

AGENDA SUMMARY PAGE
SPECIAL CITY COUNCIL MEETING OF: FEBRUARY 16, 2011

DEPARTMENT: CITY MANAGER

DIRECTOR: ELIZABETH N. FRETWELL

Consent Discussion

SUBJECT:

Discussion and possible action on a Service Sharing and Governmental Efficiency Study with the City of Las Vegas and the City of North Las Vegas presented by Management Partners - All Wards

Fiscal Impact

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

In an effort to identify potential opportunities for efficiencies and service sharing between the cities of Las Vegas and North Las Vegas, the respective City Council's authorized an agreement with Management Partners to conduct a Service Sharing and Government Efficiency Study. Management Partners have completed a draft report documenting the results of their study and their recommendations are outlined in the report, as well as, included as part of a draft report and presentation attached to this item.

RECOMMENDATION:

Accept report with direction to staff

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Draft Report for Las Vegas/North Las Vegas Service Sharing
3. PowerPoint Presentation
4. Submitted at Meeting – PowerPoint Presentation with Revised Graphs

Motion made by GARY REESE to Approve with direction to staff as follows:

1. That Management Partners incorporate the direction given by both Councils into the final report; ensure service levels to respective citizens will not be reduced; taxpayers of one city cannot subsidize the taxpayers of the other city in keeping with the Public Purpose Doctrine and ensure cost recover of all marginal/incremental costs to joint service delivery.
2. Direct staff to work in collaboration with the staff of the City of North Las Vegas to negotiate

SPECIAL CITY COUNCIL MEETING OF: FEBRUARY 16, 2011

an amendment to the current professional services contract with Management Partners to further develop any necessary service sharing and cost/savings sharing agreements for the seven areas reported on today with an emphasis on purchasing, fire prevention and fire code enforcement, and information technologies. That staff bring back these agreements to each Council for consideration as they are completed along with an update on the overall progress.

3. That staff attempts to further investigate with help from Managements Partners, if possible, the other areas identified in the report that may also save funding, preserve service levels or improve efficiencies in service delivery to constituents.

4. Direct staff to continue to work with staff from the City of North Las Vegas on a seamless business license process between the two jurisdictions while keeping within the spirit of the AB 494 report to the legislature and the current direction set by the Southern Nevada Regional Planning Coalition (SNRPC) for a multijurisdictional licensing effort.

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1
RICKI Y. BARLOW, LOIS TARKANIAN, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-STEVE WOLFSON)

Minutes:

MAYOR GOODMAN read the Purpose and Background hoping that strategic alliances could be forged between the two jurisdictions.

ACTING CITY MANAGER MARYANN USTICK, City of North Las Vegas, introduced ANDY BELKNAP and JAN PERKINS, Management Partners. Utilizing a PowerPoint Presentation, MR. BELKNAP indicated that the study's objective was to identify ways in which service sharing or integration between the cities of North Las Vegas and Las Vegas can reduce expenditures while maintaining quality service delivery. He referred to two graphs for the General Fund five-year history for North Las Vegas and the City of Las Vegas which show that revenue is below expenditures.

MS. PERKINS indicated that in October the Steering Committee, comprised of executive staff from both cities, provided important data to Management Partners. The executive staff was interviewed to identify areas of opportunity for service sharing between the two cities. The Steering Committee narrowed the list of 50 possible ideas to seven selected for focused assessment. To illustrate the concept of economies of scale, by sharing service demands, both cities can achieve lower unit costs than they could individually. However, there could also be some diseconomies of scale. She pointed out that sometimes costs do not decline when things increase, and sometimes cities can become less efficient.

The study found that opportunities exist for cost savings through service sharing. Further

SPECIAL CITY COUNCIL MEETING OF: FEBRUARY 16, 2011

analysis will be required to move to implementation. Service sharing is a major focus for numerous local governments, given the fiscal realities. Leadership for alternative service delivery is essential if change is to be made.

MR. BELKNAP reviewed the results of the analysis and noted that if the cities pursued all identified opportunities, annual savings could range from \$4.2 million to \$5.6 million. Opportunities exist, but it will not be easy; the two cities have different organizational cultures. He commended both cities for taking this initiative.

MAYOR BUCK appreciated MAYOR GOODMAN and CITY MANAGER FRETWELL for opening this dialogue.

