Carolyn G. Goodman, Mayor (At-Large)
Stavros S. Anthony, Mayor Pro Tem (Ward 4)
Brian Knudsen (Ward 1)
Victoria Seaman (Ward 2)
Olivia Diaz (Ward 3)
Cedric Crear (Ward 5)
Michele Fiore (Ward 6)

City Manager Jorge Cervantes
City Attorney Bryan K. Scott
City Clerk LuAnn D. Holmes

Special Joint City Council and Redevelopment Agency
Budget Meeting Agenda Minutes

Council Chambers · 495 South Main Street · Phone 702-229-6011
City of Las Vegas Internet Address: www.lasvegasnevada.gov

May 19, 2021
9:30 AM

1. Call to Order

Minutes:
MAYOR GOODMAN called the meeting to order at 12:20 p.m.

Present: MAYOR GOODMAN and COUNCILMEMBERS ANTHONY, KNUDSEN, SEAMAN and DIAZ

Excused: COUNCILMEMBERS FIORE and CREAR

Also Present: CITY MANAGER JORGE CERVANTES, CITY ATTORNEY BRYAN SCOTT, ASSISTANT CITY ATTORNEY JEFF DOROCAK, and CITY CLERK LUANN D. HOLMES

2. Announcement Regarding: Compliance with Open Meeting Law

Minutes:
ANNOUNCEMENT MADE: This meeting has been properly noticed and posted at the following locations in accordance with the State of Nevada Executive Department Declaration of Emergency Directive 006: The City of Las Vegas website – www.lasvegasnevada.gov and The Nevada Public Notice Website – notice.nv.gov.

3. Public comment during this portion of the Agenda must be limited to matters on the Agenda for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:
None.

4. Public hearing and discussion for possible action regarding Fiscal Year 2022 City of Las Vegas Tentative Budget and Fiscal Year 2022 City of Las Vegas Final Budget, including the Five-Year Capital Improvement Plan - All Wards

Minutes:
Items 4 and 5 were heard together.

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

CITY MANAGER JORGE CERVANTES said the City took the necessary actions to meet revenue projections as a response to the COVID-19 pandemic. With the reopening of businesses throughout the country and people feeling more comfortable to travel, there is an increase in revenue which this budget now reflects. Some of the restorations focus on the three priorities that were established by the City Council: Public Safety, Health and Wellness, and Economic Development. As it relates to public safety, resources will be brought back to fire services to eliminate the equipment brown outs, and Marshals will hold a greater presence in the parks, Downtown and the new municipal courthouse. The budget also reflects the addition of a Diversity Officer and Grant Coordinator. The Diversity Officer will help with outreach efforts in the diverse business community and helping them see how they can do business with the City. The Grant Coordinator will help the City take advantage of the many federal funding opportunities that are available, specifically for affordable housing. MR. CERVANTES pointed out that these positions are not new positions; they were previously approved by the Council but were never filled due to the smaller revenue projections. In the neighborhood revitalization area, the City wants to help the neighborhoods that were affected by the pandemic and those who could not maintain their homes. Additional field maintenance personnel will also be dispatched to make sure Downtown and neighborhood streets are cleaned and taken care of.

Using a PowerPoint presentation, a copy of which was submitted and attached as backup, CHIEF FINANCIAL OFFICER GARY AMELING thanked all of the City departments for helping contribute to the budget, and the City Council for attending the various presentations and providing guidance. The economy has helped to provide a much more robust budget than last year, and the City benefited from the various federal stimulus packages as well as the new American Rescue monies.

There are six weeks left in the fiscal year, and the estimated revenue is $65.8 billion, which is mainly comprised of C-tax (Consolidated Tax) income. The budget was initially reduced as a response to the pandemic, but it has since been bolstered and revenues are greater than the budget. The property tax year-end estimate is $3.5 million greater and the unbudgeted payoff of the old City Hall increased revenue by $15 million. Because of this, there was no transfer of $32.5 million from the Fiscal Stabilization Fund back to the General Fund as originally planned. Expenditures are expected to come in $10 million under budget, primarily due to labor, service and supply savings.

