

explained a Hospital public service brochure which had explained its operational costs, services, and community benefits. He then explained his personal experience at the Hospital and the Board of Trustees decision to purchase new beds. (1-0314) Susy Meehan questioned the reasons her health insurance had increased 150 percent. Her insurance representative had indicated that it is due to the hospital costs which were purportedly higher than the average across the country. Mr. Telles felt that the problem was created by an out-of-area insurance provider and agreed to meet with her and discuss the issue. He also indicated that the Hospital had not increased its rates for two years. There will be a five percent rate increase on July 1st due to inflation and salary costs. Action will be taken on this budget when the Final Budget is approved later in the month.

D. DISCUSSION AND ACTION ON REDEVELOPMENT AUTHORITY FISCAL YEAR 1999-2000 BUDGET (1-0368) - Mayor Masayko then recessed the Board of Supervisors session and passed the gavel to Chairperson Williamson who convened the session as the Redevelopment Authority. For Minutes of the Redevelopment Authority, see its folder. Following adjournment of the Redevelopment Authority, Mayor Masayko reconvened the Board of Supervisors session. A quorum was present as noted.

C. DISCUSSION AND ACTION ON CARSON CITY FISCAL YEAR 1999-2000 FINAL BUDGET (1-0512) - City Manager Berkich explained a proposal which would realign the funding allocation for the Public Safety Master Plan Program by moving \$10,000 to the Sheriff's Administrative Office evaluation. This will leave the remaining \$19,000 on the one-shot wish list. He then explained a proposal to reassign the heart/lung insurance costs to Workers Compensation and to move \$180,000 in funding from Capital Acquisition to Workers Comp budget for this purpose. Staff had recommended that these funds be allocated for a fire brush rig which the Board had vetoed earlier in the budget process. The budget included \$170,000 for two ambulances. Confusion on this reallocation had been created by the Board understanding that the brush rigs had been recommended and the ambulances were not. The Board had realigned the expenditure to reject the brush rig and acquire two ambulances. Concern was expressed that Mr. Berkich's recommendation would spend the same money again. Mr. Berkich clarified the base budget as having included the two ambulances.

Mr. Berkich then suggested that the liability insurance fund be increased by \$250,000 by reducing the ending fund balance. Mayor Masayko opposed the suggestion as it reduced the Board's discretionary funding. Discussion ensued on the City's self-insurance funding and the cost of the heart/lung insurance pool program, which was estimated at \$120,000. Clarification indicated that the ending fund balance is projected at 9.8 percent of the total budget and had been set at this level due to the Workers' Comp issue. The proposal would reduce the ending fund balance to 8 percent and provide funding for the Workers' Comp program. The self-insurance fund carries a \$500,000 balance. Discussion indicated that the proposal would ultimately reduce the Capital Improvement Program funds for next year. Clarification further indicated that the proposal is a "bookkeeping maneuver".

Mr. Berkich then explained the Boys and Girls Club expansion needs and \$50,000 funding request. If the Board allocates the funds from the General Fund, a reimbursement from the Quality of Life funds will be sought. Parks and Recreation Director Steve Kastens explained his reasons for feeling that the aquatic facility could use the Quality of Life funds for maintenance and upkeep for one year. He supported using General Funds for the Boys and Girls Club expansion. Next year General Fund support will be requested to cover the aquatic facility's maintenance and upkeep costs. The Quality of Life had purportedly included provisions for facilities for the Boys and Girls Club, however, the General Fund allocations were recommended due to concerns related to the ballot question language. Supervisor Livermore supported the recommendation for one time. Mr. Kastens estimated that it would cost \$120,000 for maintenance.

Public testimony was solicited. (1-0901) Boys and Girls Club Director Kathy Blankenship briefly explained the growth which had occurred, the reasons 15 additional staff members had been hired, and the need for additional space. She thanked the Board for its consideration. Additional comments were solicited but none given.

