



Las Vegas

Agenda Item No.: 4.

AGENDA SUMMARY PAGE
SPECIAL JOINT CITY COUNCIL AND REDEVELOPMENT AGENCY BUDGET
WORKSHOP MEETING OF: MARCH 10, 2010

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action regarding Fiscal Year 2011 City of Las Vegas operating budget requests

Fiscal Impact

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

Discussion and review of the Fiscal year 2011 City of Las Vegas operating budget requests. The Budget Workshop is a public meeting focused on review of projected revenues and City Council guidance relative to appropriation levels and resource priorities.

RECOMMENDATION:

None

BACKUP DOCUMENTATION:

Submitted at Meeting PowerPoint Presentation and Fundamental Service Review FY 2011 Budget Reduction Options documentation for Items 4,5 and 6 by Staff

Motion made by GARY REESE to Approve Items 4 and 5 with the following directions:

- A. Establish a Warrant Service Program pilot study after Council briefing to address the process.
- B. Ensure that sensitivity training is included in the Warrant Service Program in order to preserve civil rights.
- C. Prepare a proposal to consolidate the Detention and Enforcement Marshal Unit and the Municipal Court Marshals by November 2010.
- D. Evaluate opportunities to terminate employees and rehire them if they agree to a reduction in work hours to 37.5 per week.

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E. Hire a consultant through a competitive Request for Proposal (RFP) to evaluate the City's public safety departments with an emphasis on the fire department including the privatization of the EMS transport services, and complete the scope of work by July 2010 and the report completed by December 2010.

F. Partially restore funding to the Reed Whipple Community Center and explore donations from the public to match the City's General Fund contribution of \$25,000.

G. Continue to pursue consolidation, particularly in the areas of work cards, business licenses and courts.

H. Possible reevaluation of the YMCA contract for potential cost savings to the City.

I. Fully restore the Rapid Response Teams.

J. Eliminate the Xtreme Sports program.

K. Research possible fee and revenue increases.

L. Privatize the Darling Tennis Center.

M. Explore private/public partnership for agreements and contracts.

N. Explore the elimination of the Evolve Program Discharge Planning component and report back to Council.

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

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

Minutes:

MAYOR GOODMAN called Items 4, 5 and 6 for joint discussion. He summarized the Council briefings, attendance at the town hall meetings and that the Council is ready to hear the presentation, as well as prepared to act today. He directed that Council's comments and questions be held until the conclusion of the presentation in order to ensure the very important discussion occurs when everyone is fully informed.

CITY MANAGER ELIZABETH FRETWELL remarked that the City has been trying to address a budget shortfall for over two years due to diminishing revenues. The issue is not the quality of

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work done by City employees or that programs are not needed or wanted by the public, but a question of budget considerations. The City has been able to use various tools to control costs and aggressively manage the shortfall so that the impacts have largely not been visible. All this has been done while maintaining a healthy fund balance consistent with direction by the Council. Last year's budget presentation has been used to plan, prepare and work through some hard decisions. Over \$8 million was cut in November and since then have been working on the development of the 2011 budget. It has been more than tough and throughout there has been an awareness that major changes were going to be necessary. Getting the information out to the public at the town hall meetings was difficult but well worth it.

This budget will reduce major functions in the City, not because there is not work to be done, but that there is not enough revenue to support that work. The City has effectively cut spending and positions by 14% to 16%. As a result of today's budget, 230 employees will be impacted and 146 will be separated. Today's budget will be balanced and strategically use reserves but there will still be major cuts in many departments. The budget of the General Fund will be \$493 million, the same as the operating budget of 2005.

MARK VINCENT, Chief Financial Officer and Director of Finance and Business Services, stated that the forecast for 2011 will be \$456 million and in 2005 those revenues were \$459 million. He summarized the decreased revenues over several years representing a total reduction of \$70 million, at a time revenue should have increased by \$15 million per year to keep pace with inflation. There will be a 12% drop in C-tax revenues, but there are signs the rate of decrease is slowing. Next year is projected as the lowest year for property tax revenue and represents a further deficit. The City is still looking at a \$40 to \$45 million deficit in 2012. Therefore, this proposed budget is only a partial solution.

CITY MANAGER FRETWELL, using a PowerPoint presentation, reviewed past efforts with the Fundamental Service Review (FSR), stabilization fund, reduced General Fund balance and discussions with collective bargaining units. MR. VINCENT reviewed the slides breaking down the savings and FSR efficiencies as well as shortfalls in 2009.