MR. AMELING then provided a summary for the Fiscal Year 2022 budget. He is expecting to see an approximate growth of three percent in C-tax and return to the levels last seen in 2019. The property tax revenues will be subject to the state caps at three percent for residential and 7.7 percent for non-residential, and he expects to see a 5.4 percent growth. MR. AMELING said this is a balanced budget, and the revenues are equal to the expenditures. He will also continue to recommend that the excess fund balance from Fiscal Year 2021 be used to shore up the Capital Program. Revenue assumptions overall are expected to increase by 0.7 percent, and he detailed the revenue assumptions for areas such as C-tax, property tax and Medicaid reimbursements. The Redevelopment Agency contribution of $2.1 million will also continue to be added to the General Fund to aid in the maintenance for the Downtown area. A pie chart was then shown to visualize the 2022 revenue assumptions, and MR. AMELING reiterated that the City's largest revenue source is from C-tax at 52.2 percent.

Speaking to C-tax history, MR. AMELING said there was a decline across several years due to the Great Recession, and it took ten years to return to the numbers seen in 2006. The COVID-19 pandemic dropped the C-tax revenue to $311 million, but he expects it will only take three years to return to the 2019 numbers. Moving on to expenditures, he said the City still has not returned to peak level numbers seen in 2009. Given the increase the City is expecting for next year, there will be improvement but numbers will still be five percent below the level from 2009. Referencing the Fiscal Year 2022 expenditure assumptions, MR. AMELING said the City is looking to restore positions in the Council priority areas, and he pointed out that a large portion of expenditures are personnel costs. Two collective bargaining agreements have been completed, and the City is currently in negotiations with the CEA (City Employees' Association) and hopes to be finished later in the calendar year. He added that the Metropolitan Police Department requested a 3.4 percent increase to add 86 commissioned officers to re-establish the target level of two officers per 1,000 residents ratio. The Fire and Rescue overtime budget will be restored to Fiscal Year 2020 levels, and two academies will be held each year.

He then gave a brief overview on the changes made between the Fiscal Year 2022 tentative to final budgets, which included reclassifying two positions and transferring two Planning Code Enforcement Technicians to Community Services for Neighborhood Rehabilitation Specialists. An additional 18 positions, each read by title, were restored for a total of 72.5 positions. Non-labor changes included: updating the revenue forecast based on most recent trends and economic indicators, re-evaluating salary and benefit costs, updating the Internal Service Fund rates, adding additional funds to the downtown marketing and branding program, adding contract service for Cultural Affairs special events, adjusting hourly budgets for Parks and Recreation special events, Cultural Affairs, Youth Development and Social Innovation (YDSI) and the Municipal Court, adding two box trucks for special events, reducing the Fire and Rescue overtime budget, reducing the Department of Public Safety (DPS) medical contract, increasing services and supplies for restored positions, and a one-time transfer of $11.2 million to the Capital Project fund.

A pie chart was displayed that depicted the Fiscal Year 2022 General Fund expenditures by function, and MR. AMELING pointed out that about 65 percent is allocated for public safety expenses. Another chart was shown to depict expenditures by category, and he said about 71 percent overall is used for salaries and benefits. In looking at the overall City General Fund budget for the next year, he said the only major change was the recommended $11.2 million transfer from the General Fund to the Capital Program in order to have sufficient funds to cover any increase in costs as a result of inflation. A graph was then shown that plotted the revenue and expenditure amounts over the last 14 years. There have been times where revenues have not kept up, and MR. AMELING noted the years that were impacted by the recession and the pandemic, but Fiscal Year 2022 looks to get back to normal. A five-year forecast is constructed each year as part of the budget process, and he said hundreds of smaller projections go in to putting this forecast together. The City is projecting to have slight surpluses the next several years, but there is a slight difference in the growth rates that are expected for expenditures and revenues. Staff will continue to monitor these numbers in order to determine if the City can continue to afford the programs that are provided.

