



# Mesquite City Council

## Budget Work Session

### Mesquite City Hall

### 10 E. Mesquite Blvd.

### Wednesday, May 11, 2016 - 3:00 PM

Minutes of a scheduled Special Budget meeting #1 of the City Council held on Wednesday, May 11, 2016, at 3:00 P.M. at City Hall. In attendance were Mayor Allan S. Litman, Council members W. Geno Withelder, George Rapson, Kraig Hafen, Rich Green and Cynthia "Cindi" Delaney. Also, in attendance were; City Manager Andy Barton, Finance Director David Empey, Assistant Finance Director Dodie Melendez, Police Chief Troy Tanner, Fire & Rescue Chief Kash Christopher; Information Technology Director Dirk Marshall, Athletics & Leisure Services Director Nicholas Montoya; Development Services Director Richard Secrist; Public Works Director Bill Tanner, City Attorney Robert Sweetin, City Clerk Tracy Beck, other city staff and approximately 15 citizens.

Mayor Litman called the meeting to order at 3:00 P.M. (NOTE: This meeting has been tape-recorded and will remain on file in the office of the City Clerk for four years for public examination.)

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Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the Mayor and Council. Public comment is limited to three minutes per person and may only address items that are not on the meeting's agenda.

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## **Public Comments**

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*During the Public Comment portion of the agenda comments must be limited to matters within the authority and jurisdiction of the City Council. Items raised under this portion of the Agenda cannot be deliberated or acted upon until the notice provisions of the Nevada Open Meeting Law have been met. If you wish to speak to the City Council at this time, please step up to the podium and clearly state your name. Comments are limited to 3 minutes in length.*

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### 1. Public Comments

[3:00 PM] Minutes:

Mayor Litman opens up the meeting to Public Comment.

[3:01 PM] Minutes:

Barbara Ellestad, Mesquite Citizen: In years past, we've always had the opportunity to make public comment at each step of the way through the budget. My question is what is the format and process for this year's budget hearing as far as the public being able to provide input?

[3:01 PM] Minutes:

Mayor Litman: Nobody had signed up. Mr. Ballweg was going to sign up, I'll mention that, but we decided because there's only one person, that at the end of each presentation, that I would open that up to public comment.

## **Administrative Items**

2. Consideration of introduction, review and discussion of the proposed City of Mesquite proposed FY 2016-2017 fund revenues, expenditures and proposed City Departmental budgets to include staffing, organizational issues, budgeting and taxing philosophies, transfers, fund balance, and capital improvement planning and financing.

a) Overview by the City Manager and Finance Director/Treasurer

- Discussion and Possible Action

[3:02 PM] Minutes:

Mayor Litman read this item by its title and deferred to City Manager Andy Barton.

[3:02 PM] Minutes:

Mr. Barton: Before we get started, I just wanted to mention that we have some extra copies of the budget right over by the lectern over there, so please help yourself. Mr. Mayor, Council Members, Mesquite residents, I am pleased to present the 2016/2017 Ending Year Budget. Before I get into the numbers, I would like to share some of my thoughts with you about how we got to where we are, and then I'll do a quick summary of budget highlights which will be augmented very capably by our Finance Director, Dave Empey.

Even though the regional and local economy are showing signs of recovery, this organization really hasn't felt it yet. Our prominent source of revenue, which is the combined tax or C-tax, is up marginally this year less than the 1%, which translates to about \$35,000 worth of additional revenue. Property tax, our next largest source of revenue is practically static, and it's only expected to increase by two-tenths of 1% for next year. In the meantime, City expenses have increased without corresponding increase in revenues. The increases are in no small part due to the City's contractual obligations. What that means is that for the last two years, our expenses have exceeded our revenues, and our General Fund reserves have diminished accordingly. I will run the numbers by you shortly.

The City has responded to diminished revenues over the years by shrinking its work force. We have 168.5 full time equivalents. Basically, that's 145 full-time employees, the remainder being permanent part-time. Compared to 223.5 FTE's that we had in the 2008/2009 fiscal year, yet we still provide almost all of the services that we provided eight years ago. So we're down 55 FTE's compared to 2008/2009. The cost to this organization is that we're thinly staffed. We have three departments in fact that are down to one employee each.

At the onset of the budget process, I asked my Department Heads to give me an honest, real world appraisal of what their staffing needs would be for the coming fiscal year. 8.5 new positions were proposed, and not one of them made it into the budget that Council has before you. The needs were legitimate, including, but not limited to, Public Safety, specifically Fire Department, but absent the money to pay for these positions, I can't recommend them.

We can't run deficits forever. This year the Staff has proposed unprecedented budget cuts to help us get upright financially. The Proposed Budget before you gets the deficit down to \$239,000, but there's a significant difference. For Fiscal year 2016-'17, the City for the first time is addressing a nearly \$1.4 million liability. That's a payout for vacation and sick leave. So another way to put this, if every employee were to quit today, that's the amount the City would be obligated to pay out for vacation and sick leave to departing employees. We're proposing in addressing this in this year's budget and in future years by transferring \$500,000 a year from a General Fund to a special account for the next three years. If we didn't account for this obligation, and we didn't up until this year, the proposed fiscal year 2016-'17 budget would actually be in the black.

There is still a possibility that this budget will be in the black in any event, and the reason for that is that we're looking at alternatives to our insurance carrier. We've had Nevada Pool/Pact. We are looking at alternatives. Council will be making a decision I believe the first meeting in June on which way to go. But we believe there might be savings up to \$250,000, which would effectively eliminate the deficit, and put us a little bit into the black. That deficit could be increased or added through contractual obligations, and what I mean by that is the City went into arbitration with one of its unions on a 2013 contract in arbitration. For that, actually, we've had an arbitration hearing. The results of that won't be known for several months, but the results could possibly increase our deficit. By how much at this point, I'm not sure.

It probably comes as no surprise that there is no net gain in General Fund positions for the proposed fiscal year, so that we're carrying the same levels of employees forward that we have in this fiscal year. At this point, the need for further cost reductions would require layoffs. With the budget that I have before you, I can maintain, with a couple of minor exceptions, all of the services that are

provided by the staff we have today. As a practical matter moving forward, we either have to find new revenue sources to pay for the services that we provide or we'll have to cut staff and consequently cut services. Going into this year, they are not proposing to do either, in least not in a big way.

By the way, Staff gets it when it comes to spending and living frugally. Our problem in recent years, hasn't been one in which budgets are overspent. Our Department Heads have spent very cautiously and have managed their finance as well. Again, the issue for us is revenue, lack there of. Before we go into budget highlights, a word of thanks to David Empey, and Dodiee Melendez. Basically, they are our Finance Department who put in long hours putting this budget together, and also a special thanks to my Department Heads and their staffs who did an exceptional job in cost cutting, and for being able to do so much with so few resources.

Before I get into the highlights, I want to mention and Dave will mention a little bit of how we do budgets. We do zero-based budgeting. We just don't add, for example, 3% to our budget each year and call it good. We do a very granular review where we review everything to make sure that everything we put into the budget is justified. So highlights, some from me and then some from Mr. Empey.

The fiscal year '16/'17 General Fund operating revenues, we're anticipating revenues of \$20.6 million and expenditures of \$20.8 million, hence our deficit. I think I mentioned our deficit is \$239,278, which may very well be erased sometime in June. There are no staffing changes, as I mentioned, going into the next fiscal year. At least there is no change in the number of staff people that we have. And as I mentioned before, we are down 55 full time equivalents from the fiscal '08/'09 budget year.

Collective Bargaining Status: Teamsters Contract was reopened this year, that's the 2013 through 2016 contract we have with the Teamsters. It was reopened earlier in the year, that's the one that's in arbitration, and we probably won't have another reading on that for some time. We do have another contract coming over that we'll be negotiating. That contract will be effective July 1<sup>st</sup> of 2016 and go through June 30, 2019. We have an agreement with the Firefighters. Our contract is good with them through June 30, 2018, and for police our Collective Bargaining Contract goes through June 30<sup>th</sup> of next year, 2017.

General Fund Ending Balance: The Government Finance Officers Association best practices recommends a fund balance of 25% of total expenditures. The Proposal that you have before you actually gives us 29.9%. We are anticipating that our General Fund balance at the end of the next fiscal year will be \$6,221,000. Our Projected Fund Balance for this year, ending term balance will be \$6,640,000. That's about 32% of operating expenses, and if for comparison sake, our peak fund balance occurred in fiscal year 2008/2009, which was

\$8,200,000.

Let me talk just a minute or two about the assessed values in property taxes. For property taxes for the coming fiscal year, we're anticipating \$3.25 million. That's a little over 16.5% of operating revenue. For the projected end of this year, property tax we're leaving at \$3.14 million, which is about 16.4% of operating revenues. The fiscal year '14/'15 property tax, last year, was just a little over \$3 million, and that's 16.1% of the operating revenues. Our peak property tax revenues occurred, not a surprise, in fiscal year 2009/'10, and that year it was \$3.85 million and 22.2% of operating revenues. Assessed Valuation: Fiscal year '16/'17 Assessed Valuation, we're looking at \$681,450,000. That is an increase of about .91% over the current fiscal year. Fiscal year 2015/'16 Assessed Value is \$641,450,000. That's a 10% increase over the prior fiscal year. The Fiscal year '14/'15 Assessed Value was \$583,373,000, which was an 8.2% increase over fiscal year '13/'14. It was 65% of peak year assessed value. Peak assessed value occurred in fiscal year 2008/2009 when we were almost at 1 billion dollars, \$903,591,000.

General Fund, Consolidated Taxes, the C-taxes which comprise most of our operating revenues. We are budgeting \$7.8 million for next year. That's 40.3% of our operating revenues. We are projecting this year for fiscal year '15/'16 \$7.65 million dollars. That's 39.9% of operating revenues. The actual '14/'15 fiscal year Consolidated Taxes were \$7.3 million, which were 39.5% of operating revenues. Peak C-tax revenues occurred in fiscal year '06/'07, when they were \$9.1 million which at that point comprised 43% of operating revenues.

At this point, I am going to ask Dave Empey to talk about City-wide indebtedness and General Fund transfers.

[3:14 PM] Minutes:

Dave Empey: There is a bit of good news. As we were evaluating our overall debt picture, a bright spot quickly arose and we realized that funds in the redevelopment district were sufficient to allow us to prepay \$2.47 million in debt. That is on a 2012 general obligation bonds that was issued at 2.2%. They are 10-year bonds, so they would not normally be expiring until 2022. By paying these bonds off, we can expect in the early years of these bond payments \$50,000 a year to the redevelopment district, and over the remaining 10 years of that bond life, we can probably pencil out where that would be well in excess of \$200,000 savings for the redevelopment district. So it does make great sense to pay off those bonds at this time. That payoff will occur in December of this year.

I wanted to touch base just for a minute on the property tax, the one that we are faced with. You probably all heard that since property values were rising so rapidly years ago, that the Legislature put on legislative property tax caps. Those tax caps were different for residential properties as opposed to commercial properties, 3% on residential properties, 8% on commercial

properties. So that meant simply that when you receive your property tax bill for the year on your home, it could not raise more than 3%. It just depends on where your assessed value went. If your assessed value went up 15%, you were still capped at 3% increase from the prior year. It's pretty much the same thing on all commercial properties. The unfortunate situation now is there was a little known part of that legislation that once again throws us into a situation of formulas. You're all familiar with the C-Tax formulas. Well, there's a formula for the tax cap as well, and how that affects us this year is that the City won't be realizing a 3% tax increase on property taxes, but a .02%. So that's why as you look at our property taxes in the General Fund budget that we'll be taking a look at it, you will notice it that is only minimally more than what we project receiving this year. This is the reason for that, is that they call it a commercial cap. So that's one of the realities that we're having to deal with in determining this budget.

As far as the transfers go from the General Fund, whereas we have traditionally been transferring from the General Fund to the More Cops Fund, resources to help the More Cops stay funded. So this year that will change. Thanks to Chief Tanner's contact with County folks that had given us pretty solid revenue estimates on this More Cops sales tax revenues that were higher than what we had projected for this year, as well as in fiscal year '16/'17. So that was good. We are transferring back to the General Fund a certain amount of funds. We estimate about \$38,000 from the Technology Replacement Fund, as this fund is lately dormant from funding resources as it was originally established. It was resourced directly and entirely solely from the General Fund. At this point in time, this is a one-time transfer. Again, like we did one-time transfers from the airport this year of \$400,000, and a \$200,000 one-time transfer from the Recreation Department. We don't have the luxury of transferring any more funds back to the General Fund. This pretty much ends that possibility.

One change as far as transfers from the General Fund, Capital Projects Fund typically is funded primarily and solely through the General Fund as well. That Capital Project's Fund provides necessary resources to maintain City facilities. There is a sufficient amount of what we think is resources in that fund balance in that particular fund to help get us through a couple of years that we can draw down on those before having to make any additional General Fund transfers into that fund. We will have to watch that closely and hope that our facilities are maintained to a high enough standard that we won't have anything of a catastrophic nature that we have to deal with in a kind of an emergency situation.

With that, I would suggest that we just jump right into the Departmental Budget Reviews. Does anybody have any questions to this point?

[3:22 PM] Minutes:

Council member Rapson: On the overview of debt, we have a waste disposal debt of 5.25%. Have we explored the opportunity of refinancing that to a lower

rate, since rates are down?

[3:22 PM] Minutes:

Mr. Empey: We have, and it is quite a cumbersome process. The Federal Government is involved in that, and nothing is impossible, but it will take some major efforts. Bills have to get passed. I mean, they have to get approval for early retirement of that debt on that their side, but we can pursue that and pay off that outstanding balance.

[3:23 PM] Minutes:

Council member Rapson: I guess about 7 million. I'm sorry, it's \$459,000. It's not a huge deal, so it's probably not worth it after all the fees and so forth.

[3:23 PM] Minutes:

Mr. Empey: It's still a \$25,000 a year savings, but we can pursue that. We have investigated the nuances of retiring that debt early.

[3:23 PM] Minutes:

Council member Withelder: On page 10 on the Budget on the top category under Property Taxes, what is a Road RTC Room Tax?

[3:23 PM] Minutes:

Mr. Empey: That is language that is a throwback to many, many years ago. It's essentially 1% of the 12% Room Tax that the City collects. We remit that back to the County, and then they remit that back to us. It's for Regional Transportation. It's related to road maintenance, and it's always been recorded in the General Fund, because we have Public Works, a Streets Department, that utilizes those funds. But you will notice that that Road RTC Room Tax is exactly 0.5%. The City's portion of the 12% Room Tax is 2%, and then this 1% of the RTC Room Tax goes to the County, as I mentioned, and then it comes back to us, so it's always 3% is the net of that 12% that the City collects on Room Taxes.

[3:24 PM] Minutes:

Council member Withelder: And the next category, Room Taxes, does that include short term rentals as well as hotels?

[3:24 PM] Minutes:

Mr. Empey: It does.

[3:24 PM] Minutes:

Council member Withelder: Do you have any idea what the short term rentals, what that amount was last year that we've gathered?

[3:25 PM] Minutes:

Mr. Empey: I don't. I would guess it's probably been averaging \$1,000 a month.

[3:25 PM] Minutes:

Council member Withelder: It's got to be more than that. I pay more than that.

[3:25 PM] Minutes:

Mr. Empey: I would have to look and see. We can pull that up real quick.

[3:25 PM] Minutes:

Council member Withelder: I wouldn't have to have that answer now, but I was just kind of curious about that. Thank you.

[3:25 PM] Minutes:

Council member Green: That vacation liability that we're going to fund through General Fund Transfers over three years, is that our plan, \$500,000 for each of the three years?

[3:25 PM] Minutes:

Mr. Empey: Yes. Well, we got budgeted for \$400,000. We initially started out with \$750,000, and we scaled that back to \$400,000.

[3:25 PM] Minutes:

Council member Green: But the gross liability we are talking about was something like \$1.5 million?

[3:25 PM] Minutes:

Mr. Empey: That what it shows. Another analysis showed \$1.4 million or something I believe, so while it's not exactly, three years is going to get us to whatever that liability is, it will come darn close, and in that 4<sup>th</sup> year we can make up whatever the difference is.

[3:26 PM] Minutes:

Council member Green: Can you in layman terms just clarify what that represents? Is that the leave liability, that if everybody left at once we would have to pay?

[3:26 PM] Minutes:

Mr. Empey: Yes, that's correct.

[3:26 PM] Minutes:

Council member Green: Okay, so as people take their leave and we pay them for their leave, will that be in the future charged against that liability that we'll go to?

Mr. Empey: No.

Council member Green: Or we would eat that in current General Fund?

[3:26 PM] Minutes:

Mr. Empey: When someone becomes ill, or they decide to take their week off for vacation, they are paid for that paid time off, and that is charged to current operations. What isn't charged to current operations is if an employee separates. We don't have in our Budget any amount, because it's hard to

foresee anybody leaving employment with the City. So this fund for this liability provides a mechanism to provide those benefits that are surely going to come. We just don't know when. Once we get that fund for this Leave Liability all taken care of and covered, which we think right now is a little over 1.4 million, then it will be much easier in future years to make those annual required contributions to that fund. This is something that auditors have encouraged us to make some formal recognition of this liability so that it doesn't take anyone by surprise if there were large layoffs, for example. If that were to happen, then our budget in the General Fund where those employees are paid from could be really disrupted in a negative way.

[3:28 PM] Minutes:

Council member Green: So we are going to start then providing for a future liability by General Fund Transfers until we approximate that liability?