MAYOR PRO TEM REESE was pleased to be present for this historic joint Council meeting and thanked Management Partners for their efforts. The consolidation of the Housing Authorities and the sharing of the animal shelter are working well. His concern is how service sharing will affect the older areas of his Ward. Since the increase in Safekey fees, many of the Safekey programs in his Ward closed while in other wards Safekey attendance has increased; an indication that older areas need help. He supports sharing purchasing and the detention center. Both cities need to work together to make sure sharing of services do not cause layoffs. He indicated that lights are being left on in parks, and he has lobbied legislators about installing cameras on traffic lights to deter speeders. Many issues need to be looked at in the future, such as the University of Las Vegas Nevada financial situation. Legislators need to see that both cities are working together to do what is best for the constituents.

MAYOR PRO TEM WILLIAM ROBINSON felt that sharing of services would have happened eventually. He believes in looking at what works best, and moving forward with caution to make sure each city gets their fair share.

COUNCILWOMAN TARKANIAN has been willing to share services with other entities for some time but it must be done carefully because the primary goal must be efficiency and effectiveness. Sharing services sometimes does not work and both cities must trust each other, not be territorial and must look at the entire community. She hopes this will be very successful.

COUNCILMAN ELIASON stated this is a great opportunity to start the dialogue between the two cities. He believes there are areas where services can be shared but the cities must move forward with caution.

COUNCILMAN ROSS felt this should have been done sooner because both cities share the same interests and businesses. He agrees about being prudent but there should be less worry about territory. The economy is forcing the sharing of services, and he believes both cities can be an example for other cities who share borders to work closer together.

COUNCILWOMAN WOOD thanked Management Partners for an excellent job and stated this

SPECIAL CITY COUNCIL MEETING OF: FEBRUARY 16, 2011

is not consolidation but sharing of services, to bring each city's strengths together and learn from those strengths. She fully supports this initiative that she believes has tremendous potential that will help both cities.

COUNCILMAN BARLOW pointed out he is not against consolidation if it removes redundancies. As leaders, the Council should open the lines of communication on how to restructure new communities and new cities. Areas such as business licensing, Information Technologies (IT), and parks would benefit from shared services. He referred to an item on the City of Las Vegas Council agenda where an applicant was not aware she was required to obtain a license from each jurisdiction. A citizen does not know where one city's boundary begins and ends. Moving forward, both cities need to concentrate on all residents who want the same quality of life. He was pleased with the presentation by Management Partners and thanked the Mayor and Council of North Las Vegas for allowing this discussion.

COUNCILMAN CHERCHIO stated this is a great opportunity, even during these difficult times. He agreed with COUNCILMAN ROSS that this should have been done a long time ago, but now both cities must look forward to see how to work cooperatively. Elected officials have an obligation to employees and the citizens. It is important to save money but more important to make decisions that ultimately will serve the entire community properly.

COUNCILMAN ANTHONY read a paragraph from the report and stated that "a moment of reckoning has arrived." Many cities are talking about this same issue but have not done anything about it. The City of Las Vegas and North Las Vegas are in a great place because the study has identified seven specific areas where services can be shared. He is ready to take action and be a leader for other cities.

CITY MANAGER USTIK pointed out that additional analysis needs to be done but she believes the seven areas merit additional study. She suggested taking a harder look at IT and include other entities to look at ways to making business licensing more customer-friendly.

CITY MANAGER FRETWELL added that both organizations need to maintain quality service delivery, make sure that this partnership will not result in one government subsidizing the other, and that both cities stay true to the Public Purpose Doctrine. She pointed out there is still fine-tuning and updating that needs to be done. She recognized and thanked MICHELLE BAILEY-HEDGEPEETH, North Las Vegas, BRIAN KNUDSEN, City of Las Vegas, who were the two points of contact for both organizations, supported by SAM CHAMBERS and DEPUTY CITY MANAGER ORLANDO SANCHEZ, AL NOYOLA and MARK VINCENT, Chief Financial Officer, and many other people who helped with the research. This is about culture change, adaptation and transparency; unique in bureaucracies. Both cities are ready and up for the challenge. She indicated that it would be helpful if both Councils direct staff if these areas are the right areas and what other areas they might want to explore.

MAYOR GOODMAN thanked everyone for being present and stated it is a wonderful feeling to

SPECIAL CITY COUNCIL MEETING OF: FEBRUARY 16, 2011

see the interest on the part of all constituency being represented partaking in these proceedings. He was pleased to hear that the dialogue will continue in a transparent manner where the public will have an opportunity to provide their input.

MAYOR BUCK acknowledged and welcomed COMMISSIONERS CHRIS GIUNCHIGLIANI and TOM COLLINS.

COUNCILMAN REESE asked that staff continue to keep both Councils informed about the study and legislature issues that might affect both cities.

