

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



City Manager Scott Adams
City Attorney Bradford R. Jerbic
City Clerk LuAnn D. Holmes

Special Joint City Council and Redevelopment Agency Budget Meeting Minutes

Council Chambers · 495 South Main Street · Phone 702-229-6011

City of Las Vegas Internet Address: www.lasvegasnevada.gov

**May 20, 2020
9:00 AM**

1. MAYOR GOODMAN called the meeting to order at 12:45 p.m.

PRESENT: MAYOR GOODMAN and COUNCILMEMBERS FIORE, ANTHONY, CREAR, KNUDSEN, SEAMAN and DIAZ

ALSO PRESENT: CITY MANAGER SCOTT ADAMS, ASSISTANT CITY ATTORNEY BRYAN SCOTT, DEPUTY CITY ATTORNEY JEFF DOROCK, 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 2021 City of Las Vegas Tentative Budget and Fiscal Year 2021 City of Las Vegas Final Budget, including the Five-Year Capital Improvement Plan - All Wards

Minutes:
MAYOR GOODMAN declared the Public Hearing open for Items 4-7.

CITY MANAGER SCOTT ADAMS said staff has been working over the last eight weeks to finalize this budget. He thanked every Department Director who worked to identify cuts quickly and responsively. Additionally, he thanked his staff and the entire Finance Department who met all day for several days to deliberate and determine cuts to form a balanced budget. He said the City got lucky when the CARES (Coronavirus Aid, Relief, and Economic Security) Act passed, but there are still financial challenges going forward. Lastly, he thanked the City Council for their patience and understanding.

MAYOR GOODMAN commended MR. ADAMS and his staff, and recognized the hours they have spent

working on this budget.

CHIEF FINANCIAL OFFICER GARY AMELING said he has been working on municipal government budgets for 31 years, and this was unlike any other budget he had done before. He thanked the Collective Bargaining Unit groups, who had been meeting with City staff over the last several weeks. MAYOR GOODMAN said the bargaining units are part of the family and everyone must work together in order to move forward.

Using a PowerPoint presentation, a copy of which was submitted and attached as backup, MR. AMELING explained this presentation would mainly be focused on the City's General Fund. The final budget responds to the City Council's priorities, a citizen survey, impacts of COVID-19 and use of Federal CARES Act funding. He said the economic and financial impacts of COVID-19 will last through fiscal year 2022 and without the help of the federal government, the City would have been insolvent by fiscal year 2021.

The ongoing structural budget deficit is addressing vacancy management, collective bargaining, innovation improvements and revenue enhancements. Major priorities in response to COVID-19 include the health and safety of City employees, citizens, businesses and other stakeholders, and maintaining essential operations. In response to the pandemic, MR. AMELING explained the City formed an internal COVID-19 response team, opened the Emergency Operations Center for logistical support, identified essential and non-essential employees, furloughed non-essential employees, provided infectious disease leave and childcare services for employees and worked with Clark County to open an ISO-Q (Isolation and Quarantine) facility at Cashman Field. Additionally, the City implemented an hiring freeze, began concession bargaining, deferred payments and waived penalties for residents and businesses, formed a customer service and payment center, identified available Federal and State Grant funding and developed reopening plans. Lastly, MR. AMELING provided an overview of the other City funds that are losing a total of \$200 million due to the Coronavirus pandemic.

On March 27, 2020, the CARES Act was enacted and \$1.25 billion was allocated to Nevada. The Act made 45 percent of the per capita amount available as a direct allocation to cities and local government entities with a population of 500,000 or more. The City of Las Vegas filed a certification requesting direct allocation on April 13, 2020 and received \$118.9 million on April 22, 2020. Primarily, the City plans to use the funds to keep Public Safety services going. The City also plans to use the funds for a portion of non-Public Safety payroll, facility improvements, personal protection equipment, COVID-19 testing, ISO-Q operations and other allowable COVID-19 expenditures.

MR. AMELING presented a budget timeline for fiscal year 2021, and said there have been many changes since the Financial Oversight Committee first met in January due to the COVID-19 crisis. Using the most recent projections from regional economists, MR. AMELING displayed the projected revenue decreases for the next two fiscal years as it related to C-tax (Consolidated Tax), property tax, licenses and franchises, fines and charges and contributions from the Redevelopment Agency.

A bar graph depicting the C-tax history from fiscal years 2007 through 2021 was displayed, and MR. AMELING noted there was a significant decline during the Great Recession, and it took nine years to get back to where it was in 2007. During fiscal years 2020 and 2021, there is an expected \$86.8 million loss, which is more than what was lost during the Great Recession. Based on conversations with regional economists, it will take approximately three years to get revenues back to where they were during fiscal year 2019. Another bar graph was shown depicting property tax history, and the bars were divided by the amount of tax collected versus the abated tax. He noted abated taxes nearly disappeared during the Great Recession as property values decreased, and there was a \$46.5 million decrease in the amount of taxes collected. MR. AMELING noted the City still has not recovered from that loss even 12 years later.

Comparing the budget projections for fiscal years 2020 and 2021 before and after the pandemic occurred, MR. AMELING said the City was expecting a \$23 million increase in General Fund revenues in fiscal year 2020 and a \$15 million increase in fiscal year 2021. Since the pandemic, current projections show fiscal year 2020 will instead bring in \$55 million less, and fiscal year 2021 will bring in \$124 million less than what was estimated. Speaking to fiscal year 2021 general fund resources, MR. AMELING explained C-tax makes up 42.9 percent, property tax makes up 21.4 percent, license and franchise costs makes up 17.5 percent and other resources make up 18.2 percent. To balance the budget, departments were asked to submit decrements which amounted to \$48.4 million in frozen positions, positions transferred to other funds and reduced overtime and hourly budgets. An additional \$22.3 million of non-labor expenditures decrements were agreed upon such as

services and supplies and funding to the Las Vegas Metropolitan Police Department. Lastly, \$32.6 million from the Fiscal Stabilization Fund would be used to help balance the budget for fiscal year 2021.