[3:28 PM] Minutes:

Mr. Empey: That's right.

[3:29 PM] Minutes:

Council member Rapson: Remember, in the room tax we get gross of 3%, because 2% goes to the General Fund and 2% circulates back through the RTC and 1% comes back that way. So it's 3% and 3% of \$1,000 a month is \$33,333, which makes some sense with respect to the daily weekly rentals of non-hotel deals. It does put it in pretty close perspective. I don't know what the real number is. I am just saying \$1,000 probably isn't too far off base. That's just my guess.

[3:29 PM] Minutes:

Ms. Melendez: Last year, the rental fees were about \$6,300 for the seasonal rentals. That's not including The Springs, because The Springs do seasonal and they do monthly rentals, so it's about \$6,200 per year.

[3:30 PM] Minutes:

Council member Rapson: So that makes sense. Then the next question, I know this is a philosophical question to pay the County who turns around and pays us back. Is that the Governmental Full Employment Act that keeps everybody in furs and health insurance and employed with the County?

[3:30 PM] Minutes:

Mr. Empey: Yes, unfortunately, that is the case. The good news is we had another revenue source. It's in this Special Ad Valorem Transportation Tax down in the Intergovernmental Revenue Section. They would actually send us a check. We'd have to process the check through cash receipts. Then we would have to prepare a check in the same amount back to that same County Department, and fortunately for us they have discontinued that practice. So we applaud the Counties efforts to simplify things.

[3:30 PM] Minutes:

Council member Rapson: Hopefully they did not have to lay off a dozen people for that little exercise.

[3:31 PM] Minutes:

Mr. Empey: I'm pretty sure they didn't.

[3:31 PM] Minutes:

Council member Rapson: Over on page 11, real quick, and it's not big deal, but Recreational Center Fee Increment, should that \$28,000 be carried over to the third column?

[3:31 PM] Minutes:

Mr. Empey: Yes, that should.

Council member Rapson: Okay, thanks.

[3:32 PM] Minutes:

Barbara Ellestad: On the Recreation Center fee increment, the \$28,000 that Mr. Rapson was just referring to, is that the Special Fund that was set up to accept part of the Rec Center fee increases that was recommended by the Committee a couple of years ago?

[3:32 PM] Minutes:

Mr. Empey: That is correct. That calculation essentially takes whatever the fees were for various types of passes, memberships, that sort of thing, and then compares what the current fees are now, and then we make calculation on whatever that increment was. That goes into this calculation for this revenue.

[3:33 PM] Minutes:

Barbara Ellestad: Okay. I assume at some point somebody is going to account for the 49% increase in the ambulance fee projected revenue?

[3:33 PM] Minutes:

David Ballweg: I was looking at the list of funds. I don't see it in here. Which fund would be listed for the Virgin River Habitat Fund that we collected? Last year I believe revenue was about \$330,000. Since our MOA with the Fish and Wildlife has cancelled, I believe, by the Fish and Wildlife, can we consider moving that amount of dollars to the General Fund, because it was a significant amount? Then another thought not pertinent to the budget, but start thinking about taking that off of the fees for Development of Grading fees and things like that, but I'd like to know where that Fund is at.

[3:34 PM] Minutes:

Mr. Empey: On page 7 of the fund descriptions, this would be Fund 21 Environmental Services Special Revenue Fund, and then the details of that fund are found on page 111, Development Services, and Richard Secrist will be reviewing that fund for us. So you can see where that fund balance is and

projected for this year as well as what is projected for next year as well.

Now what you don't see there, Dave, is the amounts that have been collected on those Habitat Conservation Fees. There's a balance sheet. As you look at the Internal Financial Statements that are prepared, if you look at this fund, you'll see a balance sheet and you'll see the specific dollar amounts of what's been collected from developers on that balance sheet. This is an income statement perspective only. The balance of those collected fees is reflected in the fund balance there.

3. Consideration of review and discussion of the proposed FY 2016 - 2017 City Departmental Budgets for the following:

- a) Police Department : 10-54 General Fund
  - 1) Corrections: 10-55 General Fund
  - 2) Dispatch: 10-56 General Fund
  - 3) Animal Control: 10-70 General Fund
  - 4) Police Forfeiture: Fund # 14
  - 5) More Cops Fund: Fund # 23
  
- b) Fire / Rescue: 10-57 General Fund
  
- c) Info Technology 10-47 General Fund
  - 1) Non-Departmental (partial) 10-49 General Fund
  - 2) Tech Reserves & Replacement Fund # 98
  
- d) Athletics & Parks Department: 10-76 General Fund
  - 1) Leisure Services: 10-81 General Fund
  - 2) Senior Services: Fund # 16
  - 3) Recreation Fund: Fund # 17
  - 4) Residential Park Tax Fund # 20
  
- e) Development Services: 10-61 General Fund
  - 1) Residential Park Tax: Fund # 20
  - 2) Environmental Planning: Fund # 21
  - 3) Transportation Impact Fee: Fund # 22
  
- f) Public Works Department: 10-60 General Fund
  - 1) Facilities Maintenance: 10-63 General Fund
  - 2) Streets: 10-65 General Fund
  - 3) Vehicle Maintenance: 10-66 General Fund
  - 4) Landfill/Solid Waste: 10-73 General Fund
  - 5) Street Maintenance: Fund # 11
  - 6) Airport: Fund # 12
  - 7) Capital Facilities R&M: Fund # 13
  - 8) Transportation Impact Fees: Fund # 22

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| 9)  | Capital Projects: | Fund # 45 |
| 10) | Sewer Fund:       | Fund # 52 |

#### Discussion and Possible Action

### **a) POLICE DEPARTMENT**

[3:36 PM] Minutes:

Mr. Empey: Mayor, Council, I was just wondering do you have before you a copy of today's Budget Review Schedule along with page numbers? Okay. So for those of you that have copies of this budget, we will be starting on page 47 and that goes through page 51. As we change departments, we'll keep you updated on which pages we are reviewing.

[3:37 PM] Minutes:

Chief Tanner: (slide show) Just a quick idea how many guys we have on a shift, people ask us constantly in the community, so I was just going to cover it real briefly. There are 3 on one of the day shifts now. We had 5 in the 2009 on every shift, and we're down to 4 guys on a shift, and then 3 on one of the day shifts, so we average around 3 guys at the most on a shift right now with guys being out injured, sick, and training and so on, and then covering other shifts for other people that take off on say military leave and things like that, etc.

Our current staffing, there's 27. I point this out to you real quick. There's 20 in patrol, seven are More Cops. That's 25% of our patrol officers on the More Cops account Dave briefly spoke about. \_\_\_\_\_ is full-time. There are 7 correctional officers, 3 support staff, that's clerks. We did an emergency hire recently you are aware of to cover up front while someone was out on maternity leave, and of course we have one admin assistant for the whole department. Part-time staff you see there's 3 crossing guards to cover that; those are part-time employees, one part-time ACO and the one part-time file clerk.

So a brief, overall budget, Mr. Empey and Dodiee have helped us inflate that over the years. I've got to put some blame on them. All the utilities and so on were added to our budget last year and this year, like vehicle maintenance and all then all the utilities for both of the buildings. So in comparison from last year to this year, and the difference you will see in the 10-54 is that emergency hire position I spoke of and also the raises per contract.

This is just a real quick figure to show you over the year's budget comparison on grant revenues, how much it has increased over the years. I know a lot of you heard this many times from me, but we gave up a full-time patrol position when we hired a grant writer full-time in lieu of that position, and it's been real successful. We don't like sharing her very often, because of course we got that patrol position. I have a slide later that breaks it down a lot better for you. The majority of that, you see those high numbers going down that list into 2015, you are well aware that was Motorola radio system. We went and bartered and

bargained and tried to find that money elsewhere, and then I think the City participated which we appreciate that, another \$230,000 of it to finish the radio project. It was a 5-year project.

Then real quick, this is a 10-54 account. This is the first one on the list. I think it is listed under a. General Fund. All the increases in red you see as I spoke of, it says phone and utilities. There's a couple we under budgeted last year, so we added to. But training catches up with us every couple of years, because we budget just minimum to get by. Then when we find out when certifications are up, things that we mandatory have to train for in house, we do the majority of our training in house, those people have to recert, so the training costs a little bit more every 2 years, basically to recertify those individuals that train the rest of our department. As I said, they go to the shifts. Rather than pay everyone over-time in the department, out trainers now for the last 3 or 4 years, probably around 5 since I've been cheap, they come to each shift. So just the trainer, they really benefit this over-time by themselves by going to each shift rather than pay everyone in the department over-time to come to a training day. So they will travel to each shift, whether it's graveyard, daytime or whatever, and then train those officers on whatever needs to be covered. If you have any questions for me on this slide; this is one of our larger slides.

[3:41 PM] Minutes:

Council member Green: With your staffing not changing appreciably, how confident are you that you can cut that overtime?

[3:41 PM] Minutes:

Chief Tanner: We did better than the last two years. I have a slide on that that I'll get to. Council Member Green, I can show you exactly what we spend on overtime, so I'm confident we will stay under that.

[3:41 PM] Minutes:

Council member Rapson: I think that is awesome. With a staff that is that size and that kind of annual cost of overtime is pretty amazing on a 24-hour operation. I got to tell you, I was out at the scene this morning, and the officers out there were all volunteers. They did not get paid to be out there. It was pretty impressive. These guys do a heck of a job, and they give back to the community in spades. It is good. Good Job.

[3:42 PM] Minutes:

Chief Tanner: I'll clarify some facts. There were two guys that would have been scheduled today, but the majority did volunteer their time. So I appreciate what they are doing, and how much they care about the City. I am really proud to be the Chief here, because the guys are very giving to the community.

[3:42 PM] Minutes:

Chief Tanner: This is Corrections, the Jail. You saw an increase there, because you are well aware that we took on more inmates. We house inmates for other

agencies. So I got with Mr. Empey and asked if we could increase our Care and Custody at present. You see that large increase of \$35,000. With that basically does is make sure that we have enough food, housing and things we need to maintain those prisoners. Then at the end of the year, whatever the difference is as far as what comes in on revenue, that's in a different account, the City and General Fund, and we will supplement that if need be. Is that correct?

[3:43 PM] Minutes:

Mr. Empey: That is correct. I just want to interject something real quickly. You know, what jumps out to readers of this particular slide that just comparing the two years on that utilities line, you will see 2015-'16 there's nothing there, but over in '16/'17 you will see \$46,150. We're realigning some of these expenditures. What you will see is down on Water, Power, Sanitation, it's in 10-55 694, that is what you will see up in the Utilities Accounts now. We are breaking out the water and the power and the sanitation, so we get three specific amounts to budget for, and so I don't want that to be misleading to anyone.

[3:44 PM] Minutes:

Council member Withelder: What is the difference between these two accounts, the Miscellaneous Care and Custody of Prisoners and this one, Care and Custody of Prisoners?

[3:44 PM] Minutes:

Chief Tanner: The Care and Custody pays for the influx of jail meals and then of course medical care and so on. On the one on the 610, I believe, Dodiee will correct me if I'm wrong, but I think that one also has the stuff they can buy, like candy bars and all that kind of stuff that they have to pay us back. So basically that account has to cover all that during the year. Whatever it might be. It's more specific, I guess. The other stuff, if there's a big influx, as far as the Care and Custody on the 620, it's mainly meals, to be honest. I think we spent \$40,000 on meals, and a lot of that goes to the Senior Center in fact for the meals we buy from them. We're going to try to work with Nick and get a better price, because it's way too high.

[3:44 PM] Minutes:

Male Voice: \_\_\_\_\_ charges of about \$65,000.

Chief Tanner: It goes in another revenue account. I'm not sure what that account is, but yes, that goes in another account and it's increased higher and higher every year, in fact, how many inmates we have in there. I have that slide just a ways down, too. It shows exact revenue.

[3:45 PM] Minutes:

Council member Green: You mentioned that...

[3:45 PM] Minutes:

Chief Tanner: This is a Dispatch Center. You can see that increase. It's in salaries. You guys are well aware that last year I asked to move them to a Grade 18. That's what caused the majority of that. I know there was some kickback on that and some issues, but it was the best thing we could have done, because we constantly lose dispatchers, and then we spend the time retraining them. There's a lot of liability there. We had a turnover. I think we are up to 12 employees in five years I've been Chief that have left Dispatch. So we have a constant circle, and I think we have five of them, more than half now that are under two years. So to give you an idea, it's just a constant battle keeping those employees in there. It's a stressful job, and they do a great job. We're taking a lot of phone calls. I think last year I told you 110,000 phone calls a year. I think we have 9,000 calls for service for Police. That's a slide a little bit later down. I did share a fire slide. Not to get ahead of them, but I did just so you understood how many calls Dispatch takes. That's a couple more down.

[3:46 PM] Minutes:

Chief Tanner: This one is Animal Control. Not a lot of change there. Not a lot to talk about; utilities, that's about it. Facility Maintenance, theirs is about the same every single year.

[3:46 PM] Minutes:

Chief Tanner: This is More Cops. Mr. Empey talked about this, about that \$50,000 transfer to General Fund. That's why it says 99 --

(Break in Taped Recording)

-- projections from the County. I called and talked to them in great length and got better projects for this year and the year after. We got that other .05 added that was supposed to start this month at some point.

[3:47 PM] Minutes:

Chief Tanner: This is the overtime that Council Member Rapson was speaking of. Briefly, I just want to give you a good idea because every year new candidates run for Council ask about this constantly and think we are at 103% of overtime. I quickly called Dodiee, and we argued for a little bit, and then -- we never went over our overtime. What happens is overtime paid by the City, \$42,917. The reason that was even as high it was because we had a guy out for a year in the military, and that also we had people out with sicknesses, long-term illnesses in fact, a couple of guys, and then some surgeries and so on. We do our best to get by with what we have, but you can see right there Joining Forces we received \$35,000 a year in over-time that's reimbursed. We only get reimbursed if we spend it, of course, but that stays over in a Revenue Item. It doesn't go in our account here. Mr. Empey explained to me that if it goes over, then he'll make a transfer in order to cover that in over-time, otherwise it just stays in the General Fund side of revenue. The CCSB, that's for sporting events you are all aware of during the year, \$8,600 a year, and then DPS, that's going

to be a large number. That is just what was paid up to the point we did the slide, but I think we budgeted right around \$100,000 is what we charge them to do any kind of vehicle. We sit up on the highway basically and do traffic control, to some degree, with lights running basically. They don't get involved or anything, but we charge them to sit up there and assist with that because we didn't have anyone else to help. So there's that also, and then Overtime Call Back and Scheduled. Those are scheduled because that's when we know someone's leaving for military leave, for example. We have to have a supervisor on shift. That's pretty good. I think we've cut way back. I think Mr. Empey can tell you compared to the last two years. Because I know it was a concern last year I came before you when you guys tried to cut it, and I said, wait a minute. Let's look at it first and discuss it, rather than cut it too far like we have in some other areas, and then try to figure out how to get through the year. Are there any questions on the overtime there?

[3:49 PM] Minutes:

Council member Green: You're saying a total of 88, but (indiscernible).

[3:49 PM] Minutes:

Chief Tanner: Absolutely. Overtime paid by the City is \$42,917.

[3:49 PM] Minutes:

Council member Green: If you could hold it to \$50,000, that's amazing.

[3:49 PM] Minutes:

Chief Tanner: This is revenue I spoke about, I said I'll show a slide later on down the road. It shows exactly where the revenue is coming in. You see the Housing and Jurisdiction Inmate agreements, \$37,000 is what we made last year. I project to make \$65,000 this year. Joining Forces is higher than it was last year, \$56,500. Special Events, any events that come in town, City Ordinance requires if it's over 500 people, they contact us. Some events they chose to have us, and some they don't need to if they provide their own security. We work with whatever is coming to town or whatever event there is. If they would like to supply their own, I sign off on that. I don't have an issue with it, as long as there is something there, some kind of security for the event. If they would like to use us, that's the money we are reimbursed for different events. Animal Control Fees, that's fairly new. We took over Bunkerville reactive-wise, because we already did it anyway, so we get paid the monthly fee to take care of any animals that are found on the road and streets and so on. And then Beaver Dam, that's the Dispatch. We charge them to dispatch only for medical and fire, not on the police side. The Bailiffing, that was when we were helping out the Justice Clerk for some time before they hired an employee. We charged them to have our jailers, while they're working assist and one of the two would go in and run the courts and bailiffing for Justice Court. Records and Fingerprints, we spoke in length on this in the past few months. We're trying to do more fingerprinting, as much as we can, rather than have them go to Las Vegas and have to make the trip down there. So we are still working that out to make sure

we can get all the different licensing for all the different professionals in our area.

[3:51 PM] Minutes:

Council member Green: That is to make up for \$26,000 (indiscernible)?

[3:51 PM] Minutes:

Chief Tanner: Yes, that was in the 10-54 Account. That was one of the increases that were in there, is that fingerprint machine that will assist with that. There's palm pending also.

[3:51 PM] Minutes:

Council member Green: That is the only (indiscernible).

[3:51 PM] Minutes:

Chief Tanner: Yes, but it was reimbursed by grant. Correct.