MIKE JANSSEN, Executive Director of Infrastructure, presented on the proposed Capital Improvement Plan for Fiscal Year 2022. He spoke of the diversity of funding sources that make up this plan, and a majority of it is from the Fiscal Stabilization funds and monies transferred from the General Fund. He then provided a brief overview on the major projects that will be taking place in 2022. One of them is the Downtown Civic Center Building and Plaza, and Council will be reviewing the finalists for the design phase within the next month. Facility Asset Refurbishments is another major project, and the City will be able to catch up on assets that need investments such as roofs, flooring, boilers and chillers. This year, the City will also be able to invest heavily in LED lighting upgrades that will save money and be more reliable. Staff is working on a Master Plan for the Detention Center, and $10.8 million will be allocated to the first phase. Approximately $7.1 million will be invested for cyber security upgrades, and $4.7 million will be invested for the Fire Training Center rehabilitation and equipment for the Skye Canyon Fire Station.

MR. JANSSEN noted that the total allocation for the Capital Improvement Plan has grown to $181.5 million. Rather than adding additional projects, the City will allocate $11.2 million for the Bid Reserve Fund so material and labor increases can be offset. An additional $3.4 million was added to this program to fulfill the projects requested by the Councilmembers. There are a total of 62 new projects for Fiscal Year 2022, and they capture the needs of all departments and hold importance to the City Council.

Switching over to the Redevelopment Agency budget, MR. AMELING said the tax increment revenue estimate was increased to 10.7 percent in Fiscal Year 2021, which helped to reduce the estimate for 2022. These fiscal trends will help the City to continue with efforts in focus areas such as the Las Vegas Medical District, being a resource partner for the Hundred Plan in Action, Symphony Park development, Visual Improvement Program, Cashman Redevelopment, City Hall Park Development and the International Innovation Centers. In looking at the overall budget, MR. AMELING reiterated the only change was the slight increase in the tax increment revenue from $24.8 million to $25.1 million.

MR. AMELING reported the American Rescue Plan Act of 2021 is a $1.9 trillion economic stimulus bill that was passed by Congress and signed into law by PRESIDENT JOE BIDEN on March 11, 2021. This builds upon the $2.2 trillion CARES (Coronavirus Aid, Relief, and Economic Security) Act from March 2020 and the $900 billion Consolidated Appropriations Act from December 2020. These funds will help the City to continue funding relief-related COVID-19 efforts and provide aid to individuals, businesses and for housing. The City is receiving $130.6 million over the next two fiscal years, and the first $65.3 million was received on May 19th. The initial guidance was released from the United States Treasury on May 10, 2021, and staff is still evaluating the eligible uses for community and internal needs to respond to the pandemic and its recovery. The funding for the second year will be available 12 months after the first payment was received, and the money must be spent or encumbered by December 31, 2024. MR. AMELING recommended appropriating $30 million for Fiscal Year 2021, and the majority of the remaining funds will be appropriated to 2022. He expects the City will still have a surplus going in to Fiscal Year 2023.

Speaking to the overall City budget, MR. AMELING said the General Fund budget is proposed at $628.4 million, which is up 9.9 percent from last year's budget and $18.8 million from the tentative budget. The Special Revenue total budget is $222.8 million, the Capital Program is $421.5 million, the Debt Service Fund is $46.5 million, Enterprise Fund $228.1 million and the Internal Service Fund is $187.8 million for a total proposed budget of $1.7 billion. He added that the full-time equivalent staffing level has not changed from last year, and that is because of the positions that are being restored and funded. MR. AMELING said the action requested from Council is to approve the City of Las Vegas final budget, approve the Redevelopment Agency final budget, and approve renaming the CARES Act Special Revenue Fund to the COVID-19 Special Revenue Fund, by way of a resolution, to continue using the fund for other COVID-19 related needs.

MAYOR GOODMAN asked if the COVID-19 relief related funds are shared with any other entity, and MR. AMELING confirmed that those funds were received by the City as a direct recipient.

Because the revenue growth rate was better than anticipated at the onset of the pandemic, MR. AMELING said the City is in a much better position. The federal money has stimulated the local economy, the City has a strategic and phased approach to restore services and staff is carefully monitoring revenue and economic trends. Staff is recommending the restoration of positions in Council priority areas, and they will continue with the vacancy management program. If approved, staff will file the budget with the State by June 1st, and file the five-year Capital Improvement Program budget by August 1st.

MAYOR GOODMAN inquired about the number of new positions, and MR. CERVANTES said only one new position was added and all others were reclassified.