CITY MANAGER FRETWELL indicated that a total of 566 positions were eliminated and all non-public safety current and future vacant positions were swept into a vacancy pool. Additionally, 115 individuals took advantage of the Voluntary Separation Incentive Program with savings of \$15 million. She summarized steps in communication, such as weekly briefings with the City Council, and monitoring the effects of the economy on other local governments without fear of copying anything that has worked elsewhere. Regular closed-door sessions were conducted to discuss labor negotiations.

Employee communication included City budget emails, video messages, City Manager E-newsletter and employee meetings. Citizen communication has included the phone and online

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surveys, focus panels, and 13 town hall meetings geographically dispersed throughout the City. She thanked the media for their support in helping to draw individuals to those meetings. There was an average attendance of 100 with over 700 participants at a single meeting. The results of the survey reflect that the citizens are satisfied with City services. The most important services involve human, health and public safety, and a majority of citizens are willing to pay to sustain important services.

MR. VINCENT covered the slides outlining a 17% reduction by departments, a flat growth plus 8% reduction in labor costs, implementation of a hard freeze on hiring, with the exception of public safety positions, use of a two-year approach to the deficit and targets based on spending patterns.

He referred to the red column on the slide for projections representing approximately \$83 million, with the least impact to public safety departments. Public safety was given priority by the Council and citizens. Some of the cuts in economic development were achieved by moving costs and positions into the Redevelopment Agency.

MR. VINCENT explained the vacancy pool program where positions would be swept into a position pool, excluding public safety positions. The 50 pool positions were stripped of their position description and are managed by the Position Justification Committee under the City Manager's Office. He noted that the 1999 positions do not include the 50 swept positions within the pool. He gave an example of a position within a category and a funding amount would be held as a gray position in the pool. CITY MANAGER FRETWELL added that these gray positions can be used to address critical vacancies where there have been unforeseen service consequences. There is no intent to fill a vacancy if there is no way to keep the position filled during further shortfalls. MR. VINCENT emphasized that the 17% staffing reduction has been managed mostly by attrition.

CITY MANAGER FRETWELL covered changes to the initial proposal, including adjustment to the total reduction for the Department of Fire and Rescue, reduction of staff in Building and Safety based on the reserve levels and reduction from separations and bumping of positions. It is her understanding that there will be less funding for the Sheriff to house County inmates at the City Jail with a projected \$1 to \$1.3 million shortfall. CHIEF KAREN COYNE is analyzing that situation but that amount is not reflected in today's presentation as it is still under analysis.

She mentioned that many of the consolidations are internal only, but the impact is becoming visible to the public. It is hoped that further efficiencies can preserve services. The effort will require significant coordination. Lastly, the intent is to restructure the Diversity Outreach efforts through the Chief Urban and Redevelopment Officer, while support will be offered from different departments.

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MR. VINCENT explained the reallocation of enterprise and internal service funds management will benefit the overall General Fund. There will be an internal rate adjustment for fleet services. CITY MANAGER FRETWELL pointed out that these efforts will create increased response times, increased staff workloads and longer lines for citizens as well as reduced or eliminated programs.

MR. VINCENT reviewed the slides documenting the cut and options by department, starting with the revision to the cut for Fire and Rescue. The original information indicated a total reduction of \$6 million, when it should have been closer to \$7.9 million. He explained that a Full Time Equivalent (FTE) may be a part-time employee or one who does not work a full shift. There are numerous issues that will require continued evaluation and possible alternatives, such as a "brownout" where a truck or engine company would be taken out of service.

CITY MANAGER FRETWELL added that an evaluation will be done for the potential of reorganization of the Fire Protection Engineer and the Building and Safety Programs to look for a way to better deliver the services.

CITY MANAGER FRETWELL explained that Detection and Enforcement will be forced to address community and organizational impacts. There is a revised recommendation to restore funding for the Northwest Substation and train that facility.

MR. VINCENT summarized the slide addressing Neighborhood Services reductions, including a revision to fund the Rapid Response Team previously identified for reduction and the EVOLVE Ancillary Services.