[3:51 PM] Minutes:

Chief Tanner: This is the grants. This is one of the things I am most proud of. We have great relationships with people that a lot of you spoke of, and it really does matter attending the meetings and things we attend, because the majority of our equipment without coming to you guys asking for the money, besides that fingerprint machine, \$26,000 in technical equipment, we got a bunch of new cameras in general used for scenes and so on. I won't go into all the equipment, but \$33,000 this last year and this next year. Bullet Proof Vests, we never know until about June, when we get some of these grants, but these are ones we know we are getting for sure, and have received. Body Cameras are a big deal. They are going to make that mandatory more than likely this next Legislative session. So we are ahead of the curve. We've had them for about a year and a half now. Less Lethal Equipment, we just got that just a few weeks ago. We got all new Tasers. That was \$42,000, because we were in need of them. The ones we had were outdated and rather than working and have all kinds of problems, because they are so old. We just got those recently, just a few weeks ago. We are conducting training on them right now in deploying them. The radar equipment, that was 4HV grant. Basically, they collected that money, and the majority that was supposed to go to Law Enforcement. That was for registration stickers. Now they have that money, we are deciding how to put that money out there. We just received an award today for a trailer for that piece of equipment, and also overtime since we don't have the staffing to send guys that are working. I explained that to them. Now we just got a grant for \$30,000, we just found out today, for overtime. So basically if we are having an educational even, when we set something up to do VIN inspections and so on, guys can get paid overtime to do that event and that's paid by the (indiscernible) grant. So that brings in a lot, \$383,000 in equipment this last year.

Real briefly, the stats are fairly similar from '13, '14 and '15 years, 2013, '14 and '15. Total calls, you can see, up to the left high corner, 9506 for '13, 9632 2014, and then 2015 9619, so we're about 13 calls off from what we had in 2014 for

the whole year of '15. ACO, they did have a raise in calls, and that's probably because we took Bunkerville, just a small increase. The total, you can see on the top, 9619. The jail, five calls more than normal. What they're doing is if someone has a warrant and they walk in, they'll take that person into custody. Transports, pickups, warrants that other agencies pick up, that's what that number is.

Fire department, I'll go real brief. It's not my department, but I just wanted you to know how many calls that dispatch takes is what I'm trying to get across to everyone. I think at the end it says 27,041 calls. But all of those transports are phone calls, too, of course, that come in from different hospitals and so forth.

Annual crime solve rate, we still stand pretty high. Not as high I as I would like, but we're still there. Our response times pretty similar. I didn't show that slide, because it's really similar, but we do have less detectives than we had in the past. We have five, that's two in narcotics, there's two in general detectives, and there's one sergeant. We used to have five and then a sergeant, so we had six people there, and it does make a difference, because it's hard to actively look for things and go after it. It's more reactive and just trying to stay up with what we're doing right now.

Chief Tanner: Office Goals: I'm not going to read all these to you guys. You know most of them, because I spoke about them. But one of the biggest things I talked about, detention center, camera monitoring. There's many departments that help us, but I'm pretty sure that they finally got this done. Anyway, we have been working on that for a couple of years. We had an update on our camera system at our headquarters and at the jail. It was unpleasant because the way people talk and things they say when they are drunk or intoxicated, injuries that occur, it's good to have all that stuff monitored and on camera. The guys wear cameras on the street, but now we have a good camera system at the jail, also. We did some awnings at the PD because some of the equipment and computers are getting too hot. We used our (indiscernible) money to pay for that.

Specialized training in Mesquite, real quick, I'm going to talk about that. It's more cost effective to have people come here and train rather than send four or five people to Las Vegas and pay for travel, gas, rooms. So we try to bring something here now, and it's better for our officers. We did different trainings this last year, we did two of them, and they're real popular. We get feedback from our guys to make sure it benefits our department, not something that would just be fun to do, but we make sure it benefits, you know, to make us not just essential and needed, but make sure it's something that really benefits our guys to make their job a little bit safer.

[3:56 PM] Minutes:

Chief Tanner: Goals for 2016. I didn't scratch that one off yet. I am still going to

be looking this year to find some kind of funding for another officer, whether it's through the City or not, I continue to. Add additional phone lines and calls in dispatch, we just completed that. And what that means is they didn't have hard lines on their desk. When they're on a phone call on the head set, we also want another line in case there's a call while they are talking on that one, because we do have a few hours a night where there's only one dispatcher on a good amount of time, because there's always someone off as we spoke of who is sick, injured, different problems. So there are times when there is only one person on, so we have to have to have a second phone, so we can make calls while they place them on hold or whatever is going on with the situation.

Fixing up the radios, that's pretty important right now. Just so you know, we have no spare radios and they're about \$6500 a piece. We were successful on that grant we spoke of. That also covered the Fire Department. We covered all the radios, car radios, which they're very expensive, so I'm trying to get some radios, because the older they get, they're brand new right now, but we have no radios basically to have spares. So if someone breaks one, drops one or something happens, we don't have them for them to use right now. So we are trying to find some kind of funding to fund more radios. We both working on the Fire and Police to find some kind of funding mechanism.

Officer Firearms Training, real important to me. We're getting people that barricade themselves or are not cooperative, and then you have a lot of incidents where people are just anti-police or government in general. So it's good to review all those things and look at it and see if we can do better, and also to prepare our people to know what to do, because you do act out how you're trained.

[3:58 PM] Minutes:

Council member Green: Are you able to do that locally?

[3:58 PM] Minutes:

Chief Tanner: Yes, absolutely. We have good range masters and range instructors. So yeah, we can do that locally. (Indiscernible) vehicle is still a work in progress. We are waiting for -- that's not a brand new vehicle. The County, part of the deal we did them is they're supposed to give us a vehicle. They keep saying any day for the last six months, so we are still working on that. Some in house training. We did meet a guy from special assignment that used to be an officer in charge. So that's one of my special assignment positions. He's training full-time. He also has a whole bunch more responsibility. He goes around in shifts, and then keeps us date on things we need to train on. So that's something new for this year. We started in January. I am pretty excited to see how it turns out during the year and how it benefits our department. So I will report next year how that worked out.

[3:59 PM] Minutes:

Council member Green: Do you have to go to Las Vegas for the Milo?

[3:59 PM] Minutes:

Chief Tanner: No, we have a Milo system here. We bought two also on a grant years back, and it's a little outdated. I did put some money in the budget in the 10-54, I think \$5000 to maintain that equipment. We found out some of the guns and things that broke, so we did ask for a maintenance contract so that way you don't have to pay for that staff, and they can keep it up to date. Some with our indoor range. We started having a whole bunch of problems with that the older it's got, so we asked for a maintenance contract for that, too, hopefully.

[3:59 PM] Minutes:

Council member Green: (Indiscernible) All consistent with you going to this local thing?

[3:59 PM] Minutes:

Chief Tanner: Absolutely. We do send our trainers off to get trained and make sure it benefits our department and they come back and share that with the rest of the department. Did I cover everything? Do you have any questions?

[4:00 PM] Minutes:

Mr. Empey: Very good job. Thank you. I would like to, if I may, I just want to commend Chief Tanner and Deputy Chief Taylor. They really put in significant hours and time and thought into preparing these budgets this year. We saw that effort and very much appreciate it.

[4:00 PM] Minutes:

Chief Tanner: I just want to say one more thing, so I don't get in trouble when I go back to my office. It was actually all my Admin Staff, and when I say all my admin staff, Captain Chesley's sitting in the back, but I do give Scott a lot of credit. He does a lot of work. Actually that is one of his main assignments is keeping up on that constantly and it just takes someone full-time to argue with Dodiee is why. I do appreciate Kim and Chris back at the office, too, so they all play a vital role in this, and we do spend a lot of time on it. We take it real serious, and I did promise you once you get the raises that we would do our part, and that's what I will continue to do. So, thank you.

[4:01 PM] Minutes:

Mayor Litman: Any questions on this item from the Audience?

## **b) FIRE AND RESCUE**

[4:01 PM] Minutes:

Mr. Empey: That is found on pages 57 through 61.

[4:02 PM] Minutes:

Chief Christopher: Here is our budget review for this up and coming year. I've interacted with you guys as much as I can when it comes to the budget so nothing catches you off guard.

[4:02 PM] Minutes:

Chief Christopher: We'll look at our Initial Proposal, the staffing changes we made throughout the year, the pros and cons of said changes, our budget line items, and our Ambulance Cost Recovery. Those are the things we will be talking about today.

Our Initial Proposal, yes, we're the ones when we were asked by Andy back in January, tell us what you need, we told you what we needed, and it was a pretty high number, because I was asked a question, I gave the answer. Our initial one, we broke it down into two areas. Manpower, we looked at two firefighter paramedics, adding those. This is in response to our call volume still going up. So far this year, we are up 3%. What's the number since 2010? About 36%. One EOC coordinator/grant writer, and \$28,000 of that, we had a grant to go towards that position. Plus, it's a slash paramedic if I wanted to hire one as well that can pick up some of these extra calls in case we couldn't do it, if we are out on responses. We wanted to upgrade one firefighter EMT position to firefighter/paramedic. Reason for that, we are EMS driven here. We want to make sure that the folks out in the City are given paramedics.

We also looked at our capital outlay. We do have an engine that's going on 25 years old, and we are trying to replace that. We looked at adding two staff vehicles, and we wanted to plan for the future, so we wanted to take some money out to replace the chasses underneath the ambulances just for savings. Our EKG and defib machine replacement, some of this stuff is actually going to come due, so we wanted to take money out and apply it toward the future, so in case we needed it, we can go back into it, grab it and use it.

[4:04 PM] Minutes:

Chief Christopher: We did reduce field paramedic/firefighter positions to EMT advanced/firefighter positions, and that saved us right there just by doing that, \$37,000. Some of the issues we are having, folks, and I don't know how long this is going to continue, but down in Clark County, they are going to have 5 to 700 firefighter/paramedics, and when I say Clark County, that's Clark County, Las Vegas Fire and Rescue, Henderson, North Las Vegas. All the departments down there, they're going to have a massive amount of people retiring in the next 2 or 3 years. What we have had so far since I've been here in two years, I think we have lost 13 people that are going down there and working. We do pay competitive wages, but they want to go down there, big fire, big city, and that's the allure that takes them. There's nothing I can do about it.

[4:06 PM] Minutes:

Chief Christopher: We do have pros and cons on the Staffing Changes. First off, over to the left would be the pros. It makes the department a little bit younger. You get some new blood in there. Two of the four are actually locals, so they are not going to go anywhere. I've got them for a while, and that's good.

They are going to be solid firefighters. They already are now, but it solves the issue of me constantly going out and trying to hire people. Budget, budget, budget, obviously it's going to save us some money come this year, and it's \$37,000, like we talked about. That attributes to the success of the reserve program that we do have in place. If I remember correctly, a little over two years ago, when I did the interview for this job, one of the questions that was asked of me, what do you think of the reserve program, and I gave you the answer, it's like pulling up from my AAA ball club. It's worked. If you look at that department, I would say 60 to 70% of them have come through our reserve program. But there are some cons, and yes, youth is a con because of the lack of experience. Eventually they are going to want to become paramedics, at least the four I hired this year, they do have aspirations to become paramedics, and now we're going to have to educate them. That's going to be a cost as well. When I did lose the four this year, the six or seven I lost last year, that's just a loss of some experience on the streets, and we do need that here, because these folks are constantly running. It also means that my reserve program is going to suffer losses as well. I do have 20 of them going through that are actually going to be going through the second portion, but since then we've lost four. Three got hired down in Las Vegas, and one had to leave the state for something else. So I am already down 16. Two of them belong to Beaver Dam.

[4:08 PM] Minutes:

Chief Christopher: For the budget line items, what we've proposed is to the left, what the tentative is now and the decrease we've had since doing it. I can go over all of it. It's right there. If you look there from our initial to what we've actually decreased is \$1.4 million. Travel and Training, we cut \$8,000. The Salaries and Benefits, you can see what we cut there, and just scrapped our capital outlay. It's not going to do me any good to have the trucks if I can't put people in them. It's just not.

[4:09 PM] Minutes:

Chief Christopher: Ambulance Cost Recovery, right now we are \$735,000 and it's up to April. We projected \$750,000 from last year's budget. We've been averaging \$70,000 a month, and that's being conservative. Then you're talking at the end of the year, we're going to be going to \$875,000 in Cost Recovery. So it's not revenue, it's Cost Recovery, because we like to take the stuff that we get, and put it back in there. Last year at this time I stressed that it was driving me crazy, and I think I've talked to every one of you guys and gals individually, that we're performing critical care tasks, yet since we were not a Critical Care Department, we could not take credit for it. The program is two years, it should be on the streets, so the Southern Nevada Health District should approve it next week, and then we will be critical care certified. What happens is, they give us the certificate that says that we are. I have had four go through the class, two are done. We are just waiting for the certification. It's one of the toughest tests you'll ever take in the EMS career field, but we're ahead of schedule. Like I said, I've had two that have already passed. The other two are scheduled to retest. One is testing next week and the other one is studying, because like I said it is a

very tough test.

[4:09 PM] Minutes:

Chief Christopher: This is pretty much cut and dry folks. We talked about the Initial Proposal, the Staffing Changes, and the pros and cons, the budget line items and our Ambulance Cost Recovery. We did take a 5% cut on top of that as well, and that was a lot of number crunching.

[4:10 PM] Minutes:

Council member Delaney: Chief, what is your current staffing?

[4:10 PM] Minutes:

Chief Christopher: We have three shifts, it we just go operational, three shifts. Two at 7, and one at 8. The two firefighter/paramedics that I was going to put on the two shifts that had 7. What that would do is, I want to have the 8 people on duty. Minimal manning would be 7. So I would not dip below 7, and then if we get on scene, you can start a scene with 7 firefighters on scene just to get the initial one started. The problem some of our budget to provide these services is EMS driven. So there will be times when I'll have a vehicle or truck out of the City, and they will be down in either Las Vegas or St. George, and I'll have five. Add another problem on top of that is if we are out on another EMS call, then we might have three. Last night we had them put a message out to everybody to get people to come into the station because we had some calls waiting.

[4:11 PM] Minutes:

Council member Delaney: I am really glad to hear about where you are with the critical care. Have we had any forward movement in the community paramedicine?

[4:11 PM] Minutes:

Chief Christopher: The problem we are going to be having with community paramedicine is we don't have the people. It just comes right down to it. We have approached Mesa View on it, and they are in the same boat that we are. They don't have the people. We have gong on a couple of conferences on it. For some places it works. The program is pretty good, but if I can't dedicate a truck to go out and actually do the services, then what's the use of having it if we are constantly going out on other calls, or going on transports?

[4:12 PM] Minutes:

Council member Rapson: I did have a question on the ambulance reimbursements. If I am reading this whole thing correctly, I have got to go back to the front pages here. \$1,120,000, which was \$750,000, which was the number we saw up here last year for this year. So we are looking at a \$330,070 increase for ambulance collections. To the question that was on the floor, does that speak to the critical care and our new collection process company?

[4:13 PM] Minutes:

Chief Christopher: What's going to have to happen is once again fees have

gone up throughout the Valley and fees have gone up through St. George, and we're going to have to propose another one. I know people don't want to hear it, but it's just the cost of doing business, and it's getting out of hand. We are being asked to provide these services, which we are going to do, but it's very hard to pay for it. I will tell you what the proposal is. Advanced Life Support is from \$950 to \$1100. Basic Life Support is from \$800 to \$900, and in Critical Care Life Support, it's going to be \$1400, and we've never billed for Critical Care, either.

[4:13 PM] Minutes:

Council member Rapson: So this is a combo of all of that stuff?

[4:14 PM] Minutes:

Chief Christopher: Yes, and that's a rough estimate, I'm not going to lie. It really is.

[4:14 PM] Minutes:

Council member Rapson: Does this include what you're coming to us to request a fee increase or is this before?

[4:14 PM] Minutes:

Chief Christopher: No, that's what I am coming to you guys for. So that's not in this. That's not in there. What we were given, this is what our shortfall is, how can you help, without me laying off a firefighter, which I really don't want to do. This is what we came up with. One of the things that is slowing down the collection, and that's a good point that you brought up Councilmen, is when the year started, over 400,000 codes went in for the Affordable Health Care Act, or as we commonly call it Obamacare. So with the 400,000 codes that have gone in, Iris Medical, and he's been very up front with us, he says one month you might get \$60,000 to \$70,000, and then in three months down the road, you might get paid \$115,000 to \$120,000 for calls that you had back 3 or 4 months ago, because once again, and this is their quote not mine, Washington put something in place, and they were not ready for us. It's just like the website. When they put it all in, we are ready to go, and no one can get on to the website, because it wasn't ready. So that's the problem that they have had with this. We are still preferring at the rate that we had said. Actually a little bit above. As you guys see, \$125,000 more.

[4:16 PM] Minutes:

Council member Green: By comparing it with the \$750,000 is a little misleading, because he's beating the \$750,000 very substantially. You are going to do about \$875,000 for the year?

[4:16 PM] Minutes:

Chief Christopher: About for the year, that's what we are estimating.

[4:16 PM] Minutes:

Council member Green: So we are looking at about a 28% increase is going to come from the fees increase and the ability to do the special care, the critical

care?

[4:16 PM] Minutes:

Chief Christopher: That is what we are hoping for. Once again, this is the great unknown for us. It's a target.

[4:16 PM] Minutes:

Council member Green: On the expense side, at the 9-month mark you were running favorable to the budget by about \$125,000. Is it something that I didn't see on the annual basis? Are your expenses going to come out about?

[4:16 PM] Minutes:

Chief Christopher: Probably by the end of the year, they will come back out.

[4:16 PM] Minutes:

Council member Green: They're going to come out favorable to the budget?

