



Las Vegas

Agenda Item No.: 6.

AGENDA SUMMARY PAGE
SPECIAL CITY COUNCIL MEETING OF: MARCH 28, 2012

DEPARTMENT: FINANCE
DIRECTOR: CANDACE FALDER

☐ Consent ☒ Discussion

SUBJECT:
Discussion for possible action regarding FY Year 2013 Tentative Budget - All Wards

Fiscal Impact:

☐ No Impact ☒ Augmentation Required
☐ Budget Funds Available

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:

Discussion and review of the Fiscal Year 2013 tentative budget with a focus 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 by Staff

Motion made by STAVROS S. ANTHONY to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

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

Minutes:

CITY MANAGER ELIZABETH FRETWELL briefly discussed some of the City's efforts to stabilize the budget over the past few years. She thanked the Mayor and Councilmembers for making sure the City not only has a comprehensive plan, but also a sustainable one.

CANDACE FALDER, Director of Finance, explained that her presentation is based on months of hard work and preparation. She reviewed the PowerPoint presentation in detail as it played on overhead monitors. She confirmed for MAYOR GOODMAN that employee incentive programs totaling \$1.3 million account for less than half of one percent of the total budget.

COUNCILMAN COFFIN supported the professional development initiatives included in MS. FALDER'S plan.

CITY COUNCIL MEETING OF: MARCH 28, 2012

COUNCILMAN BARLOW received additional clarification on the Fiscal Year (FY) 13 revenues and budget levels from MS. FALDER. MARK VINCENT, Internal Services Chief, further explained that the City's financial recovery will take an estimated 10 to 12 years to return to levels previously experienced. MS. FALDER also clarified for the Councilman that paying off the Neonopolis Garage will save the City over \$2.5 million in interest as well as freeing up \$2.5 million annually. MAYOR GOODMAN explained paying the bonds will free up the property for other uses. CITY MANAGER FRETWELL explained that expiring some of the debt allows the City to meet their goal of creating better cash flow and less debt moving forward. The issue is not to prohibit future projects, but to reduce existing debt in order to help fund future projects.

COUNCILMAN ROSS had MR. VINCENT explain how the City is dependent on new development. MS. FALDER stated that the sales tax portion of the Consolidated Tax (C-Tax) is being driven by tourism. Property tax growth will be essential to the growth and recovery of the City.

CITY MANAGER FRETWELL clarified for MAYOR GOODMAN the proposed boundaries for a new redevelopment area. In response to COUNCILMAN BARLOW, CITY MANAGER FRETWELL clarified this is a new area with a set aside of funds to help with the initial costs. COUNCILMAN BARLOW questioned why there cannot be an expansion instead of a new area but CITY MANAGER FRETWELL explained there would be further discussions as the process continues where the Mayor and City Council members will have opportunities to discuss a new or expanded redevelopment area. COUNCILMAN BARLOW felt they were putting the cart before the horse, but CITY MANAGER FRETWELL explained this tentative budget is a means of planning and forecasting and not a final action. COUNCILMAN ANTHONY thanked CITY MANAGER FRETWELL for clarifying this is a tentative budget. COUNCILWOMAN TARKANIAN explained the idea of a separate or expanded redevelopment agency has been in the works for the past two and a half of years.

COUNCILMAN COFFIN received clarification from MR. VINCENT on the debt comparisons shown on Slide 21. MR. VINCENT also confirmed for COUNCILMAN COFFIN that the recent closing of the Redevelopment Agency by Moodys should not affect the general obligation fund.

COUNCILMAN ROSS received confirmation from MR. VINCENT that the stabilization fund was established as a one-time event. The Councilman then recognized the sacrifice and challenges of every department and employee for their role in the success of the budget, but specifically recognized CITY MANAGER FRETWELL and MR. VINCENT for their efforts. But, the FY14 budget forecast is an indication that budget and cost containment measures need to be maintained.

COUNCILMAN ANTHONY stated the budget highlights the efforts of the City to increase safety initiatives. Spending money on clean and safe parks for children, technology advancements for businesses, and new fire stations are just some examples of the City's commitment to its new strategic plan. MAYOR GOODMAN concurred and stated these

CITY COUNCIL MEETING OF: MARCH 28, 2012

improvements are becoming evident all around town with the implementation of one-stop-shops like the Development Services Center.

CITY MANAGER FRETWELL explained that outside experts urged caution and suggested the downward forecast of C-Taxes due to their highly elastic and volatile nature. COUNCILMAN ANTHONY asked if the FY13 budget development was reflected in the FY14 budget, but was told by CITY MANAGER FRETWELL that the FY14 budget presented only represents the operating budget. CITY MANAGER FRETWELL also clarified that the \$25 million draw down of the stabilization fund is for capital projects, but that the Mayor and City Councilmembers will be involved in the formal decision-making process. At a later time, COUNCILMAN COFFIN asked staff to provide him with all the information on capital projects. MS. FALDER agreed to do so and explained he will also be provided with the scopes of each project. MAYOR GOODMAN questioned if the project list is prioritized, but was told that will be outlined in their packets at a future date.

COUNCILWOMAN TARKANIAN clarified for the benefit of the public, that this budget is tentative and can be changed. She stressed this is only the first step in creating a final budget.