COUNCILWOMAN DIAZ acknowledged the hard work that went in to developing this budget, and gave thanks on behalf of her Ward 3 residents. She was excited to see the new community upgrades such as installing new lighting. The Councilwoman also appreciated the efforts that have been made to make sure everyone is getting information from the City in a way that can be understood and accessed by all. She also requested that Code Enforcement be more nimble and be on top of any code enforcement matters in a more timely matter.

COUNCILMAN KNUDSEN asked to be included early in the process for understanding the allocation of the American Rescue Act funds. MR. CERVANTES advised that staff has started to get a broad picture for where those funds will go, but they will be bringing all suggestions and recommendations back to the Council in the next few weeks for further direction and authorization.

Dialogue took place between COUNCILMAN ANTHONY and MR. CERVANTES regarding the $30 million that staff wants to expend out of the American Rescue Plan this fiscal year. MR. CERVANTES said some of those funds are already being used for services such as the Fire and Rescue staff that are assisting at the Cashman vaccine distribution site and the new Rental Assistance Program, but there is not enough time to spend the entire $30 million in the next six weeks. The Councilman requested information regarding stipulations and what the process is for using those funds, as he and other Councilmembers may have suggestions. MR. CERVANTES said staff is still reviewing the guidelines, but details will soon follow during one of their briefings. He knew that it must be related to impacts of the COVID-19 pandemic, and there is another portion for lost revenue by a governmental agency which has more flexibility.

MR. CERVANTES clarified for the Mayor that the City has until December 31, 2024 to spend the money, and how quickly it can be dispersed will depend on the project or service the City wishes to pursue.

COUNCILWOMAN SEAMAN said it has been a tough year, but everyone has stepped up and she is impressed by staff's hard work.

MAYOR GOODMAN asked if any of the $30 million could be attributed for major change at the Courtyard or Corridor of Hope, and MR. CERVANTES said addressing homeless challenges is one of the specific categories in the act. The Mayor then asked who would prioritize the funding allocations, and MR. CERVANTES said they can bring a list to the City Council at an upcoming meeting for discussion.

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

Motion made by Carolyn Goodman to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

For-Victoria Seaman, Stavros Anthony, Carolyn Goodman, Brian Knudsen, Olivia Diaz; Excused-Cedric Crear, Michele Fiore;

5. Public hearing and discussion for possible action regarding Fiscal Year 2022 City of Las Vegas Redevelopment Agency Tentative Budget and Fiscal Year 2022 City of Las Vegas Redevelopment Agency Final Budget - Redevelopment Area Wards 1, 3 and 5 (Knudsen, Diaz and Crear)

Minutes:
See Item 4 for related discussion.

Motion made by Carolyn Goodman to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

For-Victoria Seaman, Stavros Anthony, Carolyn Goodman, Brian Knudsen, Olivia Diaz; Excused-Cedric Crear, Michele Fiore;

6. R-28-2021 - Discussion for possible action regarding a Resolution renaming the CARES Act Special Revenue Fund to the COVID-19 Special Revenue Fund - All Wards

Minutes:
Subsequent to the vote, MAYOR GOODMAN inquired if COUNCILMEMBERS CREAR and FIORE could reflect their votes in the affirmative if they wished to do so, and ASSISTANT CITY ATTORNEY JEFF DOROCAK advised they would have to be physically present or on the phone to cast their vote.

Motion made by Carolyn Goodman to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

For-Victoria Seaman, Stavros Anthony, Carolyn Goodman, Brian Knudsen, Olivia Diaz; Excused-Cedric Crear, Michele Fiore;

7. Citizens Participation: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the City Council. No subject may be acted upon by the City Council unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion on any single subject, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:
None.

8. Adjournment

Minutes:
The meeting was adjourned at 1:16 p.m.

Respectfully submitted:

____
Cheyenne LaRance, Deputy City Clerk

____
LuAnn D. Holmes, MMC, City Clerk

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS
IN ACCORDANCE WITH THE STATE OF NEVADA EXECUTIVE DEPARTMENT
DECLARATION OF EMERGENCY DIRECTIVE 006
The City of Las Vegas website – www.lasvegasnevada.gov
and
The Nevada Public Notice Website – notice.nv.gov