[4:16 PM] Minutes:

Chief Christopher: We'll probably break dead even. At the additional \$125,000 for the --

[4:16 PM] Minutes:

Council member Green: Right. When you look at it on a net basis as I do, I look expenses net of recovery. So you got \$125,000 favorable on recovery line, it should cover any potential overruns on expenses.

[4:17 PM] Minutes:

Chief Christopher: I think we tried that last year. I don't think we can do that. If we are \$125,000 over, that goes to Finance and they do it down there.

[4:17 PM] Minutes:

Council member Green: The way I look at it, you're recovering costs that you are incurring.

[4:17 PM]

Minutes: Chief Christopher: We are. This is what I tell people and this is what I tell them at the forums. Unfortunately, sometimes business is good, and that's unfortunate, because personally if we didn't go on any medical calls, then the City of Mesquite would be perfectly healthy, and life would be great. That's just not the case.

[4:17 PM] Minutes:

Council member Hafen: On the overtime, there are three different categories, can you explain those?

[4:17 PM] Minutes:

Chief Christopher: One is the contracted overtime that they get within their, I've had to have Rick explain this to me 25 times.

[4:18 PM] Minutes:

Ms. Melendez: What the contractual overtime is according to the union contract, we have to pay them 6 hours every 2 weeks overtime because with the equalized payroll, we pay them 106 hours, then we pay them 6 hours overtime. So that is what the contractual overtime is. The additional overtime, we have taken that out?

Chief Christopher: Yeah, that's out of the budget.

Ms. Melendez: We argue every year about that, so we just took it out now instead of arguing. Then the overtime unscheduled, that is so say they go out on a call, and they need an extra firefighter to come in to help with that call, or if somebody calls in sick, that's to pay for that, overtime is for that extra person coming in.

[4:18 PM] Minutes:

Council member Hafen: With the two, we took the one out.

Chief Christopher: We took the \$60,000 out.

Council member Hafen: With the two, we are pushing \$200,000.

[4:18 PM] Minutes:

Ms. Melendez: So far this year, I believe I did about \$175,000 at the end of March.

[4:19 PM] Minutes:

Chief Christopher: When we came back for the talks with Andy, Dave and Dodiee, that is something we brought up. Dave said, look, this is what we are projecting, and we did say just cut this part out. If I don't need it, cut it out.

[4:19 PM] Minutes:

Council member Hafen: It looks like there are raises between Chief and the Deputy. Just a question, maybe it's a legal question. I know we are just going through the budget, but don't those things have to formally come before the Council, Andy?

[4:19 PM] Minutes:

Mr. Barton: Councilman, they are before the Council.

Council member Hafen: You're saying this is presentation before the Council? Right now?

[4:20 PM] Minutes:

Mr. Barton: This is the presentation for the raises.

[4:20 PM] Minutes:

Council member Hafen: I'm not sure how that works, but if that's it, somebody should explain it other than we are going to have to prove this down the road, but nobody mentioned, I guess that's why we get the copies, but my understanding is with the contract, with certain Department Heads, that comes before the City Council. I keep hearing this, that if it's in the budget, we approve the budget, it's a done deal. I guess I have a little heartburn with that.

[4:20 PM] Minutes:

Mr. Barton: Council member, I send out every couple of weeks –

Council member Hafen: You send out a hot topics.

[4:20 PM] Minutes:

Mr. Barton: That is correct. And I mentioned the raises for those --

[4:21 PM] Minutes:

Council member Hafen: My understanding is they work for the Council through you. When we redefined some Department Heads. Maybe we need to ask the attorney. So I guess the question is, you're saying that this is the presentation before the Council to give these guys raises?

Mr. Barton: That is correct.

Council member Hafen: Well, I guess if this is the time to address it, I have some questions about residency. You talked about the interview process you went through two years ago. I sit on a phone conversation. If this isn't the time, but if you're telling me this is the time, I guess I need to ask the question now. Is that what you're telling me, Mr. Barton?

[4:21 PM] Minutes:

Mr. Barton: Yes, sir.

Council member Hafen: This is the only time this is going to come before Council?

Mr. Barton: I believe so.

Council member Hafen: I have some disagreement with that. We can talk about that later. I guess if all the other Council understands that, and they are good with that, that's fine.

[4:21 PM] Minutes:

Mr. Barton: I don't think a budget presentation should be automatically assumed with a salary adjustment.

Council member Hafen: I don't, either, but you know I hear that all the time, it's

in the budget.

[4:21 PM] Minutes:

Mr. Sweetin: If the raises are presented in the budget, if you approve the budget with the raises included, you are approving the raises.

[4:22 PM] Minutes:

Council member Rapson: Clearly, there are some issues here with this, and I think it needs to be a fully developed discussion as we did with Chief Tanner when he had his full on budget discussion.

[4:22 PM] Minutes:

Council member Hafen: We did the same thing with Legal.

[4:22 PM] Minutes:

Council member Rapson: And with Bob Sweetin. I am not sure this is a bad thing necessarily; I am just saying that it needs to be not buried in a budget. It needs to be out in the open and discussed in the public, and I think that I would like to suggest that we remove those increases from this budget and schedule a meeting or an agenda item for a meeting to discuss this.

[4:22 PM] Minutes:

Mr. Barton: That is fine. There was never an intent to bury this.

Council member Rapson: Yeah, I am sure the intent was --

Mr. Barton: Which is why I notified Council of both of the raises. Just in terms of the running context, last year raises were given to police management. Actually, that turned out to be separated from the contractual talks. But if you recall, last year the fire department also put in a request for raises, both for the Chief and the Deputy Chief, and at that time Council said no. So I didn't think it was inappropriate when they put it in the budget. I thought this might be an appropriate time to discuss it. There was never any intent to bury it, and to answer your question, we would be happy to bring this back at a later time to discuss it.

[4:23 PM] Minutes:

Chief Christopher: When I called everyone in and told them, I was free up front, and showed everybody when I did the one on ones. This is what we're putting in for, and this is why. This is salary overcrowding. I am the 4<sup>th</sup> highest paid person in the Department.

[4:24 PM] Minutes:

Council member Hafen: I understand that, but I guess we are going to discuss the issue here. If we are going to compare the Police Department, and no disrespect, but if you take the number of years that those guys have been here, and some of the other department heads, I don't know how many years Mr.

Tanner has been here, probably 25 plus, when you start talking about the commitment to the community, and I guess if now is the time to address it, I might as well get it out there. The residency requirement, in your contract it says, and I can pull the language right now, and I'm sure you met the qualifications, but my personal opinion is, and I can ask a question, when we had the power outage a couple of months ago, were you sitting in your residence in Mesquite, or were you sitting in your home in Vegas and got a call to drive back to Mesquite?

[4:24 PM] Minutes:

Chief Christopher: No, I was in Vegas, but I went up that morning.

[4:25 PM] Minutes:

Council member Hafen: Okay, but this is my point. We can fit the description and meet the requirements. I guess that's why I ask the question if now is the time. I guess I am just a little bit frustrated that had I not asked the question, and we approved this, we would have had a raise, which you know what, maybe that's what everybody wants to do. Do I think you guys do a good job? I certainly do, but I think it needs to be discussed in a formal process, not stick it in a budget. I'm a little disappointed, Andy, and maybe I'm the only one in the Council. I usually am the odd man out, which is fine, but if we are going to compare things, and in the fire department, the residency thing has become an issue. We can sit here and get a utility bill, vehicle registration, driver's license, voter registration to meet the requirement per se. I think if we are going to be a department head in the City of Mesquite, I think our families should live here. If it's good enough to get a paycheck from Mesquite, especially for department heads. I mean no disrespect. I understand, but I was told when we interviewed you, you were going to live in Mesquite.

[4:26 PM] Minutes:

Chief Christopher: I do live in Mesquite.

[4:26 PM] Minutes:

Council member Hafen: Well, that's a debate you and I can continue to have. We don't need to have it here, but I do want to see this come back. I'll let it go right now, but it's going to have to come back, unless you want to vote on it. That's fine. I mean if I get outvoted, I can live with that, too. But I always hear, if it's in the budget and we approve it, it's a done deal. I think we need to look at that, too, and make sure there's full disclosure when we approve things in the budget that everybody understands what we are doing.

[4:26 PM] Minutes:

Mr. Sweetin: As a point of procedure, I note the way it is in the budget right now, in order for it to come back, you would have to, like Council Rapson suggests, is remove those portions, approve it. Take that out and bring it back as a separate issue. In the alternative, this would be, as Council Hafen has said, the time to have that discussion and debate just like any other item would be on the budget.

Just like if you thought, you looked at my budget tomorrow and say, hey, your suppliers are way too high, you would talk to me about that then, so I would just submit that.

[4:27 PM] Minutes:

Mayor Litman: So Mr. Sweetin, if we take it out of the budget, if I have a motion to take it out and it approved, then we can set a date to put that back in and amend the budget at a later date?

[4:27 PM] Minutes:

Mr. Sweetin: Yes, just like you would with normal raises, or any normal thing that came in non-budgeted expenditure that you could approve later on.

[4:27 PM] Minutes:

Mayor Litman: So Council member Rapson, if you want to make a motion to change that?

[4:27 PM] Minutes:

Council member Hafen: Yeah, I will. I do.

Council member Rapson: I want to explain something here. We did have one on one's, and I agree fundamentally and philosophically that the Chief should be on top, and the Deputy Chief and on down. I do believe that. So I don't have an issue with the raise based on that concept, I really don't. But I have heard the residency issue. I'm not going to beat this horse to death, but I got to tell you that there is a spirit of residency and there's the reality of residency, and I think that we have to lead by example, because this has been a contentious issue in the contracts as you know. When you see or there's even a perception that the Chief may be not living to the spirit of the rule, then that just gives the remaining people kind of a carte blanche. Maybe we need to revisit this thing, and you need to convince us that you are a resident here, which maybe you can, and maybe you will. I would appreciate that. But I mean the time that you spend here, where your social media posts are coming from at what time of day, where you have been, just some evidence that you're spending a majority of the time, because if you were a resident of Mesquite, you would be spending the majority of your time here. I think that's the spirit. That's all I am saying.

[4:28 PM] Minutes:

Chief Christopher: Well, for example, where did you see me Saturday morning?

[4:29 PM] Minutes:

Council member Rapson: I understand that. I understand that, but you're a salaried employee, and we would expect to see you in places. When I ran the Casa Blanca on salary, I was there 6 or 7 days a week sometimes. I was there until midnight, 1 o'clock in the morning. I get it, and so I do appreciate the rigors of this job, and the time consumed. I do get that. I just think that it's time we get it out in the open, and you either convince us, and I hope you do, because I don't have any fundamental issues, Cash. I really don't. I think you guys do an

awesome job, and I do agree with this. I do agree with this, but obviously this is an issue that is stuck in some people's craws, and I think we ought to have it out and get it done with and move on.

So I would make the motion that we table this, discuss it, and give the Chief an opportunity to convince or develop a convincing argument, and let's let it go.

[4:30 PM] Minutes:

Council member Delaney: I am just asking. Nobody seems to be opposed to the raises, because we all had meetings with Chief, and Andy did thin it out. What we are questioning then is Chief Christopher's residency, and are they the same thing, Mr. Sweetin?

[4:30 PM] Minutes:

Council member Rapson: It was tied to a breach of contract.

[4:30 PM] Minutes:

Council member Delaney: Well, that's what I am saying. It should be two different items. In other words, if we have a problem with him as being in breach of contract, we should be addressing that, not addressing raises that we all pretty much agreed to when we had the meeting with him.

[4:30 PM] Minutes:

Council member Rapson: I disagree with that.

[4:30 PM] Minutes:

Council member Delaney: I am just saying, we could come back to settle the breach of contract thing, because these raises do not go into effect immediately anyway. I'm just making a suggestion here that to me they seem to be two separate things.

**Council member Rapson moved to table the increase in salary for the Chief and Deputy Chief of Fire and Rescue. Council member Hafen seconded the motion.**

**PASSED: 4; AGAINST: 1 (Delaney); ABSENT: 0**

[4:31 PM] Minutes:

Chief Christopher: Just so you know, I will be in Phoenix this weekend to see my grandkids, so I won't be here.

[4:32 PM] Minutes:

Mike Benham: I am running for Council. Maybe you can clarify something for me, because I am totally confused now on this residency thing. We have a lot of firefighters and police officers who live over in Bunkerville. They don't live in Mesquite, either. So can somebody clarify how we can go that, but not this? I've negotiated a lot of contracts at Princeton University, four of them as a matter of fact, and it seems if you are going to do one thing, you've got to do the whole

thing. You can't say, well, it's okay for you, but it's not okay for you. Would someone like to answer that question?

[4:32 PM] Minutes:

Council member Hafen: I think it is a 15 mile radius from the city of Mesquite, so they can live within the valley here. That's what I believe. Is that correct? So, yeah. I don't care if they live in Bunkerville, Beaver Dam. They live in the Valley.

[4:33 PM] Minutes:

Mr. Benham: Can you explain to me, Council member Hafen, what the objective was? What the objective is? The 15 mile radius.

[4:33 PM] Minutes:

Council member Hafen: So they can live in the Valley. If there's a problem, they can get here. You should understand that. We had a flood that blocked the freeway. Somebody from Vegas could not get here. I don't know what else I need to explain to you. 15 mile radius, you live in the Valley. If we've got a problem in Mesquite, you can be here.

[4:33 PM] Minutes:

Mr. Benham: Okay, but there's another side to that, Council member.

[4:33 PM] Minutes:

Council member Hafen: What's the other side of it? We're going to come back and have a discussion. I welcome the discussion, especially with you, if it's fine with the Mayor.

[4:34 PM] Minutes:

Mr. Benham: I'm just saying, as far as I'm concerned, it's a good thing and it's a bad thing. The bad side of that is what I have heard is if there is an emergency, we can call the guys back. The other side of that is they've had one beer, they cannot come back.

(Break in taped recording)

[4:34 PM] Minutes:

Council member Hafen: You got to buy into Mesquite. Your family has to live in Mesquite. That's my issue. If that could be proven, fine. I am not convinced it can. I have a right to that opinion.

Mr. Benham: You absolutely do.

Council member Hafen: But I've never told anybody what they can do. I don't care – Cash can go every week somewhere. You know what? If you are going to be a Department Head in the City of Mesquite, buy into Mesquite. That's all I am asking. Maybe he has. I don't know. I don't think he has. We haven't heard discussions, but I hope the confusion is gone, and I hope we have answered the

questions.

[4:34 PM] Minutes:

Mr. Benham: I have no problem with people living close --

[4:35 PM] Minutes:

Mayor Litman: The action behind that Mr. Benham was originally to be within 20 minutes, I believe was the time we established, 15 miles or 15 minutes, again approximately from here, which then took in everything from Scenic, Beaver Dam, Littlefield, Bunkerville, and no further than that for actual residency.

[4:35 PM] Minutes:

Mr. Benham: I will say this. The Chief called me – when your lights went out, he called me, because I was the Director of CERT. Unfortunately that night, I was stuck in Las Vegas Speedway, and there was no way we could get out. As volunteers, we will all be in Mesquite as well. We pay taxes here, because we like Mesquite. I was just confused. I'm not picking on you, Councilman, believe me. I just wanted the clarification.

[4:35 PM] Minutes:

Council member Hafen: Mr. Benham, you are welcome any time to try and pick on me. I am a big boy. I can handle it. Got thick skin, okay. I just want you to understand, there are some issues. There have been some people that were grandfathered in. This Council, there's some things that we did. We have done things different since we have been on this Council in a lot of ways. That's what we were elected to do, and you know what, maybe in 6 months or so if you get elected, we'll see how you perform as well. So there you go.

## **c) INFORMATION TECHNOLOGY**

[4:36 PM] Minutes:

Mr. Empey: This item can be found on pages 32 through 34.

[4:37 PM] Minutes:

Dirk Marshall: I will try to keep this simple. Mayor, Council, I just wanted to come forward and bring you our budget and answer any questions that you have. Our budget is largely the same as our budget last year, with a couple of notable exceptions. As Dave mentioned earlier, we did away with the funding out of the IT Reserve Fund, which some of our billable expenses have come out of that over the last few years. Those expenses have now gone into the General Fund, so that's a big chunk of the change that you see in our budget.

We also have a project. The software that we use for our agenda management and document management, basically they are phasing that product out, so we need to move forward with something different, and we have been exploring those options, and we're going to continue to do that and move forward with a different product for that, so that's one of the bigger expenses that we have this year.

Other than that, any questions that you have I am happy to answer them.

[4:38 PM] Minutes:

Council member Green: Well, we went from the green list to the budget we have now. So your department took \$109,000, 5% change there. It looks like it is not personnel. It is largely in the Professional Technical Services Area. Is there anything in there that gave you great pain to lose?

[4:38 PM] Minutes:

Mr. Marshall: We had a couple of projects. We recently did a mobile app for tourists, and we are going to try do another one, a little more detailed for citizens. It had a little more capabilities to it.

[4:38 PM] Minutes:

Council member Green: Bells and whistles.

[4:39 PM] Minutes:

Mr. Marshall: It's one of those luxury items that we can live without.

Council member Green: Thank you for your \$109,000 contribution to the reduction of the deficit.

#### **d) ATHLETICS AND PARKS DEPARTMENT**

[4:39 PM] Minutes:

Mr. Empey: You can find this information starting on page 85. Leisure Services will be found on 87 through 90. Senior Services on page 102 through 106. Recreation Fund 107 through 108. Residential Park Tax Fund on page 113.