Supervisor Livermore moved that the Board of Supervisors approve \$50,000 of one shot funding for the facility

expansion of the Boys and Girls Club for Fiscal Year 1999-2000. Supervisor Bennett seconded the motion. Mayor Masayko indicated that the funding source is basically from the aquatic center maintenance which Mr. Berkich indicated reduced the Board's funds to \$250,000. Clarification between Mr. Heath and Mayor Masayko indicated that the funding had been included within the budget for pool maintenance. Mayor Masayko indicated that the motion would move the funds from the pool to the Boys and Girls Club. Mr. Berkich indicated that technically it moved the funds to Community Support Services which will be granted to the Boys and Girls Club. Supervisor Plank requested the motion to be amended to include this language. Mayor Masayko supported his request and indicated that the aquatic funds would be from Question 18 (the Quality of Life bond issue) and free-up General Fund monies, which is the proper method to handle the funding. Supervisor Livermore amended his motion to include funding to come from the swimming pool operations, which he modified to be swimming pool maintenance fund, and to go to Community Support Services for the purpose of funding the Boys and Girls Club expansion one-shot. Supervisor Bennett concurred. Motion carried 5-0.

(1-0952) Mr. Berkich then explained the unclassified compensation study and the recommendation that the Department savings be used to fund the cost with augmentations if necessary. A revised sheet on the two unclassified positions which the Board had discussed at an earlier meeting was distributed to the Board. (A copy was not given to the Clerk.) These salary adjustments totalled \$12,390. Mayor Masayko requested a written policy statement be developed and presented to the Board for affirmation. Mr. Berkich indicated that the full study would be presented to the Board in June. **Supervisor Williamson moved to authorize the use of Departmental savings and budget augmentations if necessary to fund merit increases as awarded to those unclassified personnel whose ranges may be changed pursuant to the 1999 compensation study.** Following Mayor Masayko's request for an amendment, **Supervisor Williamson continued her motion to include "and that this policy will be memorialized in writing at a subsequent Board meeting".** Supervisor Plank seconded the motion. Supervisor Bennett explained her heartburn about proceeding with funding for something without a clear policy. She was also uncomfortable about using the CQI savings and this entire policy issue. She requested an opportunity to discuss this program in depth with others. Reasons for this request were explained. Due to these concerns, she did not feel that she could support the motion. Mr. Berkich explained for Supervisor Livermore that he proposed to only address the two employees at this time. Board action on future merit increases for certain unclassified employees as determined in the study and the policy issue will be considered when the study is presented, which he indicated would be in June. Supervisor Livermore indicated that he shared Supervisor Bennett's concern due to the lack of knowledge regarding the total number of impacted employees, the amount of money involved, and the commitments which were being made. He felt that a false signal was being sent to the employees which he described. He preferred to delay the discussion until the Board has the full study and employee input is obtained. Mr. Berkich reiterated the intent to provide this opportunity when the study is presented. The motion would authorize staff to implement only a portion of the program. Discussion indicated that if the Board returns the study for additional evaluation, no money would be spent as a result of the motion. The motion only authorizes possible future implementation. His reasons for requesting partial implementation at this time were reiterated as well as reasons for being unable to provide the cost estimate. Supervisor Williamson explained that she shared Supervisors Bennett and Livermore's concerns. Her discussions with different employees indicated that they had not had an opportunity to review the study. She questioned the commitment made to people to entice them to take on more responsible positions by moving from classified to unclassified. The Board should be certain that these commitments are being fulfilled by the study. She also supported delaying the decision until a future meeting. Mr. Berkich reiterated his reasons for requesting a decision at this time. The proposal to use CQI funds will impact future budgets as it uses funding which would have been available for capital improvements as established by a previous policy. The study is now under review by all of the employees. There is a 30 day comment period. It will then be brought back to the Board. Supervisor Plank noted that the Board had discussed it previously and, as he had understood it, the Board is dealing with something which would not be effective until after July 1, 1999, and only on the employee's anniversary date which could, in the extreme, occur as late as June 30, 2000 Mr. Berkich agreed. Supervisor Plank felt that the motion would commit that the money is there and to proceed with the study. If the study is accepted, funding will be in the budget. Mr. Berkich indicated that once the Board accepts the study, they will basically implement it. Mayor Masayko indicated that this is the concern. A commitment and funding from on-going operations is being made this evening. He urged

