figures will be provided in June. Mr. Heath then explained the personnel chart which illustrated a 5.8 percent calculation for employee costs. Under the revised process the Board will be more aware of the actual employee costs. He could not control these factors due to the contract. He will continue to attempt to hold the line at five percent as directed by the Board.

Supervisor Livermore pointed out that the Board still maintains control over the employee costs. He had asked Mr. Heath to analyze outsourcing the payroll clerk's duties and a paperless payroll system. Such decisions will help reduce personnel costs. Supervisor Livermore then expressed his feeling that the demand charges for the swimming pool should have been taken from the Quality of Life funds and not from the Board's contingency. Mr. Heath indicated that this decision would be made in June. Mr. Heath then explained that staff is evaluating a paperless payroll program which is currently being used by NDOT. Its initial cost is between \$250,000 and \$300,000.

Supervisor Plank also felt that the exemplary employees should be known and that the funds should not be taken from the contingency. Mr. Minton explained that the historical data is used to develop an estimate for the next budget. Clarification indicated that the 5.8 percent personnel costs had included these figures.

Supervisor Livermore complimented staff on its taking the worse case scenario regarding Walmart and supported Mayor Masayko and Supervisor Williamson's comments. Mayor Masayko indicated that this reduced the \$1.2 million in reserves to \$400,000 and to place the \$800,000 difference in the budget. He also pointed out that this reduced the \$970,000 deficient to \$500,000. Mr. Heath indicated the deficient is now \$378,000. Discussion pointed out that economic development in Douglas County will impact the City's revenue and that the Board needed to be aware of it during the budget process. Its impact was questioned. Comments also pointed to the need for economic development and retail stores which provide the funding needed for public safety, health and welfare items. Supervisor Livermore pointed out that the Ledbetter project will eliminate the used auto sales which occurred sporadically at the same location. He hoped that with the development of the property, these sales will return to Carson City. He agreed that the used auto sales could be relocated either to Washoe County or further south into Douglas County which may be beyond the desirable travel period for potential buyers.

(1-1320) Mr. Heath reviewed his graphs illustrating changes in sales tax revenue and the impact of the Douglas

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County retail competition. Economic development is important to the community. According to his graph, the gap is \$2 million which is created by Ledbetter and Walmart. Changes to the base budget were limned. Discussion explained the projected utility rate increase. The MPO status had not been included in the calculations due to the lack of knowledge as to when the population figures will be certified. MPO funding for transit capital are considered one shot. Mayor Masayko pointed out the commitment to attempt to hold the transit costs firm. MPO funds will enhance the transit program. Mr. Berkich explained that the \$53,000 in transit expenditures is for vehicle repairs which had not been separated from other City vehicle maintenance until this year. Supervisor Staub explained that Transit is now taking advantage of a State program and that these funds should be reimbursed to the City. Mr. Heath then explained that overhead costs were now being charged to all enterprise funds. This has not occurred in the past. He also suggested that the inflationary increase of \$18,000 may be avoided if we become an MPO. The service must be put out to bid due to federal funding requirements. It may be possible to curtail the hours. Options regarding the funding level if the City becomes an MPO were also noted. Supervisor Plank questioned whether it would be possible to receive the MPO funding retroactively. Mr. Berkich and Mayor Masayko agreed that his suggestion should be pursued. Discussion suggested that the employee health insurance costs be reconsidered. Mayor Masayko also felt that the aquatic facility demand charge should not be embedded into the budget due to the energy efficiency program, the use of the Quality of Life funds to construct it, and the ability to use the Quality of Life funds for maintenance costs. Also, pool fee increases can handle the costs. Clarification explained the increased Workers' Compensation costs. Supervisor Plank supported increasing the payment for retired employees' health coverage. The coverage is included in the Personnel budget. Supervisor Livermore expressed his belief that the City should become self-insured as the Hospital had done. Mr. Berkich agreed to again discuss the issue with him and the Hospital. Board comments directed that the tax support for Aurora Pines Juvenile Facility be implemented. This item is to be discussed with Special Juvenile Master David Nielson later in the budget. Discussion ensued on the assumptions which had been used to establish the budget and directed that the Ledbetter project be removed from the calculations. The revenue options were then discussed. Mayor Masayko asked that the six percent ad valorem increase be held in abeyance at this time. The franchise fees are being renegotiated. Mr. Berkich explained that the two percent franchise fee for electricity has been in place throughout the entire life of the agreement. Mayor Masayko pointed out the impact the franchise fee has on City residents. Staff had recommended a one percent increase in utility franchise fees. This will increase the franchise fee to three percent. The current contract only allows an increase when negotiations occur, which is every ten years. Negotiations may change this clause to allow an increase at any point within the ten year agreement. Mayor Masayko suggested that the ability be provided which would allow the one percent increase to be taken in increments over the ten year life of the agreement. This could eliminate rate shock for their clients. Comments also expressed the feeling that franchise fees are assessed to all users and are fairer than increasing the ad valorem rate. The 911 franchise fee had not been included in the budget. The City has not assessed franchise fees for its utilities. The landfill fees include a franchise fee. Franchise fees could be used by the General Fund. The revenue options had used 0.8 percent for the franchise projections for sewer and water. Implementation of the Fire Station 1 tax was not felt to be palatable. The Park and Recreation fee increase of ten percent was considered a possibility. It should be discussed with the Commission during its budget. Mayor Masayko directed that the Aurora Pines ad valorem rate be implemented.

