



Las Vegas

Agenda Item No.: **64.**

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: SEPTEMBER 21, 2011

DEPARTMENT: PUBLIC WORKS
DIRECTOR: JORGE CERVANTES

☐ Consent ☒ Discussion

SUBJECT:
Discussion for possible action regarding the disposition of approximately \$16.1 million in funds to be returned by the Clean Water Coalition (CWC) to the City of Las Vegas Sanitary Enterprise Fund - All Vendors.

Fiscal Impact

☐ No Impact ☐ Augmentation Required
☐ Budget Funds Available

Amount:

Funding Source:

Dept./Division: Public Works

PURPOSE/BACKGROUND:

The Nevada Supreme Courts May 26, 2011 ruling in favor of the Clean Water Coalition (CWC) freed up \$62 million for distribution to the member agencies (City of Las Vegas, North Las Vegas, City of Henderson and Clark County). Of this distribution the City of Las Vegas portion will be 25.96 percent. These funds were collected from a combination of user charge and direct contributions from the member agencies. From the City of Las Vegas 55 percent were direct contributions and 45 percent were user charges. Staff recommends that the City's share of the distribution (approximately \$16.1 million) be redistributed based on their source. Therefore, 55 percent (approximately \$8.85 million) would be returned to the Sanitary Enterprise Fund and 45 percent (approximately \$7.25 million) would be used to provide a one-time reduction to all current sewer accounts on their upcoming billing year.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Submitted after Final Agenda PowerPoint Presentation by Staff

Motion made by STEVE WOLFSON to Approve

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

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB COFFIN; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

JORGE CERVANTES, Director of Public Works, reviewed a PowerPoint presentation as it played on monitors.

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COUNCILMAN ROSS received confirmation from MR. CERVANTES that Clark County and Henderson are crediting funds back to the properties that paid the contribution fees with the remaining going to usage fees. The Councilman is concerned that due to the number of foreclosures in the market the Council will essentially be giving money back to the banks.

MAYOR GOODMAN questioned whether historical data could be reviewed to find the individuals who made the original payments, but MR. CERVANTES stated this would be a large task due to the nature of the current housing crisis. He also clarified for COUNCILMAN BARLOW that the two credit options are to (1) apply the funds evenly across all active sewer user accounts, or (2) apply them to the current property owners where connection fees were paid. In response to the Councilman's direct question, MR. CERVANTES stated he felt option one was more equitable. He confirmed for the Mayor that credits are only realized when property owners pay their bill.

COUNCILMAN WOLFSON received confirmation from MR. CERVANTES that there is no sense of urgency and requested additional options.

COUNCILMAN COFFIN agreed that the individuals who paid into the fund deserve to be reimbursed.

COUNCILMAN BARLOW wants to know the number of bank owned properties that would be eligible for a credit and what the total credit for all bank owned properties equates to.

MAYOR GOODMAN expressed the importance of legal counsel regarding the options available.

MR. CERVANTES confirmed for COUNCILMAN WOLFSON that there is over \$16 million in the bank right now and CITY MANAGER ELIZABETH FRETWELL confirmed that the funds are in an interest bearing account. COUNCILMAN ROSS wanted to make it clear that the \$8.85 million was seed money and the funds being discussed for credit is the \$7.25 million. MS. FRETWELL recommended moving the \$8.85 million back into the City's Sewer Enterprise Fund so that Public Works can use it for the capital plan and bringing back the issue of the \$7.25 million credit. She also confirmed for COUNCILMAN BARLOW that the money will continue to earn interest.

COUNCILWOMAN TARKANIAN clarified that the distribution of funds is returning City funds to the City and taxpayer funds to the taxpayer. CITY MANAGER FRETWELL clarified that the \$7.25 million was paid by sewer rate-payers.

COUNCILMAN ROSS clarified for the public that the City is making every effort to put the money back into the hands of the people who can make good use of it within the community.