the Board to proceed with the motion due to his feeling that it is open enough to indicate that the funding could come from CQI savings or an augmentation. The Board needs to commit to the employees who are effected by their salary ranges, grades, compaction, external equity, etc., that the study has some validity and that the Board is at least behind the study. The Board is not saying that we are going to grant everyone something. We are only saying that this philosophy and this approach is something that should be handled as part of the our budget process. Mr. Berkich indicated that the proposal is consistent with the Board's resolution which had been adopted in 1996 on how and what adjustments should be made, how to approach unclassifieds, and what had been done. Mayor Masayko felt that the Board will have adequate opportunities to see and decide how much the increases will impact the budget and whether or not to use the CQI savings or augmentations. Likewise, the employees will have plenty of opportunities to advise the Board on their perception of the proposal. He felt that the Board had the authority to do this because the motion is simply wide open enough to allow us to go ahead with it. Discussion between Supervisor Bennett and Mr. Berkich indicated that the cost of the program had not been included in the budget. Justification for suggesting the use of the CQI funds/budget savings were explained. There is nothing in the budget to cover the program beyond that. The study had been completed. The motion will allow the use of future savings in the coming year when and if the merits are awarded to implement the first part of the study. The second part will change the two positions due to the compaction within their departments and to fund the \$12,000 to do that. The effective date will be July 1. Only this portion of the program had been calculated at this time. The cost of the other portion is more complex due to the different implementation dates. Supervisor Bennett indicated that the proposal would add \$12,390 to the wish list and compete with all of the other on-going programs. Mr. Berkich agreed. He also indicated the uniqueness of the request is based on the proposal to use CQI savings to fund the salary adjustments which will occur throughout the year rather than on a specified date. This is the reason the tentative budget had not included the figures as part of its base. He agreed that the net effect of the proposal will be to reduce the amount of money which would be used for CQI or Department capital needs for the coming year. Clarification indicated that the proposal had not committed any of the Board's discretionary funds to the program. The motion would place the funding request of \$12,390 on the list and it would have to compete with the other items. Mayor Masayko urged the Board to adopt the motion as it would establish the the policy issue and establish the ability to create and fund the adjustments which need to be made to unclassified employees throughout the year as a result of the compensation study. The funding issue can be decided in the future and could be from either the CQI savings or budget augmentations. Budget augmentations occur throughout the year. This bridge will be crossed when we reach it. The proposal merely makes a commitment regarding the study and lets the funding for the two employees compete with the other wish list items. Supervisor Livermore questioned whether the Department savings and/or the CQI funds could be used to acquire any positions on the one-shot or on-going lists which the Board does not fund this evening. He was concerned that the policy would provide this ability and noted the substantial list of personnel requests. Reasons for this concern were noted. He felt that the proposal would commit funding to an expenditure on which later down the line the Board may or may not have the opportunity to say Yea or Naye on. Mr. Berkich responded by explaining that generally the Board does not reopen the budget once it is closed. His suggestion to the Board, and his strong case for support, is its high priority as the management staff is very important to the success of the City and to the service of the community. It is of such a high priority that he had developed a funding mechanism which would not require it to compete with all of the other needs. This program would use Departmental savings as the funding mechanism. Supervisor Livermore stated that he did not have a problem with the \$12,000. His concern is with what else it entails and the lack of knowledge regarding its costs. Mr. Berkich reminded the Board that he had placed on the record during the first discussion and had given the Board a memo estimating that the total cost will not exceed \$40,000 over the coming year. He did not have a copy of the memo with him. Mayor Masayko referenced Mr. Heath's memo on the CQI savings which were approximately \$822,000 in 1995-96. The next year was \$678,000. Last year it was \$679,000. (The Clerk did not have a copy of this memo.) As the proposal is such a small portion of this amount, he could not imagine that the employees would feel that they lost their ability to go ahead and give something for the CQI savings. Supervisor Livermore suggested the motion include a \$40,000 cap. **Supervisor Williamson agreed and amended the motion to cap it at \$40,000. Supervisor Plank concurred. The motion was voted and carried 3-2 with Supervisors Livermore and Bennett voting Naye.** Mayor Masayko noted that the \$12,390 would have to compete with the other wish list items. Mr. Berkich agreed.