[4:40 PM] Minutes:

Nick Montoya: 10-76, parks and grounds maintenance. It's pretty self-explanatory. We cut \$25,000 out of there for another ProGator for field maintenance for tournaments that we have coming up. It's almost the same exact budget as last year, except the increases due to redistribution of the water, power, and all that stuff. Of course, you know you got a lot of my information updates on water costs, what we have been doing throughout the City, going throughout certain parks and putting in rock and removing grass that we don't need, and that's lowering our maintenance costs also. What that does is it helps the park staff better serve the community in other areas, bigger parks for like Old Mill or Pioneer Park, stuff like that. I sent you those reductions in water costs that we have done currently to the parks. Any questions on 10-76?

[4:41 PM] Minutes:

Council member Withelder: How many employees do you have in the parks department?

[4:41 PM] Minutes:

Mr. Montoya: In the parks department, we have 9 full-time employees and 4 part-time.

We'll move to page 88, 10-81. Again, about almost the same budget. We increased a little bit in the Turf Maintenance due to we had a couple of Councilman last year ask about why we didn't fertilize and upgrade some parks, so that's in there. We did reduce the budget by \$90,000 from the new pool heater, which is 17 years old. We did reduce that budget. And we did reduce some travel costs, conference shows and stuff like that. Also, again, the budget has gone up due to the fact that we are taking care of utilities, so each department is showing that now.

[4:43 PM] Minutes:

Council member Rapson: With respect to the set aside that we have from the Recreation Center fees, this may be directed to Mr. Empey I am not sure, that's an upfront right? I mean, that's in a reserve so for things like this pool heater at some point, we can dip into that?

[4:43 PM] Minutes:

Mr. Montoya: Yes, we could.

[4:43 PM] Minutes:

Council member Rapson: Okay, so this year I think it was, if my memory serves me, \$28,000 or something like that?

[4:43 PM] Minutes:

Mr. Montoya: Actually, it was a little more than that. I think it was around \$34,000, because there was money from last year.

[4:43 PM] Minutes:

Mr. Empey: It was in the 30's. These unique monies are not in a special fund, we are tracking in the fund balance that's reported each month. We only adjust that on an annual basis. One thing I might point out here is as I look a little closer on page 81, on that Rec Fee Increment Spending Account 650, I'm not seeing anything in the tentative budget column, Dodie, so I think we will need to increase that. The revenue budgeted for that is \$28,000, so I think we need to adjust that.

[4:44 PM] Minutes:

Mr. Montoya: I think, George, we had said that at the first meeting, to adjust that \$28,000 to the third column.

[4:44 pm] Minutes:

Council member Rapson: Just for my own clarification, and maybe I'm not getting this, but let's just say for argument's sake, we do need the pool heater next year. I mean, we can't put it off another year, not this budget year, but the next one. We say, okay, we are going to draw from that reserve or the

separation of those rec center fees into that fund or into that separate account, let's say for argument's sake we had \$90,000 over the past couple of years set aside, and we spent \$90,000, are we going to have a net sum zero, or are we going to have a \$90,000 expense because we have recognized the incomes in a general fund?

[4:45 PM] Minutes:

Mr. Empey: We will have to take a look at that, but I suspect we don't have and won't have that \$90,000, by the time we arrive at June 30, 2016.

[4:45 PM] Minutes:

Council member Rapson: No, 2019.

[4:45 PM] Minutes:

Mr. Empey: Okay. Well alternatively, if that money needs to be spent, whenever that is, we could go ahead and commit this incremental revenue for that purpose. It might be that there will be a negative balance in that incremental fee total until that's made whole.

[4:46 PM] Minutes:

Council member Rapson: Right. But the net number is the only expense that we would recognize, then. In other words, if there is \$70,000 in that fund, and we spend \$90,000, it's a \$20,000 expense?

[4:46 PM] Minutes:

Mr. Empey: The entire \$90,000 would be recognized on the expenditure side. And then when we do that year-end adjustment, it will show a negative balance in that pot of money for the incremental fee.

[4:46 PM] Minutes:

Council member Rapson: Okay. I know this is sad. I'm an accountant, and I still don't get it. So let's just say that we had an absolute balanced budget in the preliminary budget. Let's just say over the period of years, we've collected \$60,000 on that incremental fund, and we have a \$90,000 expense. Does our General Fund go to a \$30,000 operating deficit or \$90,000?

[4:47 PM] Minutes:

Mr. Empey: Right, that portion of the fund balance will show a 30,000 deficit. The overall fund balance will show \$6.6 million, or whatever.

[4:47 PM] Minutes:

Council member Rapson: No, no, I mean the income statement, the balance. If we have a balanced budget, incoming equaling expenses, what will that operation change? In other words, do we now have a \$30,000 deficit or a \$90,000?

[4:47 PM] Minutes:

Mr. Empey: This is assuming that you are planning on spending on that line item

on page 87, Rec Fee Increment spending, account number 650. That means that we would budget \$90,000 in that account, because inasmuch as you are talking about a balanced budget --

[4:47 PM] Minutes:

Council member Rapson: I am not talking about this budget. I'm talking about the general budget.

[4:47 PM] Minutes:

Mr. Empey: Any budget. Going forward, that \$90,000 would have to be included in the budget that we are now discussing even in future years.

[4:48 PM] Minutes:

Council member Rapson: I understand that. I'll talk to you later. I'm still totally confused.

[4:48 PM] Minutes:

Council member Green: I think because he is not setting up a separate fund to fund that.

Council member Rapson: So we would recognize the \$90,000. Got it okay, that's what I thought.

[4:48 PM] Minutes:

Council member Green: My question is on the fees, the Rec Center Fees, so it may be a combination for you and Dave, but Rec Center Fees, without regard to what's an increment and what's not, total fees were at \$178,000 through 9 months. So that was 90% of the \$200,000 budget in only 75% of the year. Dave's estimate for the year for Rec Fees was a full year of \$236,000, but we are only estimating \$200,000 for next year. I don't understand why we would expect Rec Fees to go down?

[4:48 PM] Minutes:

Mr. Montoya: I got with Dodiee this morning on this, and that's a mistake on my part.

[4:49 PM] Minutes:

Ms. Melendez: What we did is the actual revenue numbers for each department comes from the department. Dave and I don't have anything to do with that. That's up to them to give us their projections for their revenue. What Nick did was give us a projection of \$200,000 for this year. He included the \$28,000 that he was projecting for incremental funding, too, so of that \$200,000, \$28,000 of it should really go down to the incremental and the \$172,000 should be in the Rec Center Fees.

[4:40 PM] Minutes:

Council member Green: Okay, that's still my question, though. If we are looking at \$236,000 for the year, without regard, incremental otherwise, why are we only

looking at only \$200,000 for next year?

[4:49 PM] Minutes:

Mayor Litman: It shows there could be a big drop in the number of people attending the Rec Center the way it shows there.

[4:50 PM] Minutes:

Council member Green: Just looking at the total fees, we already have achieved 90% of the \$200,000 budget, but we are budgeting another \$200,000 for next year, when Dave's estimate that he gave us when he rolled out the current year was \$236,000, which is reasonable based on where we are at for 9 or 10 months.

[4:50 PM] Minutes:

Ms. Melendez: Our estimate for 2016 was only \$209,000, plus the \$27,000, right? So that's where we are coming up with the \$236,000?

Council member Green: Um-hmm, exactly.

[4:50 PM] Minutes:

Ms. Melendez: Again, this estimate comes from the department heads. They don't come from Dave and I, and that's what he is saying.

[4:50 PM] Minutes:

Council member Green: If Dodie's estimate for the year is correct, the \$236,000, what do you think next year? Rethink the 200?

[4:50 PM] Minutes:

Mr. Montoya: Yeah, I will definitely talk to Dodie about that.

[4:50 PM] Minutes:

Council member Green: I think we can pick up some additional revenue here, because I don't see any reason for Rec Center Fees to go down.

[4:51 PM] Minutes:

Mr. Montoya: In actuality, patrons have gone up visiting this facility. From March of 2002, when we purchased our system that tracks actual people using the facility, we went from 37,492 in 2002 of March to right now, the end of 2015 to over 100,000. I have this chart here. I think you have all seen that, the graph.

[4:51 PM] Minutes:

Council member Green: So if you just had a 6% increase over the \$236,000, we are talking \$250,000 rather than \$200,000. 250 against the \$239,000 is a good number.

[4:51 PM] Minutes:

Mr. Montoya: I will get with Dodie and Dave, and we'll reconfigure those numbers.

[4:51 PM] Minutes:

Council member Rapson: I agree with that. We should be able to track the increase or decrease year over year of patrons using it, which you do obviously. If you apply the percentage increase in the rates that we had going back to what the projected increase of the individuals using -- the usage, I think we can come to a pretty good number, and I think Rich is right, it seems intuitively that we should be looking at an increase in revenue rather than a decrease in revenue, and I am talking gross, both the special fund allocation and the deal, which would certainly help this budget.

[4:53 PM] Minutes:

Mr. Montoya: Any more questions on 10-81? Move to Senior Center, Fund #16, page 102. Again, the only increases here are the utility costs. We just received our information from the State on our program assessment for all our grants that we got. Last year we served over 85,000 meals, congregate and homebound, to the community of Mesquite. This year we are at about approximate 45,000 currently. You have to take into consideration the budget year for our grants for that is from October 1<sup>st</sup> to September 30<sup>th</sup>. So it's a different grant cycle. So that does kind of mess things up a little bit. I did work with Dodie and Dave on this quite a bit, so it does throw our budget off a little, because we are getting money at different times of the year throughout that time. But we are on track to exceed those numbers that we did last year, and we are also doing more things to bring revenue into that department, like a Valentine's Dinner that we did. This Friday, we have the Hoe Down, the Thanksgiving Dinner. I mean, that is a budgeted item, but we do receive quite a bit of donations for that. We do the Sock Hop. We try to keep everyone active. We also are doing our Life Long Fitness over there, some of our programs over there, line dancing, chair classes, quilting, Mahjong, a bunch of different card games. The State actually has come in and said that we are exceeding their expectations on things that we are accomplishing over there for the older adult, and we are one of the highest rated facilities in the State. I think that says a lot, because they fund us a lot, about \$300,000 grants, 280, give or take a dime or two.

[4:55 PM] Minutes:

Council member Rapson: How aggressive are we with -- I presume that some of these donations or a good portion are already in kind food and so forth from vendors?

[4:55 PM] Minutes:

Mr. Montoya: During the Thanksgiving meal we do get quite a few in kind donations from McDonalds, Sysco, Nicholas and Company.

[4:56 PM] Minutes:

Council member Rapson: That's what I was going to say, if we really beat those guys up, because I know from having been in the industry, they do have promotional stuff. They do have a budget for all of those things. They do have a fairly substantial budget for that sort of stuff, and I am sure you guys are working

it, but maybe, you know, whether it's Sysco, Nicholas, US Foods. You know, there are others out there that just say, hey, look guys, we are a small community. We give you a lot of business through our casinos, hotels and restaurants, what can you do for us?

[4:56 PM] Minutes:

Mr. Montoya: Actually, Eureka donates all the pies.

[4:56 PM] Minutes:

Council member Rapson: Good. Through them, use them as the vehicle, since they are the purchasers and they spend the money. So yes, that is good.

[4:56 PM] Minutes:

Mr. Montoya: They donated over 500 pumpkin pies. I'll be honest with you, we use every one of them. Both facilities are very busy being used by the community, and that's what they are there for.

Council member Rapson: Has Mesquite Gaming participated?

Mr. Montoya: I'll plead the Fifth.

Council member Rapson: I take that as a no.

[4:57 PM] Minutes:

Mr. Montoya: They haven't at this time. No, let me take that back. They have donated some things like decorations. When we have the Sock Hop and stuff, they did donate some certain lighting, and also some decorations for the Sock Hop.

[4:57 PM] Minutes:

Council member Green: Over on 103, this is another combination Dave/Nick question. So we have a little summary of the Fund balance. This is a Special Fund, now. So this is not General Fund. In fact, we feed this \$175,000 from the General Fund. Okay. So see the little table there? I am wondering why we transferred \$175,000 so that we end up with a positive fund balance. Why not transfer \$150,000 so the fund balance would be zero? Who do we need a fund balance in this fund?

[4:58 PM] Minutes:

Mr. Empey: We can adjust that transfer as you wish. We transfer some just in case the expenditure side is a little understated. That way we got a little room to cover those increases, but that is a discretionary amount. We are not able to come in at the end of the year with a negative fund balance. That's commandment number #1.

[4:58 PM] Minutes:

Council member Green: Ok, it's not big, but it's maybe \$24,000. The programs are great, and we are getting all the good reviews, but you are still looking at a

7% fall off of revenue and expenditures went up 7%. If you look at those little 17 versus 16 numbers in the table. So it seems like we've got an adequacy cushion there so that we wouldn't have to overfund and penalize the General Fund. That's my point. I would like to see that skinned down to \$151,000 or whatever. I know it's a small change, but I just don't see why we have to plan on funding a balance to end up with a fund balance in a fund that doesn't need a fund balance.

[4:59 PM] Minutes:

Council member Rapson: I agree in principal, but I think to take it down to zero, again this is a budget. Budget's are by definition uncertain, and I think you cannot end a budget of a balance in a negative, then you are just going to have to make a transfer request at some point, and we're going to have to transfer something in. As the alternative, it's almost an arbitrage where you can say okay lets' leave it at this, this year, and next year if the ending budget gets their fund balance above \$25,000 or \$24,000, I would round it up, then we don't transfer anything in. In other words, we keep a cushion in there because it is an uncertain number on the expense side, and the revenue side for that matter. I mean, I don't know. I don't have a lot of heartburn here, but I don't want to have to revisit this in a transfer later on just because we --

[5:00 PM] Minutes:

Council member Green: I'm ok with that. It's small stuff.

[5:00 PM] Minutes:

Mr. Empey: I might add this, this is insightful. I am looking at page 102 on that transfer from General Fund line. If you look at that adjusted budget for 12-31-2015, you'll see a budget of \$213,700. You will see what's projected to be transferred at \$141,700, so we do look at these funds as we approach the year end, and adjust them accordingly. We feel the same way as you do, Councilman Green. We don't want a \$200,000 fund balance in here when, you know, it's to the detriment of the General Fund. So we keep an eye on that and try to modulate that and keep it within reason and that sort of thing. So that would be what we do again next year when it comes to this \$175,000 transfer. As we get down to April/May of 2017, we will be taking a look at that and see if we can't skinny that down from \$175,000 as well, as we were doing this year.

[5:01 PM] Minutes:

Barbara Ellestad: Back in 2013-2014, I pushed very hard for some of you elected officials to do a rate increase for the Rec Center. So we finally put together a Committee. They met for six months, and they approved the rate increase, and that's fine. If you read an editorial in the Mesquite Local News a couple of weeks ago, or a commentary editorial, I pointed out that an adult senior who has an annual pass, pays \$120 for a year. That's \$10 a month. And if they use the Rec Center three times a week, that is \$.77 per visit. You guys need to skip the Citizen's Committee, just don't do that again. It's not necessary. You need to raise those rates to a reasonable level balanced between the users and

the used. You need to get those rates to a reasonable level, and \$.77 a visit is not a reasonable level. So I'm going to ask you again. I realize you cannot do it today. I am going to ask you in the very near, near, near future to raise the rates to a reasonable level for what people get what does the department have to spend because it still out of whack. Thank you.

[5:04 PM] Minutes:

Council member Delaney: Nick, I'm probably just overlooking it and you need to point it out to me somewhere, but I know it is somewhere in your budget, for the Yucca Facility there where the Deuce is, as that building starts, it's continuing to age and I know we have some repairs and things, where would I find --

[5:04 PM] Minutes:

Mr. Montoya: That would be under Mr. Tanner.

Council member Delaney: Okay. that's under his, okay.

[5:04 PM] Minutes:

Mr. Montoya: We manage the facility.

Council member Delaney: He pays for it, you manage it. Okay.

Council member Rapson: Once again, I want to just philosophically address the comment from the floor. The Senior Center is there for a reason, and it's a social reason. We have to weigh the social benefits that benefit the entire community when your seniors are taken care of versus what some of these people on very limited fixed incomes. I mean, they are making \$1500 a month in Social Security. We get a lot of grants to keep this thing alive, so I think the City does have -- all citizens do have a certain responsibility to fund this to some degree. Now, I am not saying that \$.77 a visit or \$12 a visit.

[5:06 PM] Minutes:

Mr. Montoya: We have to be careful with the Senior Center funds. We cannot actually ask them to pay. It's a suggested donation. If we make them pay, the State will pull our funding. The Rec Center, that's different.

[5:06 PM] Minutes:

Council member Hafen: That's my question. Do you want to respond what your thoughts on the suggested? We'll have everybody in town here on the night of that one.

[5:06 PM] Minutes:

Mr. Montoya: According to the agreement that was made two years ago in '13/'14, we're supposed to revisit these fees in three years, according to that agreement with another committee. I am going to agree the committee is probably not the best way to go. I think there needs to be some administrative control there with the Council and City Manager and Dave. I think we are smart enough individuals that we can actually make that decision. I think the

community would be happy with that.

[5:06 PM] Minutes:

Council member Hafen: So you think that should be sooner than later?

[5:06 PM] Minutes:

Mr. Montoya: Well, the 3<sup>rd</sup> year is coming up.

Council member Hafen: Well, we don't have to wait for the committee, and that was suggested it from the audience.

[5:07 PM] Minutes:

Council member Green: Haven't we found that the fee increase did not negatively impact the usage?

[5:07 PM] Minutes:

Mr. Montoya: It has not. According to the numbers, we've gone up.

