



AGENDA SUMMARY PAGE
SPECIAL JOINT CITY COUNCIL AND REDEVELOPMENT
AGENCY MEETING OF: MAY 15, 2007

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

Consent Discussion

SUBJECT:

Public hearing and possible action regarding Fiscal Year 2008 City of Las Vegas Redevelopment Agency Tentative Budget and Fiscal Year 2008 City of Las Vegas Redevelopment Agency Final Budget

Fiscal Impact

No Impact Augmentation Required
 Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

Discussion and possible action regarding Fiscal Year 2008 City of Las Vegas Redevelopment Agency Tentative Budget as filed with the Nevada Department of Taxation on April 13, 2007 and adoption of the Fiscal Year 2008 City of Las Vegas Redevelopment Agency Final Budget.

RECOMMENDATION:

Staff recommends adoption of Fiscal Year 2008 City of Las Vegas Redevelopment Agency Final Budget, as amended with guidance from City Council.

BACKUP DOCUMENTATION:

1. Fiscal Year 2008 City of Las Vegas Redevelopment Agency Tentative Budget
2. Submitted at meeting PowerPoint presentation by staff for and letter from The Citizens Priority Advisory Committee for Items 4 and 5

Motion made by GARY REESE to Approve as Recommended

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

BRENDA J. WILLIAMS, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

MAYOR GOODMAN declared the Public Hearing open for Items 4 and 5.

CITY MANAGER DOUG SELBY explained the purpose of the Special City Council meeting is for a final opportunity to adjust Fiscal Year 2008 Budgets for the Redevelopment Agency (RDA) and the City of Las Vegas before they are submitted to the State of Nevada. The current fiscal

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year and next fiscal year present an enormous challenge as a result of declining revenues. Unprecedented slow growth and consolidated tax have had a chilling effect on finances. Consolidated tax, which comprises 53 percent of the General Fund revenue has grown at less than one percent in Fiscal Year 2007 and forecasting a growth of only four percent in Fiscal Year 2008.

Additionally, the City Council's ability to influence revenues has been limited by the legislature. However, he believes the slowdown is an aberration and that the future will turn around, not to the double digit level increases the City has seen, but to a solid sustainable growth rate that allows the City to resume adding new programs and expanding City services. Prudence dictates a conservative budget. Given the revenue limitations, staff has been able to recommend adding 27 new positions through the General Fund. Some of those are result of taking old positions that have been vacant for quite some time and transitioning those to new positions where needed. Others are a result of cost savings that the City has been able to identify within the future budget. There are also positions funded through the RDA and the Enterprise Fund, which are separate revenue streams.

As the result of intense workshop with the City Council, additional funds were identified to fund capital programs; it is a tight year for new projects. However, 23 additional projects will be funded by excess funds from unbuilt projects and idle funds.

MAYOR GOODMAN asked if data is available to suggest that the economy will come back in a robust manner. MARK VINCENT, Director of Finance and Business Services, replied that analysis indicate an upturn for a healthy economy. The population growth for next year is estimated at two percent, half of what has been seen in prior years. The growth in revenue will upturn, but not in double digits. He added that Bills at the legislature that address issues like Green Buildings, are key to a quicker economy upturn. As an example, if the build out for the 61 acres is \$5 million, the annual loss in revenue to the RDA due to the 15 percent rebate in property taxes, would be almost \$20 million a year. MR. VINCENT added that some rebates have to do with sales tax for materials. This affects everybody in the County because that consolidated tax formula is shared. However, the City of Las Vegas' economy will be healthier than other cities. CITY MANAGER SELBY pointed out that the revenue is impacted by the slowing down of residential market.

MR. VINCENT clarified that the Tentative Budget was filed on April 15, 2007, and today's discussion would be about changes made as a result of meetings with the Council. Through a PowerPoint presentation, MR. VINCENT explained that the total budget will be \$1.4 billion, a slight decrease from last year. A budget adjustment was made during the Budget Workshop to reduce the General Fund budget to \$20 million.

MR. VINCENT reviewed the Capital Projects Funds as to where the additional \$20 million were allocated; Centennial Hills Park Phase 3, fire stations and 16 additional projects. This is in addition to the \$22.9 million discussed at the Budget Workshop of April 16, 2007; two fire projects and four Metro facility projects were already approved.

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There is about \$440 million work in process in capital. He opined that Capital Projects need to be reviewed more often, possibly every six months to see which project moves forward and where to reallocate those funds. The addition of the 27 positions is not an increase to the budget; they are being paid from seven vacant positions. The Marshals and firefighters will be funded through reduction in overtime.

The City is expected to receive \$209,000 in new revenue from the Floyd Lamb Park. The entrance fees will only be achieved if the City controls the entrance. Therefore, two customer service representative positions and eight part-time positions will be created. The City will get revenues from the gun club and the equestrian leases. The new revenue will pay for the cost of these functions. COUNCILMAN ROSS remarked that he visited the park on the weekend and it was crowded. It is important to recognize the great usage the park receives, and once improvements are made, he expects the park to be crowded almost every weekend. He asked MR. VINCENT not to disregard park ambassadors to volunteer their time in City parks.