(1-1320) Discussion explained the protocol to be used during the search for items which are to be funded. Mr. Heath used a computer enhanced program to display the wish list items.

BREAK: A 15 minute recess was declared at 7:30 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 7:45 p.m., constituting a quorum.

(1-1446) Discussion between Mayor Masayko and Mr. Heath clarified the funding issue for the brush rig, which is in the CIP program, and the ambulance, which was to be funded by the enterprise fund. Mr. Heath assured Mayor Masayko that the enterprise fund could in fact support the ambulance acquisition without creating a funding problem. The Board's original confusion on the acquisition programs was noted. Mayor Masayko pointed out the General Fund's subsidy of the ambulance service and reiterated his concern that the funding is not adequate to handle the acquisition. Mr. Berkich agreed that the subsidy would assist with the acquisition. The program had provided the funding for both ambulances and the brush rig. Supervisor Bennett encouraged Mr. Berkich to revise the process to eliminate future confusion of this type. Mayor Masayko suggested that this discussion be included in the workshop. **Supervisor Bennett moved that the Board of Supervisors put the funding of the two ambulances that were requested through the CIP into the Enterprise Fund of the Ambulance, the dollar amount is not to exceed \$170,000.** Following discussion, **Supervisor Bennett amended the motion to indicate that the amount not to be exceeded is \$152,000.** **Supervisor Livermore seconded the motion. Motion carried 5-0.**

(1-1638) Discussion ensued on the Capital Improvement Program recommendations for major capital items. Supervisor Livermore suggested that the Juvenile Probation/Court facility renovation project be financed with a short-term loan. Reasons for this recommendation were provided. Chief Juvenile Probation Officer Bill Lewis explained his reasons for wishing to phase the project. Phasing will allow the staff to continue to offer services from the facility. Consensus supported having the total costs presented rather than cost per phase as it will provide the total picture and allow for paying as you go or consideration of alternative funding.

(1-1843) Supervisor Williamson suggested that \$50,000 of the \$250,000 allocated for SPAN be used to fund Information Services personnel. Mayor Masayko explained that her suggestion would permanently reduce the SPAN program due to the on-going personnel costs. Information Services Director William Naylor explained the SPAN program, its allocation process, its funding flexibility, and reasons the projects should not be eliminated which the reduction would cause to occur. Supervisor Bennett suggested that no action be taken on this proposal until after the wish list items have been considered. If the position is not funded, she agreed to reconsider this program. Mayor Masayko and Supervisor Williamson supported her suggestion.

There being no other discussion on the Capital Improvement Program recommendations, Supervisor Bennett moved that the Board of Supervisors allocate \$2,049,178 for the 1999-2000 Capital Improvement Program as recommended for the major capital items which are included in the document before us. Following a request for an amendment, Supervisor Bennett amended her motion to include that should the position that is recommended for SPAN not be funded through on-going allocation before us that that position be funded from the current allocation for SPAN. Mayor Masayko voiced his reluctance to support this motion and indicated a willingness to support consideration of funding the position from the SPAN funds. Supervisor Bennett indicated that this was the intent of her motion and that the Board would consider taking action to use SPAN funds for the position. Supervisor Williamson seconded the motion. Mayor Masayko indicated the motion was to approve the major capital improvement funding and to formalize it at \$2,049,178 less the fact that the \$250,000 for SPAN may be considered for funding a permanent position in Information Services if it is not funded elsewhere. Supervisor Bennett agreed with his interpretation of her motion. The motion as indicated was voted and carried 5-0.