Discussion ensued on the expenditure reduction options including the ongoing support for the community service grant program. The suggestion that the City discontinue paying water and sewer fees was rejected due to the impact it would have on the other users. Mr. Heath indicated that the \$75,000 for deferred compensation

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for part-time employees and should not have been included in the list. Discussion ensued on the dependent care coverage and the amount of funding the City provides for this coverage. Supervisor Livermore suggested that this benefit be considered for renegotiations as private enterprise does not provide it. Direction given to Department Heads for developing their budgets was described.

The one-shot funding sources were then reviewed. Mayor Masayko expressed his desire that a hiring freeze be avoided, if possible. It should be the first step taken if the City's projections begin to lag. The State receives approximately 80 percent of its revenue from sales and gaming taxes. The City only receives two-thirds of its revenue from sales taxes. Mr. Berkich pointed out that the savings created by a hiring freeze is only temporary and does impact the service level. Staff had attempted to provide one-shot funding suggestions which would not impact the service level. Mayor Masayko also felt that if a position is not filled within a six month time frame, it should be eliminated. Supervisor Plank agreed that hiring freezes denigrate the service, is temporary, and should only be done selectively in areas which create the least impact.

(1-2092) Mr. Berkich then reviewed the General Fund budgetary savings. Mayor Masayko thanked the staff/Departments for their cooperation. Mr. Heath reviewed graphs illustrating a comparison of the City's ad valorem rate against other Nevada communities, the General Fund revenue by source, and the General Fund expenditures by source. Mayor Masayko explained his reasons for having this discussion and apologized to the audience for taking so much time to do so. The deficient had been reduced to approximately \$300,000. This would not provide funding for all of the supplemental requests but the Board would prioritize them to the best of its ability. The revised schedules were to be distributed to the Board tomorrow. Public comments were solicited but none given.

BREAK: A recess was declared at 8:03 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 8:11 p.m., constituting a quorum.

**B. CAPITAL IMPROVEMENT PROGRAM (1-2232)** - Finance Director David Heath - Discussion indicated that the cemetery building had been included within the CIP plan. Staffs who had worked on the CIP plan were introduced. Mayor Masayko pointed out that vehicles will be acquired periodically.

**C. JUVENILE PROBATION/DETENTION (1-2270)** - District Judges Michael Griffin and William Maddox, Special Juvenile Master David Nielsen, Chief Juvenile Probation Officer Sheila Banister, Western Nevada Regional Youth Center Director Lon Cook, Michelle Candy, Genoa Rogers, Juvenile Services Program Coordinator John Simms - Discussion included: the purpose and reasons for establishing a regional youth facility; Carson City's failure to implement the ad valorem rate for the regional facility; the special juvenile drug court; benefits of the Boys and Girls Club; the programs offered at the regional facility including its educational efforts; the regional facilities budget, its loss of a Beta grant, and the efforts to address the funding shortage; the type of individuals who are sent to the facility; the gauges used to determine its success rate; the City's use of the facility; the effort to market the facility to other communities; the programs which had been used before the facility was established; the regional overlap issue in clientele; and the effort to ensure that Carson City only pays for its residents. Judge Maddox volunteered to explain to the residents during his campaign for reelection the justification for increasing the ad valorem rate to cover the regional youth facility. Mr. Berkich distributed a report to the Board which purportedly included a summary of the budget, the usage and assessment sheet, the parents' payment participation agreement and its reimbursement efforts,