[5:07 PM] Minutes:

Council member Green: That seems to approve the ...

[5:07 PM] Minutes:

Barbara Ellestad: Yes.

[5:07 PM] Minutes:

Council member Hafen: Just as a suggestion, if we put that on a future agenda, we may save time in future City meetings. Just a thought with questions that might come from certain individuals.

[5:07 PM] Minutes:

Council member Rapson: Now that I am on the same page, I agree that we should revisit this periodically. I don't think we need a committee. I mean, I do think some research with respect to competitive deals, and whether it's St. George or whether it's any another similar or nearby area, but other than that, I think we can make that decision. Frankly, this should be a reasonable rate. I mean any type of fitness, what is that? Somebody know? \$50 or \$60 a month.

[5:07 PM] Minutes:

Mayor Litman: They're \$55 a month; the other facility in town is \$25 a month. That's the joining fee that you have to pay, also.

[5:07 PM] Minutes:

Council member Rapson: That is a fair statement I believe.

[5:08 PM] Minutes:

Council member Hafen: If you get that information put together, maybe we ought to try to put that on the agenda in the next 30 days or 45, whatever it takes to compile that information. That would be a good election year topic for people to talk about.

[5:09 PM] Minutes:

Mr. Barton: You might want to mention the possible closure of the Rec Center on Sundays. I did mention in my remarks that most services would be untouched. Here is one that actually is going to be taken away, so Nick.

[5:09 PM] Minutes:

Mr. Montoya: We ran the numbers, and if we close this facility on Sundays, that's a proposal that I did for the budget cuts, we probably would be saving between \$25,000 and \$30,000 a year, if it's closed on Sunday. We are only open 4 to 5 hours a day on that day, so that's a decision, again, if the administrative control comes across, you guys can make that decision.

[5:09 PM] Minutes:

Mr. Benham: On that issue, it is really cheap. It is ridiculously cheap. I was just wondering if you really put the fees up, and then give a senior discount to say somebody over 65. If you raise your fees, then the senior citizens who are on a lower income wouldn't be impacted. Is that correct?

[5:10 PM] Minutes:

Mayor Litman: As much.

[5:10 PM] Minutes:

Council member Rapson: As much. And youths get a discount, as well.

[5:10 PM] Minutes:

Council member Delaney: Mr. Montoya, I know you have the numbers, so if we close it on Sunday, like you said it's one of the lowest uses. Approximately how many patrons would that impact?

[5:10 PM] Minutes:

Mr. Montoya: Looking at the numbers, we would affect between about 45 to 60 people September to May, but the summer months it is over 100, because Sundays there is a lot of people that do visit the facility in the summer months to the outdoor pool.

[5:10 PM] Minutes:

Council member Delaney: Well, is it a possibility to do it only September through May then, and still have it open on Sunday through the summer because--

[5:11 PM] Minutes:

Mr. Montoya: We can do anything we need to do. Again, the numbers need to be there to reach the budget that we agreed on, but that's always something we can look at.

[5:11 PM] Minutes:

Council member Delaney: Just something to think about.

[5:11 PM] Minutes:

Mr. Melendez: Most of the savings is in payroll.

[5:11 PM] Minutes:

Mr. Montoya: Savings is in payroll. About \$17,000 in payroll. There are some things we do need to keep running. I took the average throughout the whole year with utilities cost. We still would need to run the pumps for the pools, and there was some electricity. Those things are not cheap. The pumps are three phase, so that's a lot of power.

[5:12 PM] Minutes:

Dave Ballweg: I want to not necessarily revisit Nick's item, but I was a little surprised that maybe if I get some clarification on the fund balance versus the budget. So if you had excess fund balance there, can they overrun a budget item without coming back to the Council? Does that allow them some flexibility in the budget items? I'm just saying if we have extra money in there, I know you would watch it, but does that give them an opportunity to spend it without coming back to Council?

[5:12 PM] Minutes:

Mr. Empey: No, we watch the budget. There is budgetary control that we exercise. So one of the things that Finance does when we print those monthly financial statements, we do a quick analysis fund by fund, comparing year to date expenditures versus budget. If you looked at the financial statements, you can see a column in there to see what the budget variance is. So when we notice that, we look at it kind of from a macro level, we look at the total departmental budget and see if they are approaching budget on their actual expenditures or if they are over budget. If they are over budget, things get locked down, and we notify the department managers.

[5:13 PM] Minutes:

Dave Ballweg: On the macro level, the only way you can do it is say okay if you're 10 months through the process, you're just doing a gross amount of percentage used to that date. In some of those funds, you may have instead of a consistent expenditure, you may have block costs that 6 months after the process, you may have already spent 75%, but that does not mean you are overbudget because of the way that fund works. My general questions is if you have excess in the fund balance, and a line item is over budget, is that an administrative call to increase that budget item, or does the Council come back and have to approve it?

[5:14 PM] Minutes:

Mr. Empey: It would appear on the Council Agenda under the Administrative Budget Adjustments.

Dave Ballweg: Okay, under the Consent Agenda, okay.

[5:14 PM] Minutes:

Mr. Montoya: Fund #17, 107. There are a few adjustments in the 17. We are asking for a senior recreation leader. That is something that does not need to be put into at this time. On this 17 account, again, is a Fund Generating Fund, paid by the programs, and this person would be helping run programs. I've spoke to Andy about this, and this is something that we can review. It doesn't necessarily need to happen now or six months from now. We want to look at this and make sure this is going to be funded by this account.

[5:15 PM] Minutes:

Council member Green: So that is the reason for the increase in salaries?

Mr. Montoya: Yes, the \$31,829.

[5:15 PM] Minutes:

Mayor Litman: Is that a position that was similar or basically the same as the one that Diane Corrigan had years ago?

[5:15 PM] Minutes:

Mr. Montoya: She was part-time. This would be an actual full-time position.

[5:15 PM] Minutes:

Mayor Litman: But of the same nature?

[5:15 PM] Minutes:

Mr. Montoya: Yes. They would be helping with senior fitness. They would be helping with the preschool. They would be helping with afterschool programs, summer camps, summer school, stuff like that, and this would help generate more funds because we have full-time staff that would actually help run those programs which are generated by that account.

[5:16 PM] Minutes:

Council member Green: On page 107, where Dave's got his roll out for the year. He's looking at total expenditures of \$280,000 for the year and gone to \$406,000 for next year. So it's a little more than one head, I think. You see where I'm at?

[5:16 PM] Minutes:

Mr. Montoya: We did increase our part-time budget from last year to this year.

[5:16 PM] Minutes:

Council member Green: It is a combination of a new position, more part-time and then some increase in technical services and miscellaneous supplies are doubling, it looks like.

[5:16 PM] Minutes:

Mr. Montoya: Correct.

[5:16 PM] Minutes:

Council member Green: But we're not getting the increase in charges for

services to cover that. Last year we were able to take \$200,000 out of that to put in to help the General Fund, and this year with increase costs, and no increase in fees, we don't have anything to assist the General Fund, although we do end up with a fund balance again that I am still wondering if the fund balance, that we don't need a fund balance.

[5:17 PM] Minutes:

Mr. Montoya: And again that's a decision I'd talk to Andy about that we do not need to fund this position at this time. If it looks like we are not meeting our goals, we will not fund that position.

[5:17 PM] Minutes:

Council member Green: I think we have got some flexibility here.

[5:17 PM] Minutes:

Mayor Litman: Any other questions on that item?

## **e) DEVELOPMENT SERVICES.**

[Minutes:]

Mr. Empey: This begins on pages 65-67. We will also be reviewing the Residential Park Tax Fund on page 113, Environment Planning Fund on page 111 through 112, and the Transportation Impact Fee.

[Minutes:]

Richard Secrist: Mayor, members of Council, we decided to save the best for last. So we've got four funds I am going to talk about. The first one, General Fund 10-61. It's the Department Operations Account. As you know, we have building, planning, business licensing, and a side of code enforcement in our department. The Fund 10-61, 94% of this budget is salary and benefits, the other 6%, supplies and services. So we were asked to cut 5%, if you take it out of supplies and services, we have nothing to work with. If you take it out of salaries and benefits, we would lose somebody. What we ended up doing to try and come up with a budget that would work within the constraints we are faced with, as you note in there, we originally in my recommended budget, we asked for an additional building inspector. When it was apparent that wasn't going to pass muster, we ended up cutting up some of the hours for a part-time building inspector that we have. Actually let me back up. We have 5 full-time employees, 1 part-time temporary employee. That part-time employee is the building inspector that is kind of call. He does back up. Charles Burton retired from Mesquite. He works part-time with us, and what happens is when Robin Cude, our field inspector, is on vacation or otherwise out of town, we call him and take the inspections. Or if her schedule is so busy that she can't get to them all, we try to get him to come in. So basically we dropped the idea of another full-time inspector and we increased his hours. Last year, we had him budgeted 10 hours a month, so we increased that to 40. Then we were told to cut another 5%, so lowered it back to 20 hours a month and increased the overtime slightly.

We would think that will work, but things are still tight.

Just to give you an idea of the changes in workload; in 2014, we had 6,767 inspections –

(Pause in taped recording)

-- making sure plans meet code, they're going to be safe, etc. In 2015, we did 1106 plan reviews, so 38% increase. Robin's got an inspection about every 14 to 15 minutes all day long. That includes her drive time to and from the various sites. That's hardly enough time to do an adequate job. So that's the dilemma we have. But if we increase Charlie's hours, you can come in when we've got a real busy week. We can get by like we did last year.

We also have a standing agreement with Sunrise Engineering out of Utah. They have certified building inspectors, they are a consulting firm, but they have certified inspectors that can come do field inspections or plan reviews as needed. Earlier this year, our building official, the plans examiner, Dan Tobler took a 10-day vacation, took a cruise with his wife who is in remission with cancer. I am glad they were able to go. But him leaving town, left us without anybody to do that function.

Fortunately, they are good planners, and our department started telling the builder's months before that he was going to be gone from this date to this date. Get your plans in early. So almost all of the plans, we got them to bring them in early. A couple of builders said we can wait the 10 days, don't worry about it. We only had to send out one plan to Sunrise Engineering, so we got it covered. We have had them come in and do inspections on occasion, too. So anyway that's where we are at with the building function.

We are seeing an increase Development Applications. These are only the conditional uses and variances. The first 4 months of this year, we've got 20 applications, and at that rate, we could end up with over 60 applications for the year, but that would be higher than the last 5-year high in 2014, when we reviewed 52 applications. So things are increasing. Building is increasing.

In fiscal year '14/'15, we did 183 single-family permits. Already this year through April, we have done 202 single-family permits, and we are averaging about 16 a month. So we could end up with around 234 permits this year, which again will be an all-time high, since 2008 anyway. So things are happening that way.

Our proposed budget, \$569,956 Operation Budget for that fund. This will be the first year, I think, since I have been in Mesquite that we will be able to cover that Operation Budget through revenues for building permit fees. Probably those fees are somewhere around 80%, 70% of the department expenditures. That's, I guess, a function of the fact that we increased our building permit fees last year, and there's been more construction.

[Minutes:]

Council member Rapson: I think you might have just answered it for the most part, but I see the building permits revenues is budgeted at \$600,000 so you are covering your own expenses for the most part. I can tell you first hand, these guys do a great job. I work for a new home builder. We got about 12 under construction right now or 13, I think. It is a slower process to get inspected. We have to plan ahead. I have been proactive in telling buyers that it's no 5 ½ months to build a house anymore, it's 6 months or so forth, so you have to built cushion in here. It's the reality and a fact of life, and we can't change that, but it's good to see that the revenue is equally or exceeding the expenses. You guys do a good job.

[Minutes:]

Council member Green: My question is along the same line, because in nine months, we've got building permit income equal to the budget. Dave's rollout for the year for building permit income is almost \$600,000, which will meet the budget by 35%. But yet for next year, we are looking at another \$600,000, but from my perspective the prospects, for building are just as good. In the future, our we being unduly conservative on our building permit estimate for next year?

[Minutes:]

Mr. Secrist: Again, the big reason that we had the increase this year is because we raised permit fees.

Council member Green: But they will be there next year.

Mr. Secrist: Yeah. We may see an increase in the number of homes, as well. I don't know what next year will bring that way, but that's all we leveled off after one year. I would like to be able to project nice increases on every fund every year, but it doesn't work that way. When it comes to revenue projections, I guess I am conservative. I prefer to have a conservative estimate of the revenue projection, and then find out at the end of the year, wow, we exceeded it. That's great.

[Minutes:]

Council member Green: By 35%.

[Minutes:]

Mr. Secrist: Rather than come up short at the end of the year.

[Minutes:]

Council member Withelder: And in answer to Mr. Green's question, I think we will probably see the same kind of activity this year as we did last year, because new home sales are really taking off, and with the advent of the new Sun City development that we approved last night --

Council member Green: 82 units.

Council member Withelder: 82 units there, and we've personally from Premier, we have got like 6 new home subdivisions, and we are selling everything, so I think we are on track.

[Minutes:]

Council member Rapson: I appreciate that conservative revenue estimates, because I can tell you up until February of this year, it was dead. In my personal experiences, purely anecdotal from my own experience, it was dead. It just started picking up in March for us. I know we are not representative of the entire community, but I know Sun City has slowed down a little bit. I know resales have slow down. Those are market indicators that could create problems. There is not as many view-lots. There are a lot of reasons, uncertainty with the interest rates. There is uncertainty with the political situation that we have. We have a major election; we could have a completely different administration. Well, we will have a different administration, and we don't know how that is going to affect the market. So I appreciate the conservative estimates on the revenue side. I think that is prudent, and I think that is the way we should keep this, myself.

[Minutes:]

Mr. Secrist: Are you read to skip over to Fund 20? Fund 20 is a Residential Construction Park Fund, The Park Impact Fee Fund. Our department collects the revenues for this, but Nick spends the money. So we kind of have to tag team this a little bit. So far this fiscal year through April, we've collected \$183,000 of Park Impact Fees. We are averaging about 16 new homes a year, so we could end up with somewhere around \$215,000 in Park Fee Revenue this fiscal year. As you know, the fee is 1% of the value of the building or \$1000, whichever is less. It's almost always \$1000. Since last year, you may recall, we had a discussion during my budget presentation last year about how these impact fees were to be used, and that we made certain commitments or agreements with developers for some of our planned communities through our Development Agreements to help participate with public parks in some of those areas down the road. The Park Impact Fees could be used for that. My concern that I expressed last year was that nobody is tracking these fees, where they are coming from, and how they are going to be used in the future to make sure that when Pulte or Canyon Crest or whoever comes in and they want to build a public park, and they want to get reimbursed for that, we've got the funds to do it.

We did bring forward an amendment earlier this year that basically added to our code language that mirrors what's in NRS, so that you can't use these Impact Fees for salaries and benefits or administration basically, or for capital projects. Now, we haven't been using it for salaries and benefits, I can tell you that, but

there had been situations where Impact Fee monies have been used for ordinary maintenance operations.

So now what we've done, the finance department has set up sub accounts. There are 5 subaccounts for different planned developments and one kind of City-wide account. So we can track how much money is coming in from each of those, and how much we are going to need for the park in that area, and how much can be used for other City-wide projects that are needed in the park system. So hopefully we will have a better handle on that money, and we will have the funds when we need it for future parks.

Any questions on this budget? The balance is a little over \$1million. We discovered last year, by the way, during the budget audit, the auditors were saying the same thing. They want an accounting of where these Impact Fee monies were going, and we were told we were going to have to prepare a report for this year to explain and show that. This is part of the reason that we're following through, making sure that we are tracking all that.

The same thing applies to the Environment Fund and how that money is used, and I'll talk about that now. This is a Fund #21, the Environmental Fund. As you know, the Virgin River Habitat Conservation Plan is on hold, basically BLM and Fish And Wildlife Service, their agreements lapsed. They said, look, we are not sure you are going to have money to implement this unless the Mesquite Lands Act gets passed, and so we're just going to put everything on hold. So from that time forward, some of that money that had been used for salaries, benefits, expenses, overhead for the City for carrying out that Virgin River Program now has to be covered by the General Fund. Our contract with ICF International, the consultant that was retained to finish that conservation plan, that agreement with them has also lapsed. So the Mesquite Lands Act was introduced in the House of Representatives, but hasn't passed yet. Until that does pass, I guess BLM and Fish and Wildlife aren't going to let us move forward. The contract with ICF was lapsed, so we would have to rebid or enter into a new agreement with a consultant to go forward. We found out last year, too, again during the audit, that these funds, Virgin River Impact Fees funds can't be used for salaries and benefits. You recall you asked me if we could use that money to help pay salaries, and I said, yes, because I was ignorant and didn't know. The auditors told me differently, and showed me the section in the NRS that says you can't do that, so there you go.

That money can be used for things like paying for pick (phonetical) expenses, mitigation along the river. And we have approximately \$100,000 we are showing as expenses in that fund. Basically that is to cover the pick activities, the mitigation work behind the middle school. There is a combination of funds that go into that. There's mitigation fund that was set up when we made improvements on Town Wash. We had to pay Army Corps Of Engineer to pay mitigation fees into a fund to improve wetlands and so forth on the River. Pulte

paid into that for their work on Pulsipher Wash. We paid into that on Exit 118, so all those funds and the Impact Fee funds that we've been collecting can be used for that work. We just can't pay salaries and benefits out of it. Any questions on the Environmental?