MR. VINCENT gave a brief summary about overtime, a cost-effective way to provide services. The concern is the distribution of overtime in an equitable and fair way. There are those individuals who choose not to work overtime, but management is concerned about job safety and quality issues for those people working back-to-back shifts. An employee gets paid time and a half, where if a new body were hired, if it were a Marshal, would have to go through an academy, would require gear and medical benefits. He explained the cost of overtime versus the hiring of a new Marshal. He verified COUNCILMAN BROWN that the figures represent March of Fiscal Year 2007.

COUNCILMAN ROSS commented that it seems cheaper to pay overtime than to hire a new marshal or a firefighter. MR. VINCENT replied that from a financial prospective, this group's benefit situation is different than regular employees. There is a commitment from the Director of Detention and Enforcement that they can fund five additional positions, reducing the overtime.

MAYOR GOODMAN asked the cause of overtime. MR. VINCENT replied that it is due to special events, as well as covering for another employee who might be on vacation or on sick leave. The City does not fund enough positions to cover all the expected vacancies or special events.

MR. VINCENT further explained for COUNCILMAN REESE about time worked on the job and paid time off. The ratio of time on the job versus the hours scheduled to work is lower and the differential is made up in overtime.

MR. VINCENT clarified for COUNCILMAN WOLFSON that the statistics through March of Fiscal Year 2007 for the marshals has grown slightly. It is not uncommon to have this number of overtime hours every year. It is good fiscal planning to under-staff, recognizing this can be made up with overtime.

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MR. VINCENT pointed out the need for more marshals and recommended hiring five new marshals. He reiterated that Detention and Enforcement can absorb \$95,000 from the overtime for next year to pay for the five marshals.

MR. VINCENT explained the firefighter/paramedic overtime and clarified for MAYOR GOODMAN how the firefighters' shifts work. To eliminate all overtime, 84 new firefighters would need to be hired. In this case, it is cheaper to hire a new firefighter to support the average cost of overtime. No additional positions are required for Rescue 48; it is under the current academy. The current Fire and Rescue bargaining unit requires overtime to fill 20 vacant shifts per day. He recommended taking seven vacant positions and reassign those to Fire and Rescue. In order to have the cost saving, these positions need to be manageable, without endangering the public. CHIEF DAVID WASHINGTON, Las Vegas Fire and Rescue, stated that Fire and Rescue operates daily at 75 percent strength. Firefighters are on duty when they are trained; therefore, some units have to be taken out of service without endangering anyone or sacrifice public safety.

MR. VINCENT pointed out the portion of the total revenue is expected to grow at a rate of four percent, which is line with what the State is recommending. He clarified for MAYOR GOODMAN that the final budget filed for 2007 had a budget of \$263 million. That budget was revised on March 16, 2007 to \$269 million. The new budget for 2008 is \$280 million, a decrease of two and a half percent.

Regarding RDA, MR. VINCENT indicated the actual number of revenue is \$16 million, a 40 percent increase in tax increment revenue for the Year 2006/2007. The City is required to use the State forecasted taxes for the RDA, which is \$16.2 million, but he believes it will be higher. Within that budget, the City is able to cover debt service, affordable housing and projects.

MR. VINCENT submitted a letter from the Citizens Priority Advisory Council, who met on April 27, 2007 and added a six-month review of capital projects. The Nevada Department of Taxation accepted the City's tentative budget and he believes they will accept the final budget as well.

COUNCILMAN REESE thanked MR. VINCENT for doing a fantastic job. MR. VINCENT noted that the budget process is a collaborative effort from input by the City Manager's Office, all department directors and staff. He diligently tries to listen, be responsible and give the City Council the best advice he can.

COUNCILWOMAN TARKANIAN echoed COUNCILMAN REESE'S remarks, adding her appreciation to MR. VINCENT for having all her questions answered. COUNCILMAN WOLFSON gave kudos to MR. VINCENT, his staff and all departments for responding to the City Council's requests. He thanked his colleagues for working with him as well. COUNCILWOMAN WILLIAMS thanked MR. VINCENT for his patience in explaining the budgetary items of this magnitude, and for his diligent work.

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TED RUSSELL, Las Vegas resident, commented that when he worked for a private company, every time someone worked over 48 hours it was considered double time. He thanked CITY MANAGER DOUG SELBY for doing a great deal with very little.

COUNCILWOMAN TARKANIAN indicated that Code Enforcement Officers were not considered in this year's budget, but emphasized the need and asked MR. VINCENT to consider them in next year's budget, particularly for older neighborhoods.

MAYOR GOODMAN declared the Public Hearing closed for Items 4 and 5.