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and letters from the Judges. (A copy was not given to the Clerk.) Supervisor Livermore congratulated them on their efforts and explained a telephone call he had received from a former family friend whose child had successfully completed the program. He also explained his review of the facility's financial report and belief that it is a successful program. He expressed his support for the program and willingness to help find solutions and continue to provide the quality care that is currently at the facility. He was unsure where the funds would be found. The statistical information had changed from a fiscal year to a calendar year during 2001 which made it appear as if the caseload had jumped tremendously. Other facilities have a waiting period, are very expensive, and cannot be used for some of the clients. The facility was felt to be the appropriate location for these clients. The facility is also multi-disciplinary and provides services to both male and female clients. The Judges stressed their feeling that the program would break the cycle that generations of families have been doing drugs and alcohol to the detriment of the community. Supervisor Staub supported the program and stressed the need for the discussion to educate and justify to the public the reasons for needing to increase the ad valorem rate to provide the service. Supervisor Williamson questioned whether the funding would be more beneficial than if it is given to the Boys and Girls Club which works with good children who are not into drugs and alcohol. She suggested that support for its special education programs and aids could be more beneficial. She pointed out that the community can only provide so much support for these programs. Judge Griffin explained that the facility must justify its costs to five different county governments, which is a difficult accounting process. (2-0010) Clarification by Mr. Nielsen explained that the family participation is at the level mandated by probation. He was willing to consider having the Treasurer's Collection Division take over the collection service. Judge Griffin also explained that a task force had been established to establish procedures to increase the collection efforts for fees and fines assessed by the Courts through the use of the Collection Division. Mr. Cook then explained his knowledge about the collection ratio at other facilities. He also indicated that families with insurance are submitting claims against the policy as the facility has been certified. As he was unsure whether he would be able to obtain the Beta grant or market the facility, the budget had been prepared without them. Discussion agreed that the program had been successful and that the Board needed to show prudent fiduciary responsibility. The cost is one-third of the budget for Juvenile Probation. The Board also questioned whether it should be a higher priority than dispatchers. The Board had decided against implementing the ad valorem tax based on the electorate's direction regarding Fire Station 1, the Library, and a new Public Safety Complex. The Board will fund its share but it does not have an unlimited funding source. Accountability and efficiency must be provided. A utilization factor, which can be afforded, must be established. Mayor Masayko urged them to do as much as they could to limit expenses and collect from the clientele. He also felt that they would find that the other Counties will not be able to meet the funding requests.

Ms. Candy supported the program due to the life skills the program provided for the family. She had contributed to the program. Ms. Rogers described the programs which teach the participants how to deal with problems besides drugs and alcohol. The individuals must do the work him/herself. She is now working on her GED, attending AA, and talking with her family more. It was a helpful program. Mayor Masayko thanked them for sharing their experiences.

(2-0243) Discussion indicated that Ms. Banister's budget for Juvenile Detention did not contain any supplemental requests. The daily population figures had dropped by three due to Carson City, Churchill and Lyon Counties' use of the regional facility. Ms. Banister felt that this was a good decision for them as detention is "dead time". Mr. Simms also explained that the population decrease was due to the ability to get the youths into programs quicker. It is no longer necessary for other jurisdictions to hold the youths until their turn is

reached on a waiting list. This allows the facility to use the funding more effectively. The facility has contracts with other State and Federal agencies. If the facility can meet California's requirements, a contract will be issued for it also. He was encouraged to contact these agencies and attempt to get them to use the facility more now that space is available. Mr. Simms felt that the agencies were aware of the openings and indicated that he understood the Board's concern. Mr. Cook explained Mr. Berkich's emphasis on the budget and justification for any expenditures. Mr. Simms also explained the need to balance the facility and staff's ability to meet Federal guidelines for safety reasons. If the guidelines are not maintained, Federal sanctions could be placed on the facility.

**D. ALTERNATIVE SENTENCING (2-0342)** - Chief of Alternative Sentencing Matt Fisk, Deputy Finance Director Tom Minton, Finance Director David Heath, and Alternative Sentencing Coordinator Claudia Saavedra - Mr. Fisk corrected his supplemental request to be for \$24,278 for the conversion of a part-time position to full-time. Efforts were being made to become self-sufficient. Discussion indicated the Department has a part-time position that had been funded by a grant. The request is to convert the City funded part-time position to full-time. Mayor Masayko asked staff to determine the actual cost to convert the position as discussion indicated the amount was incorrect. Justification for having Douglas County monitor Carson City clients was provided. Douglas County's track record indicates that they had received \$25,000 more than the cost of the monitoring equipment. Board comments encouraged staff to increase the supervision charge from \$30 to \$40 per month. Efforts are also being made to establish a process so that credit cards can be used to make the payments. Mr. Fisk indicated a desire to begin to require the clients to pay for their drug tests. Statistics had not been developed indicating the rate of recidivism. Mayor Masayko asked that these statistics be developed. The noncompliance individuals are returned to jail. A work release program is being developed which may assist with the transition from jail to the community and could reduce the impact on the jail. The program's success is based on the ability to use other programs to keep the individuals out of jail. The program's flexibility was indicated with Mr. Fisk's description of his ability to return individuals to jail for brief periods when their attention to the requirements is needed. The program must provide community and court accountability, public safety, and rehabilitation. Board discussion indicated that if the Department can prove that the savings/funding can be generated within the Department, it should be allowed to increase the part-time position to full-time. Mr. Heath suggested that this report be provided during a regular Board meeting. Mayor Masayko also asked that the Department work with Mr. Kramer to increase the fees and that an opportunity be provided to present a case for the conversion. Supervisor Livermore encouraged Mr. Fisk to continue to pursue his efforts to become self-sufficient. He also indicated that if the revenue is there, he would support the position. Ms. Saavedra stressed the importance of the position due to the amount of paperwork involved with the 356 clients.