CITY MANAGER FRETWELL highlighted the most noticeable impacts of Leisure Services resulting in a total budget reduction of \$3.2 million. There will be impacts on services and programs offered to the community, such as the privatization of the Darling Tennis Center in order to preserve revenues and cut costs. She indicated that the fee increases proposed are fairly minimal to individual participants while allowing programs and services to remain in place. The biggest impact to the Office of Cultural Affairs would be the closure of Reed Whipple and there is an alternative that will be reviewed later in the presentation.

MR. VINCENT noted that the Council reached their targeted reductions. CITY MANAGER FRETWELL added that positions were eliminated to reach the City Manager's Office targeted reduction. There would be some impact in the reduction in communications and the services provided to all departments and community about awareness of events.

MR. VINCENT stated that Finance and Business Services reached their target. He indicated a Request for Proposal (RFP) would be a solution for the supplies situation, particularly for EMS supplies for Fire and Rescue.

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CITY MANAGER FRETWELL indicated that Human Resources represents a 33% reduction over the last couple of years. During this budget reduction, 6.5 positions will be impacted, one of which will be transferred to the Internal Service Fund to manage the benefits funds.

Regarding Information Technologies, MR. VINCENT stated that a significant portion of the budget is the reduction in professional services and contracts, which would impact certain support assistance. Additionally, postage was reduced and redistributed to be managed by individual departments

CITY MANAGER FRETWELL indicated that the City Clerk's Office had reductions and nothing further could be done without placing the City at risk for compliance with Nevada Revised Statute for the Open Meeting Law and Records Retention requirements.

MR. VINCENT stated that Planning and Development and Public Works were both reduced beyond the initially targeted amounts due to work reductions. There will be related reductions in service delivery and delay in certain activities related to development. Emergency needs will receive priority. Field Operations previously had significant cuts and a high number of the positions will be swept into the pool referenced earlier in the presentation.

Regarding Municipal Court, CITY MANAGER FRETWELL expressed appreciation for the efforts made by the Judges and JAMES BERMAN, Court Administrator, to reach the proposed reductions. There will be impacts at the Regional Justice Center with longer lines and an impact on the ability to collect outstanding revenue. MR. VINCENT commented on the effect of position elimination with the City Attorney's Office.

MR. VINCENT reviewed the slide regarding enterprise funds such as the Redevelopment Agency and its need to provide for projects.

Regarding Building and Safety, MR. VINCENT indicated that it has its own budget code that requires maintaining a limit of fund balance to exceed 50% of the operating expenses two years in a row. This could result in an automatic reduction in fees. While revenue is declining, the workload is not, and based on the workload, there is an ongoing review of the services and fee structure. The Communications Enterprise fund consisting of the cable fee from the State will increase the General Fund by approximately \$2.67 million when transferred.

There was an analysis of the Fire Safety Initiative, estimated 2011 revenue and projected allocations. MR. VINCENT stated that a policy would be established whereby the Internal Service Funds would allow charge back of costs to the departments using the service. Restructuring those funds can be used to cover a portion of the projected shortfalls. He broke down the employee benefit portion of the slide.

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CITY MANAGER FRETWELL compared the initial major budget outcomes versus the revised and restructured recommendations. MR. VINCENT itemized the recommendations for revenue enhancement slide which could ultimately represent approximately \$5 million. CITY MANAGER FRETWELL added that the Leisure Services recommendations would mostly likely not be visible until 2012, but staff would like to initiate them as soon as possible. MR. VINCENT discussed the benefit of creating a bail warrant shift collection projected to exceed its cost by approximately \$500,000. If the projections were not realized after six months, the program could be eliminated.

MR. VINCENT indicated there is no recommendation to increase the property tax rate. He provided a detailed explanation of the layered nature of property tax, the calculation to ensure the \$3.64 cap, the 1998 9% tax roll back and the operating rate which has remained unchanged since 2000. However, assessed value has been dropping and is projected to represent reductions for approximately 192,000 parcels totaling \$23 million. If the tax rate were raised, the question would remain how much would the shortfall be. The estimate would be that a \$10 million shortfall would remain. He provided a breakdown of the impact based on the valuations using a median house value.

MR. VINCENT discussed the Employee Compensation concessions and identified the acronyms for the labor bargaining units; PPA (Police Protective Association); POA (Peace Officer Association); CEA (City Employee Association) and IAFF (International Association of Fire Fighters). He pointed out that the City is currently undergoing bargaining negotiations with the IAFF. The IAFF does not have a CCA Act for Fiscal Year 2011. He outlined the projections for a flat growth, an 8% roll back and that the City could have avoided previous cuts had these other projections been obtained. Based on the implementation of the involuntary separation, the City created a program to benefit the employees which is estimated to cost a maximum of \$1.1 million.