[5:37 PM] Minutes:

Dave Ballweg: I'm on the board of Canyon Crest, and we went on the assumption we were making that for every home built, that we had a \$1000 to go towards the park that has to be built up there. I guess I am asking the question that is that true, and basically everyone's \$1000, can it be accounted that way for this?

[5:38 PM] Minutes:

Mr. Secrist: The Code says that the City can use the funds for any park they want to, basically. In the Park District, it's a City-wide district, so we collect fees in Canyon Crest, theoretically we can use them in Canyon Crest, but we can also use them at Memorial Park or someplace else. We just have to be able to justify it. As Mr. Ballweg indicates, though, there is this expectation that is created by paying those fees, both in Canyon Crest, Highland Vistas, Falcon Ridge, that there is going to be some money there to ready to do their public park. That's why we think it is prudent to start reserving those funds and make sure we got, if not enough, at least some to help cover those expenses. It varies. The agreements are different for different PUDs. I know with Pulte, they can ask for reimbursement up to \$65,000 an acre for an improved park. They have a 33-acre park they are planning to build. We spend a lot of Pulte's money already, I suppose. In any case, the short answer is according to Code, we can spend it on any park we want to within the district, but there probably is some kind of an ethical obligation, moral obligation, whatever you want to call it, to have some money to pay for those parks in those areas where they have been paying the fee.

[5:40 PM] Minutes:

Council member Delaney: Maybe I'm confused, but wasn't my last understanding that according to Commissioner Kirkpatrick that we were going to be covered under the Clark County program for the Highway \_\_\_ Fund?

Mr. Secrist: I don't know.

Council member Delaney: That's what she told me and she told a couple of other people.

Mr. Secrist: I don't know, either, maybe.

[5:40 PM] Minutes:

Mayor Litman: My understanding of that is that she did not have full authority to do that, but I could be wrong.

[5:40 PM] Minutes:

Council member Hafen: I don't think that's what she said. She said we need to get with the County and get it worked out. I don't think she ever committed to say that the County was going to cover that. We need to deal with the County. I met with her a number of times, and we need to meet with her and go through the process. She didn't say they were going to cover it. We had to work that out. They were willing to meet with us and try to get it worked out.

[5:41 PM] Minutes:

Council member Rapson: On Mr. Ballweg's question, I think there could be assumed an expectation that there be \$1000 per home or something akin to that. And I get that it's not required by any specific Code or Statute. I think I would like to see us start the reserve. We know who the PUDs that pay this Impact Fee are. I mean, we just separated into the 5 accounts or 4 accounts what it is, and every single dollar that is collected from those fees and those PUDs goes into that account or that fund, and so this \$1,100,000 ending balance should have some relative distribution that's finite and quantifiable, I believe. We need to not reach into this, because these are people, I mean, you did. You bought a home in there and paid it. I think it is a fair expectation, and I think we probably schmoodled this long enough that we need to get it right and start reserving and dedicating funds to those parks that there's an expectation for down the road. I know Canyon Crest isn't ready to pull the trigger, and understandably so, but it's probably not going to be too long, that we should probably do that. I would like to see that.

[5:42 PM] Minutes:

Mr. Secrist: We have those sub-accounts, and I can tell you exactly how much we pulled from Canyon Crest and Highland Vistas and each one. \$310,000 of that came from Canyon Crest, so it's in a subaccount that's dedicated for that purpose. We will make our best effort to reserve those funds for when they are needed. It is going to mean that other wanted and desired improvements to existing parks may not have the funding, unless the Council just puts it into the Operations Account.

[5:43 PM] Minutes:

Council member Green: I think this a pretty major issue, because this fund balance is really an up liability when you think about it. People have paid into this fund, and they had expectations. So if we say the park district is the City at large, and we spend it on someplace and somebody else comes back and wants their full share, we are not going to have enough money. People are not going to be pleased about that. So I think we have a stewardship responsibility and a fiduciary responsibility to do what we are doing to detail this, to identify where it came from, and on our fund balance down here to list whose funds these are committed to, so that we don't mistakenly expend them on miscellaneous park improvements. Like we have \$100,000, maybe that's coming out of the CDBG grant. Without \$100,000 in this current budget for miscellaneous park improvements. Well, if that's not done from CDBG, that's coming from

somebody's fund, and they're going to be short. So I think this is a fairly major situation. I am glad that our auditors pointed out we have stewardship responsibility for these funds.

[5:44 PM] Minutes:

Barbara Ellestad: This issue with Virgin River Habitat Conservation and Recovery Plan has been with you guys since 2011. I am very disappointed to get an update this afternoon from Richard that the MOU between the Fish and Wildlife and the BLM has been in essence suspended. You know, you guys promised me five years ago that you would be open and honest with the public about this situation, and I don't feel that you have been. I think things are going on in the background. I have asked you for updates before. We get Warren Hardy here because it gives a song and dance because nobody really wants to put the chips on the table and let them fall where they will. I want an honest update. I want to know if that MOU has been suspended, why you're still charging that \$500 fee for the City. I want to know why you're still doing that, because I don't recall this Council formally suspending that fee. So therefore, it is still in place. We've got some really serious grading going on west of here, but then subject legally to that \$500 fee for no reason.

[5:46 PM] Minutes:

Council member Hafen: I think it is subject to it, because of the previous Council's commitment to that.

[5:46 PM] Minutes:

Barbara Ellestad: That's exactly what I am saying. Why haven't you suspended any along with --

[5:46 PM] Minutes:

Council member Hafen: We have been open and honest with the whole process. You have known everything that's going on. Every time we get to a certain point, we have the bureaucracy of government pull the plug, and Richard can verify, we are doing everything we were supposed to do and then at the 11<sup>th</sup> hour, those guys say, no, we can't do that.

[5:46 PM] Minutes:

Barbara Ellestad: You haven't been telling the public that.

[5:47 PM] Minutes:

Council member Hafen: I think we have.

[5:47 PM] Minutes:

Barbara Ellestad: No, you have not.

[5:47 PM] Minutes:

Council member Hafen: I disagree with that. I think we have.

[5:47 PM] Minutes:

Barbara Ellestad: I want to know when you are going to suspend the \$500 fee that the City is charging right now that's going to go out there.

Council member Hafen: When we have a direction of how we are going to plan to go forward.

Barbara Ellestad: Suspend the Code. Change the Code.

Mayor Litman: That's an issue unto its own.

Barbara Ellestad: Yes, it is, and I would like to see it on the regular Council agenda within the month.

[5:47 PM] Minutes:

Mr. Secrist: I think that as far as the agreements with BLM and Fish and Wildlife, we had discussed that at previous Council meetings. We have explained what the situation is. That we couldn't use the Lands Act money because of those agreements lapsing and so forth.

Moving on to Fund 22, this is a Transportation Impact Fee Fund. Again this is one that we collect the money, but Bill spends the money. I am glad he does. But in any case, it is an Impact Fee based on Transportation Impact, and as you recall every three years we do a Transportation Capital Improvement Program, and based upon that and the needed improvements within that 5-year plan, we come up with Impact Fees for various Land Use Activities, so when they get a building permit, they pay that fee. Now, the fees were reduced significantly the last time we went through that exercise. It's only about \$50 for a single-family dwelling. Of course, it goes up for commercial and so forth. But we're not generating as much in fees now as we were prior to that last update. We budgeted in terms of revenues \$9500; year to date through January, we were almost \$8000, so we will probably end up June 30<sup>th</sup> at about \$13,627, somewhere in that neighborhood. We have a fund balance of \$2.1 million, so there is money there for improvements, but the capital program doesn't call for any improvements right now. We will need it down the road, presumably, for some traffic signal and other things when the need warrants.

[5:49 PM] Minutes:

Council member Green: When did this fund build up to such a huge balance, because we haven't collected any meaningful fees for some time?

[5:49 PM] Minutes:

Bill Tanner: This fund was formed back in the late '90's, 2000, when there was some massive growth going on, commercial development. That's when those fees had been generated. Now, those fees were generated off our TCIP Master Plan and those improvements. As we charged that fee and those improvements go in, we would utilize that funding. Now also, we received certain amount of funding from RTC that has mitigated to use of some of the transportation fees.

Hence, that is why we did the TCIP plan and have lowered those fees down. The one thing I don't think Richard brought up is this year we do need to plan for update to the TCIP. The last one was \$60,000. That is not in this budget. We do need to add that in, if I am correct. We need to add in \$60,000 for a TCIP update. I want to put that in the budget for \$60,000. I am hoping that we can do a smaller update that is going to be a lot cheaper to do. I also reviewed the Code. Our Code requires that plan to be updated. It's a 5-year plan, I believe. It needs to be updated every 3 years. I believe that spending \$60,000 every 3 years right now with the growth that we have and what's going on in the community is excessive. We probably need to change the Code, and I can prepare that Code amendment and bring it back. We can do the Master Plan update this year on the TCIP and then extend it out with some verbiage that it be done every 5 years unless someone at the City elects or there is some need that kicks it in to be done sooner than 5 years, but that is a separate issue. We will bring that forward in the next year and adjust the Code, but we would like to budget \$60,000 in there to do a TCIP Master Plan update.

[5:51 PM] Minutes:

Council member Green: There is no problem with the interest on these funds, right? Because we are not crediting this fund with any interest, but \$2 million of our cash invested is obviously from these Impact fees.

[5:52 PM] Minutes:

Mr. Empey: I am looking at that particular line, Councilman Greet, and I don't know if this is a misprint. We should be budgeting interest allocation to this fund. I suspect it probably does need to be allocated. We do a review every couple of years just to make sure that where an allocating is required, we are making that. So because it is not included here, I am thinking that it is a result of that review. We will check into that.

[5:52 PM] Minutes:

Council member Green: If that is the case, it is having some positive effect on the General Fund.

[5:52 PM] Minutes:

Mr. Empey: Actually, a detrimental effect. Meaning we will reduce the interest income in the General Fund.

[5:52 PM] Minutes:

Council member Green: No, I mean if it is okay that we do not have to allocate, that it is having some favorable effect on the General Fund.

[5:52 PM] Minutes:

Mr. Empey: Right. That is correct.

[5:53 PM] Minutes:

David Ballweg: One of the things that was brought up to my attention at the time was the excess fees because Mesquite, your impact fees are \$500 more than

they anywhere else in Clark County for Habitat. So that's what brought the attention in. At this particular time I think the Council has bent over backwards trying to get this thing resolved without much cooperation. So I think it is time that if Fish and Wildlife, BLM and Clark Counties got this whole thing suspended. I think we need to bring that ordinance back and maybe not cancel it, but at minimum suspend it until we get this resolved, because there is no reason we should continue to do what we were supposed to do when they are not doing what they are supposed to do.

[5:54 PM] Minutes:

Council member Green: I have one more question for Mr. Secrist. You may have kind of answered this already with your being conservative on estimated fees, but you are looking at business license fees falling 5% from what we are achieving this year. Liquor license fees falling 7% and medical marijuana fees also falling 5%. I can see perhaps being conservative to not expect increases, but why falls?

[5:55 PM] Minutes:

Mr. Secrist: As far as liquor fees, I think our projection this year was way too conservative, \$130,000. We are going to come in over that as far as revenue.

[5:55 PM] Minutes:

Ms. Melendez: On the business licenses fees, I believe our projection should have only been \$516,000 for this year. On the liquor fees, we were looking at the passing of the offsite liquor. It is not in the budget, and so therefore he didn't want to count on the liquor, the other licenses being put in.

[5:55 PM] Minutes:

Council member Green: Yeah, but if we are not counting on any revenue.

Ms. Melendez: So we have to adjust that.

Council member Green: Aren't we putting it up by expecting business fees to fall because of other revenues that we don't budget for.

Ms. Melendez: I am just explaining.

[5:56 PM] Minutes:

Mr. Secrist: The off-sale liquor, we will have that amendment come to Council in the next month or so. At least if it is passed as proposed, that could be another \$500,000 in liquor license revenues. But again, we didn't presuppose anything. It may not pass. Medical Marijuana fees, you know, I admit when this first started up, we were clueless as to what kind of revenues they are going to generate.

[5:56 PM] Minutes:

Ms. Melendez: Also with Medical Marijuana fees, there is \$59,000 this year in their for origination, dispensing and business license fees that will not be in there

next year.

Mr. Secrist: So you are looking at increase on the base fees?

Ms. Melendez: Yes, of about I believe \$120,000.

[5:56 PM] Minutes:

Mr. Secrist: The origination fees are one-time fees. They paid two origination fees this fiscal year and one in the previous fiscal year. According to the agreement, they argued that they ought to be able to defer the quarterly license fee for the dispensary until they actually open the dispensary and have some revenue to pay it. We agreed, so we said you could defer that payment up to one year after the dispensary opens. So they are going to open the dispensary the end of this month, or the first part of June. Then the clock starts ticking. They will pay that quarterly fee at the end of the year. In the first quarter, they will pay their gross receipts for the dispensary. The third quarter this fiscal year, we got a payment of about \$28,000 from the Cultivation Facility in fees. So now we start to get those, we start to see what is realistic in terms of business license fees that are going to be generated and, yes, the estimate we made is low. I can say right now we are going to generate more than that. This fiscal year, we budgeted \$82,500 in revenues. We are probably going to come in about \$86,500/\$87,000 somewhere in there. Next year it will be higher, how much higher, I don't exactly know, but I know it is going to be higher. So we kind of underestimated that.

## **f) PUBLIC WORKS**

[5:59 PM] Minutes:

Bill Tanner: I want to go through 10 and 11 and run quickly through the revenues and explain the revenues and how we came to them. There are a number of them on Fund 10. We have Regional Flood Control. We budgeted last year \$697,000. This year we dropped down to \$627,000. In fiscal year '13, our budget was \$192,000 for Regional Flood Control Maintenance. We upped that in '14 to \$291,000. We stayed at \$291,000 for two years. In '15/'16, we had in '14 the large flood that took out the freeway down in Moapa. That did not create us much damage other than to put 150,000 cubic yards of sediment in a detention basin, so we budgeted \$679,000 last year. We moved about \$110,000/120,000 out of there. We are budgeting again this year with Regional Flood Control \$627,000 to move what's remaining in that Detention Basin. Now if I get that cleared up and caught up this year, next year in theory my Regional Flood Control budget would drop clear to \$291,000. So the major expenses in that increases has come from sediment deposit from the rain events, the two large rain events we had in '14 and '15.

Silver Rider, that fee has been reduced from \$110,000 to \$104,000. That is based off of Silver Rider reducing their expenses to us in an expense account that I will show you later on in the Vehicle Maintenance Account. Those fees

have gone down, and the major contributor to some of this is fuel costs. We have seen a field cost reduction in all of our budgets. That's reflected here mainly on the \$6000 less on revenue. It comes back in the expense account as being less also.

Over on the other page, Residential Garbage, I run a 10/15-year plan on Residential Garbage. I show what we increase, when we decrease, when we drop, when we have an increase, and then I trend that for about 5 years. This year, I believe I budgeted \$1,031,000, and that is based off of two years ago we had a 5 % increase. Last year we had 2% increase. This year I am estimating that to be about a 3.9% increase on landfill revenue. I am pretty confident that is a really good number. Fuel surcharges are a pass-through number. Last year we budgeted \$40,000. We are not going to spend near that. We are going to spend around \$15,000, mainly because of low fuel costs. So that budget decreased by \$25,000 simply a pass-through cost. Garbage Can Rental, we base that off a 5-year projected increase. I believe on that we added a 2% increase for this next year on cans, a little bit conservative but we believe that's current. Same with the Garbage Dump Fees. That has gone up 8% this year. That's based off of a 2 or 3-year period. We are seeing increases. Some of that is coming from out of city, which is Arizona, Littlefield, Beaver Dam area. They are charged 1 and ½ times our rate, so we see an increase a little bit larger as Arizona goes for those disposals. So I think those are the main revenue sources that I am responsible for, and we will see them as we go through the budget respectively.

The first account is the 10-60 account. That budget is relatively the same as last year. We didn't add anything. Very few differences in that budget. When we were asked to cut 5% out of that budget, I have nowhere in that budget to cut 5%. What I did is I changed the percentage of the 4 top employees out of Enterprise Fund. It went from 75 to 80%, that reduced the General Fund the 5% I gained out of that account. So that account has very little expenditures. As you see, Travel and Training is \$200. Equipment \$1000. Telephone, Professional Services, very limited. That's mainly just for Public Works administration.

Next account is the 10-63 account, Facility Maintenance Account. That's budget that we run for all of the maintenance. These are the expenditures. Some of the expenditures that are charged back to each one of the departments to reflect what they're actually spending. We reduced a number of those accounts to meet our 5%. We originally put in for another employee in that account. Right now, I have three employees in that facility maintenance for all of the facilities. Special projects, capital projects, things that we build, three employees. It keeps up with all the HVAC in all of the facilities. The one employee we asked for, obviously, we kept that to meet the 5%. I don't think there is anything outstanding in that account.

The 10-65 account – Streets Account. What we did there is we transferred one

salary to Road Reconstruction Fund to provide enough numbers in there to hire another employee. We had an employee in that account. That was cut out of that account to meet the 5%, so ultimately what we did is move one salary out of there, then we eliminated the new employee. That's not in there. Everything else falls in line. Regional Flood Control, as I explained earlier, has dropped down. You'll see in the Revenue account \$627,000 for Regional Flood Control. In our expense account, is only \$609,700. We estimate \$18,000 a year we will bill out for our services inhouse for maintenance, labor and equipment to Regional Flood Control. Historically, that stayed pretty close. We budgeted the same on street lights. We budgeted down on the river trail. We are blasted with graffiti on the trail system. We budgeted \$10,000 to put in, go away from solar, go into some hard-powered lighting to where we could put surveillance cameras on the poles. That we cut out of the budget to get to our 5%. We are evaluating trying to do that work inhouse before the end of this fiscal year with available funds that we have. We are going to try to do that this year.