(2-0675) Mayor Masayko pointed out that the Board would have to find the funds for the Regional Youth Center as required by law. He placed the Alternative Sentencing's conversion of a part-time clerical position to full-time on the wish list.

**F. DEVELOPMENT SERVICES - 1. VEHICLE MAINTENANCE, 2. COMMUNITY DEVELOPMENT, AND 3. WATER AND SEWER UTILITIES (2-0759)** - Director Andrew Burnham, City Engineer Larry Werner; Community Development Director Walter Sullivan - Mr. Burnham distributed to the Board and Clerk and reviewed a sheet providing his budget overview. (A copy is in the file.) Discussion identified/explained/described: the enterprise functions; the transfer of Utility Billing staff to Water and Sewer

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Utilities; approval of the personnel changes is part of the budget process; the reorganization process; (2-0981) supplemental requests; reasons why the radio technician position could not be contracted; the problems encountered in getting new patrol cars on the street which Mr. Werner was to check into; the need to increase Community Development's compliance officer's position from half-time to three-quarters time; inclusion of the compliance officer's salary in the fee structure for permits issued by Community Development; and the compliance officer's duties.

(2-0965) Mayor Masayko directed that the Sewer and Water Technician positions be authorized as they are part of the enterprise funds. Mr. Burnham thanked the Board for establishing the Utility Rate Study Committee. (2-1128) Mr. Berkich indicated that the radio technician position would be submitted as a supplemental at the final budget session. (2-1255) A report on the Applegate problem was requested. Supervisor Livermore also requested a report on the duties and enforcement efforts of the Community Development compliance officer. Support for and against continuing the compliance officer's position was discussed. Comments stressed the need for people to communicate with each other or change the Code if his enforcement efforts are not wanted. Mayor Masayko directed that the Code Enforcement's supplemental hours be brought back with the fee structure. He also thanked staff for the reorganization and savings.

Supervisor Williamson placed the Radio Technician position on the wish list.

**E. DISTRICT ATTORNEY (2-1430) - Noel Waters** - Discussion indicated a desire to make the child support payee pay any fees associated with collection of the child support payments. Mr. Waters indicated that there was originally a \$5 initiation fee, however, since implementation of the NOMADS program, this has been eliminated. Maternity testing costs are recovered from the party who is found to be a parent. Employers can recover costs incurred for wage garnishments. Mayor Masayko expressed his willingness to support legislation making the users pay for the services. He also emphasized that a majority of the child support workers are funded through State and Federal funds. The incentive programs were described. The NOMADS program had closed some of the cases and transferred a lot of cases from the State Welfare Department to the District Attorney's Department. The Division's employees have been cross trained in order to handle the increased caseload. Groups of applicants attend a class teaching them how to fill out the applications. This is more efficient than the former one on one program. Applications will soon be placed on the internet. This will allow the applicants to complete the forms before coming to the office. Supervisor Williamson explained the request by the District Attorney's office to use its CIP funds for toys for children of the child support clients and witnesses when they are at the office. She also explained a cost saving suggestion presented by the District Attorney's office which would use procurement cards for travel expenses incurred by witnesses as it will provide more latitude if the case is cancelled. Mr. Waters indicated that all of the working Carson City child support cases had been converted to NOMADS. Some of the payment history remains to be converted. The two programs are still being maintained as the NOMADS program takes time to learn due to its complexity.

Supervisor Plank added the investigator to the wish list.

Mayor Masayko explained the agenda for tomorrow's meeting. He hoped to complete the study on the Fire and Sheriff's Departments within 1-1/2 hours. Discussion indicated that the Fire and Sheriff's budgets were based on information in the study. Sheriff Banister planned to include alternatives with his budget.

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There being no other matters for consideration, Supervisor Plank moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 10:45 p.m.

The Minutes of the March 18, 2002, Carson City Board of Supervisors budget session

ARE SO APPROVED ON June 6, 2002.

/s/  
Ray Masayko, Mayor

ATTEST;

/s/  
Alan Glover, Clerk-Recorder