(1-2050) Mayor Masayko then briefly described the funding which was available for distribution and the projects which had been previously funded, i.e., \$100,000 for transit, \$40,000 for NOMADS, \$100,000 for the Public Defense Conflict Counsel, etc. Last year the Board had ratified the previous Board's decision against imposition of the ad valorem rate for Fire Station 1. The electorate's decision regarding the firefighter issue was also noted.

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Additional comments on this item were solicited but none given. Mayor Masayko then explained AB 314 which enables member Counties to impose an ad valorem rate to fund the Regional Juvenile Facility in Silver Springs. This would require a 1.8 or 1.9 cent increase. He recommended using General Fund monies rather than increasing the ad valorem rate. Supervisor Bennett encouraged the Board to implement the tax so that some of the important personnel requests could be funded. Mayor Masayko explained the City's tax rate increase which had been offset to a degree by the School District's decrease. Supervisor Bennett moved that the Board proceed to program into the General Fund on-going allocations \$166,000 to free that money up for on-going funding, the \$166,000 was funding that would otherwise have been for the on-going operation of the Juvenile Center. A second was not made and the motion died.

Mayor Masayko noted the electorate's message against increased taxes as indicated by the 1998 election results. He then indicated that there was \$276,000 in on-going funding and \$200,000 of one shot funding available for distribution in addition to the possibility of using \$50,000 from the SPAN program for Information Services needs. The round-robin process was then described. Each Board member was to list his/her top three items. Once an item receives three votes, it is considered funded. From this process the following items were funded: the half-time deputy; one fire fighter; one full-time deputy; Information Services PC Technician for \$48,040; Carson Care for retirees; White Top for \$15,000 in one shot funds; Trades Tech I of \$36,881 and a truck for \$22,000; Nevada Hispanic Services for \$45,000 in on-going; upgrade the part-time Juvenile Detention cook to full-time; (1-3195) chiller service of \$3,390 from one-shot funding; \$5,000 for Healthy Communities from one-shot; \$5,000 for the Brewery Arts from one-shot; Gateway Beautification; CASA for \$6,000; \$5,000 for Nevada Tahoe Conservation District from one shot; \$13,000 for the Cemetery office relocation; \$36,000 for a Librarian from one-shot; \$3,000 for the Y2K awareness; \$35,000 for Library books; volunteer recognition for \$1500 from one shot; RSVP for \$6500 from one shot; Carson Valley Conservation District from one shot; \$500 for the gift fund; and \$12,390 unclassified compensation.

(1-3152) Supervisor Bennett again raised the point that there had been \$166,000 in personal requests and emphasized the need to raise the ad valorem rate to fund these positions. Clarification indicated that the Nevada Rural Health request for \$8,000 had been included in the Indigent Services budget. (2-0175) Board consensus supported Supervisor Plank's suggestion that each Board member donate \$300 toward the volunteer recognition program and reduced the funding to \$1500. He also felt that the aggregate study could be paid by RTC if the correct approach is used. (2-0308) Discussion indicated there is no reason to reconsider the SPAN allocation.

There being no other matters for consideration, Supervisor Livermore moved to adjourn. Supervisors Plank and Bennett seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 9:35 p.m.

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

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1999.

ARE SO APPROVED ON ____August_5____,

____/s/____

Ray Masayko, Mayor

ATTEST:

____/d/____
Alan Glover, Clerk-Recorder