CITY MANAGER FRETWELL briefed on the high-level Council and Community feedback slides and the impact of those revisions. She specifically addressed the more complicated restoration proposals by way of individual slides. The Reed Whipple restoration would mostly represent a \$372,695 lease back to the Redevelopment Agency.

The Rapid Response Restoration Plan has two options. Option one would allow for the restoration of one Rapid Response Team and option two for full restoration of the Rapid Response Teams. She recommended option two. The second option requires the elimination of the very costly EVOLVE Discharge Program. Although the program has been somewhat successful, existing jail staff could be reorganized to provide those services. Further reductions identified on the slides would also allow for the restoration of the Northwest Substation. Her recommendation would be to eliminate two more positions from the existing positions pool.

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CITY MANAGER FRETWELL presented the slide reflecting her final recommendations, including the revisions from the previous slide, in conclusion of the report.

MAYOR GOODMAN thanked every Councilmember for how seriously they have taken their responsibilities, consideration given to mitigate impacts on real people and the cuts made by Department Directors to minimize the number of employees being eliminated. A request was made that all employees keep their salaries flat and an 8% salary reduction would have enabled the City to keep every employee and all services intact. There has been no response to that request. He expressed disappointment over that failure to respond by what he considers to be a brotherhood of City employees. Other entities across the country have been forced to reduce the workforce. He asked the City Attorney whether the City Council could direct the City Manager to send termination notices to all City employees with a 60-day notification and then follow with a letter agreeing to rehire them subject to a 37.5-hour work week reduction, representing a 6.25% savings. This would result in the necessary savings to retain all employees and services.

The Mayor thanked those employees who have made the sacrifice to meet the reduction needs. Those who have not must feel very weighted, and the overwhelming majority who have not responded should be aware of his opinion.

Further, there is a question whether public safety employees can be subject to the proposed actions, and he directed the City Manager to hire an outside consultant through a competitive RFP process to conduct a study concerning EMTS transport, which could be privatized. He asked that this be done by July with the results be provided by the end of December.

The system worked at the town hall meetings. It was an extraordinary sight to see 700 people turn out and the response with regard to the Reed Whipple Center. However, every service and program has a cost. He directed that those supporting the restoration of the Reed Whipple Center should be required to fundraise to match the City's support. He outlined concerns with the Warrant Program. Prior to implementing this type of service, there should be a study and sensitivity training to ensure people do not feel their rights have been violated.

MAYOR GOODMAN referred to a letter submitted by a 24-year employee who stated he has worked hard for the City and has further work to do for the City but will be separated as a result of bumping rights under the contract.

COUNCILMAN REESE agreed with the Mayor's comments as to how seriously the Council has taken the budget situation. Past budgets included little public input because revenue was readily available. He thanked CITY MANAGER FRETWELL for involvement in this budget. This is

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the first time he felt every City employee should be in attendance. It is very difficult to be asked to make cuts laying people off. He always considers the legacy he will leave as an elected official. It is impossible to prepare and approve a budget that does not include cuts. He appreciates the staff that actually identified those people who will be impacted.

The Councilman stated that no one has spoken to him about the Xtreme Sport Program, but many have protested the closure of Reed Whipple and eliminating Rapid Response Teams. Unnecessary services, such as extreme sport, should be eliminated.

The City has looked at raising emergency services transports and the collection of charges. He questioned whether there is a way to increase collections, with or without litigation.

COUNCILMAN REESE pointed out that despite the EVOLVE Program, the homeless problem continues. This is a federal responsibility. Each Councilmember has things they want done. His hope would be to eliminate the need for staff reductions.

The Councilman recognized CHIEF JUDGE KOLKO and JUDGE CARMANY and recalled when consideration was given to place Municipal Court in the County, but Municipal Court has been a revenue gift to the City.

He clarified with the City Manager the Adolescent Conservatory Camp (ACC) acronym for the program at Reed Whipple Center.