One capital expense in that account that will come out of the 99 Fund will be the water tank on our water truck. We need to upgrade and put a new tank on it. We did that two years ago to the sanitation truck, so we have a pretty good idea of what those costs will be.

Dropping over into Vehicle Maintenance, 10-66 account. We have seen a reduction in fuel, so our budgeted number on fuel has gone quite a bit down this year. We are anticipating seeing quite a drop in fuel, but what also happens is in our maintenance account, right now we are running 132% in our maintenance account for repairs on vehicles, so we've had some major repairs that have been higher than what we expected and what we budgeted for. Those accounts, the main account, Vehicle Maintenance, will still be in the black because of the fuel budgeting that we did that we are not going to have to utilize in that account. We split out a number. We put in a new account this year for tires, wheels, and tire disposal. It seemed like a lot of that expense was wrapped into vehicle maintenance. I wanted to break that out so we could run a closer check on that.

Silver Rider –that's the account that I talked about on the maintenance side. On our expense side --

(Break in taped recording)

The next account is the Landfill Account 10-73. Landfill Account is a pretty substantial account for the General Fund. Revenue over expenditures is probably \$500,000. In that account, we have the gas detection equipment we have to certify. Every six months, we certify our gas detection equipment that we are utilizing to do gas monitoring at the old landfill site in Highland Hills. Solid Waste Contractor, I am anticipating the same on the contractor fees of 3.9%, so we increased our revenue 3.9%. Across the line, the fees we are going to pay the contractor for that is also 3.9%. That's on the Solid Waste Contractor. Fuel surcharge is a lot lower, \$15,000. City waste, these are the fees that are paid to

Virgin Valley Disposal for the waste that hauled on City facilities. We have a hazardous waste disposal. Once a year we dispose of all our waste at the landfill, and we also have \$15,000 budgeted for gas monitoring, final closure at the old landfill. We are still working on that process. Trash Cans, we budgeted \$23,000 next year, same as last year for those. Everything else pretty much falls into place in that account.

Next account is Road Reconstruction Fund. On the Revenue side of that, we stayed pretty much with a small percentage of increase on utility right of way fee, the Clark County tax, and the state fuel tax. Actually, we decreased those a little bit. The Regional Transportation, we are anticipating \$1.6 million funding from Regional Transportation for road reconstruction jobs. Down on the expense side of that, we have \$295,000 that will be for road maintenance, that's slurry seals, crack sealing, those types of processes, and then the \$1.3 million will be for road reconstruction. Both of those will be refunded by Regional Transportation.

[6:11 PM] Minutes:

Council member Green: Were we were able to charge some salaries to this fund this year?

[6:11 PM] Minutes:

Mr. Tanner: That is the one salary we moved over. We moved over to that \$88,000, \$37,000 in benefits. Actually, what it did was I was trying to make up enough room in the General Fund to hire a new employee. That did not happen, because we got into the 5% cut, so that's where we are at with that.

[6:12 PM] Minutes:

Council member Green: That huge fund balance on road reconstruction, that really just represents funding that we already got for future road work that we will do. So there's no – that fund balance has a definite purpose.

[6:12 PM] Minutes:

Mr. Tanner: It does, and what I've done over the years is that fund balance will go up and down. A number of years ago, we didn't bid any jobs for like three years, because the cost of asphalt was so high, it didn't make sense. As asphalt dropped down, we did a ton of work. Now only with the work, but we are getting caught up on some of our roads, so we have now done another priority list and that's why we are going out spending \$1.3 million this year. Depending on how much we get from Regional Transportation, that fund balance will stay about the same with the \$1.6 million we are going to get from RTC. Keep in mind, one large reconstruction job on Mesquite Blvd. is going to cost a couple of million dollars when we get to that point. So some of these funds that have a little bit of balance to them, it's there for a reason. We are going to have to use it.

On another note, we are still working on an agreement with NDOT on taking over Riverside Road. In that agreement, tentatively they will help fund or will fund the road reconstruction of Riverside Road. That will fall into our maintenance

program once that is taken over.

The next fund is the Airport Fund, \_\_\_\_\_ Fund. We pretty much budgeted the same. We have some things we have to do on the maintenance of the fuel systems. The FBO operator, what we paid Larry is reflected back on the revenue side in the Airport Revenue. Liability Insurance that is pretty much the same. I don't think I changed a whole lot other than in the capital.

In the relocation of the existing residents, we are working on the Master Plan of the airport. We are closing out that project. That will be done in the next 3 to 4 months. With the closeout of that, we believe what we need to do is relocate the residents to provide more areas for potential new hanger lease sites. We are wrapping that into the Master Plan to make that all fit together. We had budgeted \$600,000. We thought we were going to get enough of the environmental work done that we could move forward with construction of perimeter fencing around the airport. That's not going to happen. We budgeted \$160,000. We are anticipating to do design work only for the fencing project, get all the environmental stuff done, the \_\_\_\_\_ surveys, the 404 Army Corps Permit, 401 State permit. We are working on all that. What the \$160,000 will do is get us a project ready to bid for perimeter wildlife fencing at the airport next grant cycle, which is this time next year, with the Federal Aviation Administration. So what you will see in the next month or two, probably in the first of June, is an agreement with the FAA to fund the design of \$160,000, which we will be responsible for 6.25% of that or roughly \$10,000.

Capital Project, Fund #13. This is the fund that we utilize to do larger capital maintenance repairs to facilities and buildings. As you go through that, we have roof repairs for facilities; we budgeted \$40,000. We have floor paint for the shop and parks' restrooms. That's pretty much a budget every year. We got a number in here for trying to repair the Mesquite campus parapet wall and stucco. So now we are retrofitting some of our facilities to LED lighting. If we can do it in-house, we can do it cheaper. We can get this done but it's going to take us a couple of years, but it's going to take us a couple of years to get everything retrofitted out without paying someone to come and do it. So we are looking at doing the Animal Control and the Senior Center this next year. Medical Building and Repairs and Maintenance. Same thing down there. That falls under the roof, mainly. We have a little bit of a problem with that roof also. HVA repairs large units on facilities, we budget \$25,000. Cooling tower repairs, the chiller at the Mesquite campus, we got \$18,000 in there for repairs. We have had some problems with the chiller. We have a lot of problems with the boiler tubes and the cooling tower, so probably our highest maintenance area is Mesquite campus.

I probably will throw this out there. When we took over Mesquite campus years ago, I had a discussion with the City Manager at that time, do we tear it down or do we keep it? Well, we keep it, because floor space is floor space. But at some point in time when that floor space gets too expensive to maintain, you got

to think about tearing it down. I don't think we are there, but people complain because the roofs leak. Well, for \$600,000 we can put a new roof on, but when you look at this account, I have an account balance of \$511,000. We can't afford to put a new roof on that building. I can't afford to put a new chiller in that building. I can only afford to keep what is going, going, at the degree it's going. So at some point in time, that decision has to be made how far do we go? I don't think we are there yet.

[6:18 PM] Minutes:

Mayor Litman: And that building is approximately 60 years old.

[6:18 PM] Minutes:

Mr. Tanner: It was built in the 50's. I want to say '54.

[6:19 PM] Minutes:

Council member Rapson: I agree with that. I mean, that's why the Oasis isn't there anymore. It costs too much to maintain it. That thing was going on 25 or 30 years old, and it was a toilet, and at some point if you cash flow \$5 million and you spend \$7 million to keep it running, it doesn't make any sense. So we will get there.

[6:10 PM] Minutes:

Mr. Tanner: We have the man power and the capabilities to do the repairs. If we were paying someone to do HVA repairs over there, it would be three times as much. What we are doing is saving. Our expenses are not near as great as if we were contracting someone out to do those types of repairs. There is a balance there. I just want to kind of make sure that everyone understands and is a little patient with the campus. Other facilities, our goals are that the police stations, the fire stations, City Hall, those buildings, we are going to maintain and we are going to put the money into them that needs to put into them to keep them at the quality they need to be, so we've been doing that.

[6:20 PM] Minutes:

Council member Delaney: I completely agree about the Mesquite campus. It's wonderful that we have got that facility and so many of the non-profits use it. The problem is that we keep dumping more money into it, even just this last year, we're putting RDA funds into that theater, and yet I am constantly hearing from the public, you know, you need to fix this, you need to fix that, but they are not willing to go up on their rent, either. It's kind of a catch-22, and at some point we are going to have to decide whether or not we are going to continue to make that facility available or exactly what we are going to do with it.

[6:20 PM] Minutes:

Council member Green: This is a judgment call, I think. Since we funded this from the General Fund, it looks like Dave you can confirm that we decided with a balance of 670, and the 150,000/160,000 that Bill wants to spend this year that we didn't need to do a General Fund transfer. Is that correct?

[6:20 PM] Minutes:

Mr. Empey: We don't need to.

[6:21: PM] Minutes:

Council member Green: This fund has built up the General Fund transfers, but we decided with a \$670,000 balance and the projects that Bill has got planned, that we didn't need to further that fund balance increase.

[6:21 PM] Minutes:

Mr. Empey: You can see in that tentative budget column there is nothing planned as a transfer from the General Fund.

[6:21 PM] Minutes:

Mr. Tanner: I will add that I agreed reluctantly with Dave to do that.

[6:21 PM] Minutes:

Council member Green: I noticed that we planned \$150,000, when we were looking at the dream list. We planned to put another \$150,000, but we decided maybe not, and Bill reluctantly accepted that.

[6:22 PM] Minutes:

Mr. Tanner: Dave will understand that totally come July, when his HVAC is not working. Fund 22 we talked about that.

Fund 45, Capital Projects Fund, page 122–123. The first item project that I have got in there is \$500,000 for the new cemetery. Now, there is \$500,000 budgeted this year in the budget, and it looks like we are going to get close to \$1 million on the cemetery. We are going to be ready to bid that in about another month. So I'm going to encumber \$500,000 this year out of the budget, and we are budgeting \$500,000 next year to build that cemetery, so we are going to have roughly close to \$1million into the cemetery in this fiscal year and next fiscal year. So just so everyone understands that.

The City facility parking lot rehabilitation, we try to budget \$65,000 every other year. There are a number of facilities that pavement parking lots will need to be repaved. Sometimes, depending on where this budget is at, we will kick them back and not mess with them. If we believe we have the funding, if Dave says we can go ahead, we will bring some of the parking lots up to better standard.

Virgin River Mesquite Flood Control, \$450,000. That is the final design on Mesquite Blvd. Flood Wall.

[6:24 PM] Minutes:

Council member Green: That is part of Regional Flood Control, right?

[6:24 PM] Minutes:

Mr. Tanner: Yes, that is reimbursed by Regional Flood Control, and then while

that project is going on, we have funding available to start on the design of the Town Wash conveyance from Town Wash up along the freeway by Virgin River under and up to the El Dorado. So we will be funding those two projects through Regional Fund Control, and that's 100% reimbursement through them. I think that's the only thing we have in capital projects.

[6:25 PM] Minutes:

Mr. Empey: I just wanted to draw your attention to the revenue side of this fund. On page 122, you will see in land sales \$450,000. That represents the sales transaction to Eagle's Landing, 75%.

[6:25 PM] Minutes:

Mr. Tanner: Sewer Fund # 52 is relatively the same as it was last year. We've added a couple of things in there. We have one employee in there, maintenance worker, that was in this year's budget. We have not hired him. We won't hire him. We will keep him in the budget next year, but we don't know whether we are going to hire him this year or not, but there is the position there. Most all of those accounts have stayed the same. On the revenue side, we increased our revenue from -- on sales tax, that's the quarter cent sales tax from \$581,000 to \$586,000. Our sewer services will go up from \$2,436,000 to \$2,485,000.

[6:26 PM] Minutes:

Council member Green: That's not rates, Bill, that's just more users?

[6:27 PM] Minutes:

Mr. Tanner: Yes, that is just based off of percentage of what I figured our growth was in the last three years, putting it in a pattern. Sewer connection fees, we budgeted \$450,000 this year. We are going to hit that. Next year I am anticipating that we won't hit, so I budgeted \$400,000. If we go over, that's fine. It's not a big deal. I looked at what we have done for the last five years, and we have had two really good years. I think that the next year we are going to drop down just a little. So that's where we are at with that. Miscellaneous revenue, that is basically our secondary water, sales of secondary water.

[6:27 PM] Minutes:

Council member Hafen: Do we use all the water on that?

[6:28 PM] Minutes:

Mr. Tanner: We do. We use all of our water for 10 months -- 9 months out of the year. There is a couple of three months in the wintertime where some of Falcon Ridge won't want to take the million gallons, and so right now we have the ability to pass it through to Conestoga. We don't have an agreement with Conestoga, and we don't charge them for it, so it's just a matter when I don't have room to put my water anywhere, it goes to Conestoga. This year a completely different year. Construction water, all of our excess water went to exit 118. We provide secondary water to that. That reduces the cost. The contractor knew that he was getting construction water, secondary water. Sometimes in the winter when we have large construction projects during the winter, we can dispose of our

water on construction sites. It just gets rid of it. People don't have to pay the \$3.75 or \$4.00 a thousand that the water district charges for that. Everything is pretty much the same.

Capital Project, we have a wall budgeted. We had it this year, and we budgeted it again. We didn't build it this year. We will budget for it and try and build it next year, if we can. We need to upgrade our sectional router. The one we had was an '80 model, and we couldn't buy parts for it anymore, so we have looked at budgeting for a new router, and then we budgeted for two new trucks in the sanitation department. There's \$10,000 budgeted for oversizing lines. If developers come in, they are required to put an 8 inch line in. If we want to upsize that to a 10 or 12, we pay that cost difference. That account hasn't been utilized in the last eight years.

So I think that's, if there are any questions.

[6:30 PM] Minutes:

Council member Rapson: The insurance, is that going to be impacted by our changing of, so that could go down as well? So all of the line items that have liability insurance could be affected by that, not just the General Fund.

[6:30 PM] Minutes:

Mr. Empey: Yes, principally it is just the General Fund and the Enterprise Fund, and the Sewer Fund that are impacted by those insurance costs.

[6:30 PM] Minutes:

Mr. Tanner: So you are going to transfer that into the General Fund, Dave?

[6:30 PM] Minutes:

Mr. Empey: I like your thinking.

4. Review and discuss proposed amendments to FY 2016-2017 City of Mesquite Tentative Budget.

- Discussion and Possible Action

[6:31 PM] Minutes:

Mayor Litman read this item by its title.

[6:32 PM] Minutes:

Mr. Empey: It won't take too long. I think I'll just like to get it out there real quickly, and then we can quantify it tomorrow.

Mayor Litman: Okay, go ahead.

Mr. Empey: What I think I heard today was that there would be some possible insurance expense reductions, likely I should say. In the Fire Department, we can adjust the budget to suspend pay increases, and the Recreation Fund, we

will make an adjustment to increase the incremental fee spending to \$28,000. We need to provide some incremental fee revenue from \$172,000. We haven't quantified that yet. Nick will let us know what that is. Then in the Recreation Fund 17, Nick has built into that budget, there's Sunday closing. Fund 22, the TCIP update will need to be increased \$60,000. We will need to take a look with Richard Secrist's help at the Medical Marijuana Fees.

Anyway, that's what we will run with at this point. We will quantify that and give you the impact on the various funds that these kinds of adjustments might have.

Let me also mention that tomorrow we will reconvene same time, same place, 3 o'clock, and then we have a tentative budget public hearing. It's been noticed in the newspapers. We will hold that on, let's see, the 17<sup>th</sup>, and at that time we will incorporate all of the changes from today and tomorrow into that budget and present it for your consideration at the final Council meeting in May, which will be on the 24<sup>th</sup> of May, we will bring all those changes to you, and you can choose to modify it even more or move to adopt that budget as it is, as the final budget.

## **Public Comments**

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*During the Public Comment portion of the agenda comments must be limited to matters within the authority and jurisdiction of the City Council. Items raised under this portion of the Agenda cannot be deliberated or acted upon until the notice provisions of the Nevada Open Meeting Law have been met. If you wish to speak to the City Council at this time, please step up to the podium and clearly state your name. Comments are limited to 3 minutes in length.*

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### 5. Public Comments

[6:34 PM] Minutes:

Barbara Ellestad: You mentioned the meeting on May 17<sup>th</sup>. What time will that be?

Mr. Empey: That's at 3 o'clock.

Barbara Ellestad: Are we going to be done at 5?

Mr. Empey: I don't know if we will be done at 5.

Barbara Ellestad: I am just saying that there's another public meeting that night at 5 o'clock with the Water Board.

Mr. Empey: I don't know. I would hope so.

[6:34 PM] Minutes:

Dave Ballweg: I just want to make one observation based on some questions I got the other night. I wanted to really observe who the bull in the china shop was

tonight. Thank you.

[6:35 PM] Minutes:

Mike Benham: I want to thank everyone here. I learned a lot today. I really did. Very informative and all the heads of staff did a great job with your budget reductions, and this is a great City. I know I complain sometimes, so does everybody else, but basically I would not want to live anywhere else. I thank you guys for what you have done. Thank you.

## **Adjournment**

6. Adjournment

[6:35 PM] Minutes:

Mayor Litman adjourned the meeting.

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Allan S. Litman, Mayor

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Tracy E. Beck, City Clerk