COUNCILMAN WOLFSON thanked all City employees and indicated that he has worked for the City, County, State and Federal Governments. City employees are the best with the best attitude and he is proud to represent them. He thanked the City Manager and Deputy City Managers for the timely responses they provided during his briefings yesterday. He thanked MAYOR GOODMAN for his leadership, public advocacy and acting as the spokesman even when he did not agree on the Mayor's every comment. He questioned CITY MANAGER FRETWELL as to the impact of the proposed budget on expenses growth. She responded that costs continue to grow based on existing labor contracts. Revenue cannot keep up. Only one contract is currently open for negotiation. The others cannot be opened without mutual agreement. MR. VINCENT answered that historically wages and benefits grow at approximately 4.5% per year and are compounded.

COUNCILMAN WOLFSON commented on citizen input that public safety not be impacted. However, one of the slides demonstrates City public safety departments represent half the City's budget. The proposed cuts have a greater impact on non-public safety departments. He compared the Las Vegas Metropolitan Police Department (Metro) proposed reduction of 5% to the slightly greater than 5% cut to Fire and Rescue.

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As for those employees who leave prior to June 12, he questioned why they would be paid through the end of the fiscal year. CITY MANAGER FRETWELL explained that there is more work than the City currently has staff to perform. She confirmed that if an employee were to leave and find another job, that action would be considered the employee terminating service with the City rather than a layoff. There was discussion regarding the services of an Office Specialist II and the cost identified of \$77,000, salary and benefits. The only way to restore the Rapid Response Teams would have to include elimination of another staff member.

COUNCILMAN WOLFSON reiterated comments made in the past regarding consolidation of services between governmental entities. For example, work card appeals could be handled in a manner eliminating duplicated services. Likewise a landscaper working County-wide should not need a license in the County as well as the cities of Las Vegas, Henderson and North Las Vegas. He would support a consolidation of courts, perhaps under a revenue sharing approach. He also shares concern with the Mayor regarding the shift warrant team for collection purposes. The plan is a good thing for revenue and accountability, but it needs to be carefully examined to preserve peoples rights. In context with that concept perhaps a police officer issuing a ticket could use a tool similar to that used by rental car rental companies to collect costs.

He supported the Traffic Hearing table which has been reported as a tremendous benefit. He would like more programs like that idea. He commended CITY MANAGER FRETWELL and MR. VINCENT for performing the actions they identified at the beginning of the presentation. The City, along with all other government entities, need to closely examine what services should be provided.

COUNCILWOMAN TARKANIAN expressed how impressed she has been with the efforts for communication and making information available. The City has been transparent, even garnering an acknowledgement by outside experts assisting in the process. Those same financial experts have repeatedly advised that the biggest hardship faced is in the cost of labor. She appreciated the efforts made by staff to identify the reductions and the many changes made based on the quantity of information to the public and their input, which were incorporated into the recommended changes.

The Councilwoman was pleased that the Rapid Response Teams were restored, as the service is needed in the neighborhoods. She appreciated the suggestion that came from an attendee at the last town hall regarding public fundraising to support Reed Whipple. She supported the warrant program and agreed with the comments regarding disappointment over the labor situation. No one on the Council suggested lower quality of work or adversely impacting public safety. The request was for an 8% pay cut for a short-term negative to provide a long-term positive benefit to their co-workers. This situation can only be addressed by a team approach. It is a horrendous thing for someone to lose their job. The elected officials, executive and appointive staff have

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already agreed to do the reduction. She thanked CITY MANAGER FRETWELL for her efforts and for already incorporating her recommendations.

COUNCILMAN ROSS remembered the 2005 budget with its revenue flow. What is being faced today will not last forever. He commended the City Manager, Deputy City Managers, Directors and senior staff members for their efforts in this challenging time. Certainly the three priorities have been met to date and continue to be critical. He supported the past consolidation of the individual housing authorities into the Southern Nevada Regional Housing Authority. This will benefit all governmental entities and the public. There are many other examples of duplicate and triplicate services.

The Councilman discussed with CHIEF GREG GAMMON, Fire and Rescue, that the number one priority is to keep response times as low as possible, between four to six minutes, with either a fire engine or a fire rescue with one paramedic. The Chief focused on that type of response despite possible "brownouts". Other services may be diminished, but not the response time of a truck with emergency medical personnel. Everything presented today, including this information, has been presented to the collective bargaining unit through the President of Local 1285, DEAN FLETCHER.

COUNCILMAN ROSS indicated the need to ensure City Marshals in parks for public safety. He pointed out that Ward 6 is still the place to build homes and businesses. In the past few weeks he has been meeting with developers, and that is a serious economic indicator for the positive.

As for revenue recommendations, the news racks do not do anything for him as a citizen but rather trash the area. The fees should be four times than proposed. MAYOR GOODMAN noted that the intent is not to punish anyone but to raise revenue, and the industry can afford it.

COUNCILMAN ROSS noted that the Warrant Shift Program proposed revenue of \$500,000 may be conservative and he supports the proposal. Lastly, there has been true leadership doing an excellent job. The City cares for its employees. Cuts in service should be made as invisible to the public as possible.

COUNCILMAN BARLOW thanked the Mayor and City Council, which he feels blessed to be a part of, the excellent performance by the City Manager and her staff and all City employees for doing a great job on behalf of the constituents with good customer service. He thanked the media for the effort to provide the community with information and encourage the public's engaged participation.

COUNCILMAN BARLOW questioned the best way to identify programs and services the City should no longer be providing, and the possible cost savings that can be achieved by eliminating those. CITY MANAGER FRETWELL answered that the Council provided direction by

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identifying new priorities. In addition, the services of every department were identified. Once this budget is completed, the City needs to relook at those remaining programs and services and compare those with services offered by other entities consistent with comments by other Councilmembers.

The Councilman discussed with CITY MANAGER FRETWELL the two different leaderships for the City Marshals and Bailiffs (Court Marshals) and possible consolidation of those leaderships. He would not support the recommendation pertaining to insurance billing against homeowner insurance, particularly as this adversely impacts senior citizens.

He expressed his concern with the framework involved in the Warrant Shift Program with regards to City Marshals knocking on doors at night. There is an incentive to make the program successful in order to preserve positions and questioned how the money would be collected. There is more work to be done on the program until all questions are answered. CITY MANAGER FRETWELL responded that CHIEF JUDGE KOVAKOSKI, MR. CARMANY and DEPUTY CITY MANAGER ORLANDO SANCHEZ were prepared to answer questions. CHIEF JUDGE KOVAKOSKI assured the Council that there will be no implementation until the concerns are addressed. She wrote an order clearly defining what a Marshal may do in the collection of a warrant and the collection process just as if it were in conjunction with a counter payment. CHIEF JUDGE KOVAKOSKI concluded that nothing more will be done than what already occurs during the day, which she believes is proper and constitutional.

MR. CARMANY added that the structure of the program has been identified and a full proposal will be presented to the Council, ensuring that all concerns raised today are met. Every effort is made to avoid jailing individuals. There are about 33,000 cases available for collection.

CITY MANAGER FRETWELL stated that the report would be ready by the end of March and implementation of the program beginning July 1. The specific fee action on news racks or homeowner insurance billing would be brought forward to Council. The intent of today's meeting is to obtain guidance so time is not spent on a program the Council does not support. She suggested a report at the first Council meeting in April, and COUNCILMAN BARLOW agreed that he would support the program subject to a future opportunity to examine the process. This would save six of the ten impacted Marshals, subject to training and transition.

With regard to nine community schools, COUNCILMAN BARLOW discussed with BILLIE BASTIAN, Director of Leisure Services, the proposal to close all nine but continue the summer camp program under the Open Doors and Open School program. There are 69 Safekey sites and only one has zero attendees and may be closed. In order to gain interest, staff conducts Safekey

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fairs and outreach and, in the event of interest, a division supervisor makes the determination when a site change needs to be made. The goal is to be in every elementary school in the City. An effort has been made at Wendell Williams Elementary School Safekey slated for closure and the school management is committed to work with the City.

Regarding the operation of the Darling Tennis Center, MS. BASTIAN indicated that staff is working with Purchasing for an outside private operator throughout the RFP process. The cost to maintain the Darling Tennis Center is \$1.2 million which includes maintenance, staff and supplies.

The Councilman suggested the City look to recover the \$1.7 million pertaining to the YMCA facility. MR. VINCENT replied that that amount includes the cost of the facility, such as custodial, minor repairs and utilities. MS. BASTIAN explained that the facility is City-owned and is operated by the YMCA through an RFP process.

In response to COUNCILMAN BARLOW'S question as to whether the City has not considered reducing the fees paid in utilities to offset the budget, CITY MANAGER FRETWELL responded that there is an existing contractual agreement with the YMCA where the Council indicated a willingness to pay the amount to avoid all the operating costs associated with the operation of the facility. The Councilman suggested that the City approach the YMCA about reopening the contract.

MS. BASTIAN verified for COUNCILMAN BARLOW that the total cost for the Xtreme Sports program is about \$190,000 for this fiscal year. He recommended the elimination of the Xtreme Sports program, rather than eliminating the two positions to fund a portion of the Reed Whipple Center and Rapid Response Team restorations.

He could not support the concept of terminating employees and rehire them at an 8% wage and benefit reduction. He expressed his belief that the City can meet its needs without strong-arming City employees.

COUNCILMAN ANTHONY agreed and supported the comments and four recommendations made by MAYOR GOODMAN. He expressed his appreciation for CITY MANAGER FRETWELL listening and gathering all the information, putting everything together and all her efforts. He would like more information on some of the revenue recommendation. He could not support the Xtreme Sports program, and would rather reallocate that funding. He would support privatization of the Darling Tennis Center because it benefits the City and it does not mean it will not remain a world-class center. He supports consolidation of other services. As for the warrants program, police officers execute warrants 24-hours a day all across the country. This is a way to get people in to adjudicate their cases.

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In response to COUNCILMAN ANTHONY'S questions, CITY MANAGER FRETWELL reviewed the next steps, including submission of a tentative budget from today's meeting and continued work on the finalized budget in May. Any final adjustments can be made at that final budget hearing. There are no major changes anticipated as staff will initiate the implementation of the items identified in this presentation. Historically, major changes have occurred when there is a change at the legislature.

MAYOR GOODMAN stressed his intent is not to cut and but to preserve jobs. His suggestion can only go forward if the answer from the City Attorney finds that it is possible and the Council supports it.

CITY MANAGER FRETWELL reviewed the final recommendation slide, adding that the revenue recommendation is subject to a future report on the revenue recommendation, approving the Employee Separation Program, establishing the Internal Service Fund Reserve (ISF) Policy Changes, approving the Enterprise Service Fund (ESF) and ISF elimination and transfers, and putting the City Employee Association (CEA) Resolution on a future Council Meeting Agenda for consideration by City Council.

She outlined additional recommendations made by the City Council: establish a Warrant Service Program pilot study, subject to Council action regarding the project to be made available at the end of this month, prepare a Marshal Unit Consolidation report by November; evaluate opportunities to terminate employees and rehire them if they agree to certain concessions; hire a consultant through an competitive RFP process to evaluate the City's public safety departments with an emphasis on the fire department including the privatization of the EMS transport and have the scope of work done by July and the report completed by December; partially restore funding to the Reed Whipple Community Center and explore donations from the public to match the City's General Fund contribution of \$25,000 to keep the center open; ensure sensitivity training is given to the Marshals for the Warrant Service Program; continue to pursue consolidation, particularly in the areas of work cards, business licenses and courts; reevaluate the YMCA contract for a potential to avoid costs on the City's contract; restore the Rapid Response Teams; eliminate the Xtreme Sports program; eliminate the EVOLVE Program's Discharge Planning; and look at reduction of fees individually.

COUNCILMAN ROSS confirmed that the revenue recommendation will be considered separately. CITY MANAGER FRETWELL explained that the process will not slow down, but many of those recommendations will require ordinance changes.

COUNCILWOMAN TARKANIAN suggested the 2008 Kirchoff report be used during discussion with labor units.

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COUNCILMAN REESE asked what was decided on the EVOLVE Program because he feels it is very hard to keep putting money into the program when the locations of the program create problems for his Ward. CITY MANAGER FRETWELL detailed the manner in which the City supports the services and, after exploring the services, staff will bring back a report.

MAYOR GOODMAN commended CITY MANAGER FRETWELL, her staff, Department directors and staff. CITY MANAGER FRETWELL added commendations for CANDACE FALDER, Deputy Director of Finance and Business Services, and her finance team, the FSR team led by SCOTT ADAMS, Chief Urban Redevelopment Officer, BRYAN KNUDSEN, CLAUDETTE ENUS, Director of Human Resources, and DAVID RIGGLEMAN, Director of Communications, and all staff involved in putting together detailed information for the Council. She also thanked the City Council for being attentive and engaged. Their level of involvement has been a tremendous help. The City of Las Vegas is in a different financial situation from other cities because of its aggressive attack on the budget shortfall.