MR. AMELING explained the City had to add \$3.8 million to the General Fund for contractual obligations with the Animal Foundation, Fire Communications and software maintenance vendors. These funds were also needed for the Mayor's Fund administrative fees, lobbying expenses, the Homeless Courtyard Professional Services Contract and Badlands litigation.

MAYOR GOODMAN asked if the \$500,000 allocated to the Badlands litigation was only for 2021, and MR. AMELING confirmed that amount is for fiscal year 2021 on top of what was already allocated. DEPUTY CITY ATTORNEY JEFF DOROCAC noted those funds did not include the additional money approved at the last City Council meeting, but staff is working on spending as little money as possible. MAYOR GOODMAN asked where the funds will come from if more money is needed, and MR. AMELING explained there are various areas the City could look to if additional money is needed. MAYOR GOODMAN asked if \$500,000 is an average or generous amount for this circumstance, and MR. DOROCAC said this was a lower-end estimate, but staff is hoping the money will go as far as it can and they will supplement as-needed after it runs out. COUNCILWOMAN FIORE said there have been four law firms working on the Badlands litigation, and wondered if three of them had been terminated yet. MR. DOROCAC named two law firms that had been terminated, and said staff is working to consolidate costs to one firm. MAYOR GOODMAN asked how many City Attorneys are assigned to the Badlands litigation, and MR. DOROCAC said DEPUTY CITY ATTORNEYS PHILIP BYRNES and SETH FLOYD were leading the efforts. MAYOR GOODMAN asked if their work hours were budgeted into the \$500,000, and MR. AMELING said their hourly time is budgeted into the General Fund similar to other wages and benefits. COUNCILWOMAN FIORE asked City Attorney and City Manager staff to bring this work in-house to reduce costs. COUNCILWOMAN SEAMAN said settling this litigation is a priority and echoed thoughts on bringing everything in-house.

MR. AMELING explained an additional \$1.4 million needs to be added to the General Fund to pay for Strong Start Go! Mobile Pre-K teachers and two Fire Communication Specialists, software maintenance, Communications Center overtime expenses and facility utilities.

Displaying a pie chart for fiscal year 2021 General Fund expenditures by function, MR. AMELING explained 68 percent of funds are dedicated to Public Safety. COUNCILMAN CREAR asked how the City prioritized capital expenditures, and MR. AMELING explained his presentation was focused around the General Fund not the Capital Program. The Public Works Engineers that work on the capital projects would be included in the General Fund, but the capital costs are not included.

Looking at the General Fund expenditures by category, MR. AMELING said the largest portion goes to salaries and benefits, which is typical for a City budget. MR. AMELING then displayed the final General Fund budget for fiscal year 2021, and reiterated the significant decrease in consolidated tax over the next two fiscal years. Referencing the actual numbers in fiscal year 2019, MAYOR GOODMAN said the State may hold a special session to increase property tax, and wondered if that would affect fiscal year 2021. MR. AMELING said it would not impact fiscal year 2021 because the property tax assessments are already getting ready to be billed out by tax offices throughout the state. He added a property tax change is difficult, and requires two years' worth of votes. CHIEF OF STAFF TED OLIVAS confirmed a property tax change would not affect fiscal year 2021, but he would consult with City Attorney staff and report back to the Mayor on what it takes to make that change. MR. AMELING said he was more worried for a potential reduction in property tax. He added there is the ability for income-based properties to ask the Clark County Assessor for a reassessment which could impact property taxes.

A five year projection was shown for fiscal years 2020 through 2026, and MR. AMELING noted these projections were based on assumptions that concessions from bargaining units were reached and said the department decrements would remain throughout this forecast. The projection still shows that the City has a structurally unbalanced budget due to the expenditure growth rates exceeding the revenue growth rates, and the City is projecting deficits for fiscal years 2023 through 2026.

With respect to the Capital Improvement Plan, MR. AMELING said there are dedicated funding sources totaling \$10.4 million that help support the capital improvement projects. The City will also look to reallocate costs from existing projects to help fund new projects. Upcoming major projects include fire apparatus replacement, fire

equipment replacements, fire rescue replacements and Information Technologies upgrades. MR. AMELING noted the \$10.4 million does not include the regional money received from partners such as the Regional Transportation Commission, Regional Flood Control District and the Nevada Department of Transportation. The funds would be allocated to Public Safety, City facilities and technology. The City identified 18 new projects for fiscal year 2021, and the five year 2021-2025 Capital Program equates to \$1.2 billion in funding.

MR. AMELING said the Redevelopment Agency would be continuing efforts to market the Medical District and Symphony Park development, and will make a contribution of \$2 million to the City. The Economic and Urban Development Department will work on emergency funding assistance for small businesses and allocations for New Market Tax Credits. The Agency will also continue work on the International Innovation Center with the Bank of America Building, 5th Street School and the library. In providing an overview for the Redevelopment Agency's budget, MR. AMELING noted that fiscal years 2019 and 2020 were not typical budgets in that they were affected by the canopy project on Fremont Street and received additional contributions.

The Fiscal Stabilization Fund was created to provide for the stabilization of operations during periods of economic downturn or for the mitigation of the effects of disasters. As a starting balance, the City came up with \$24.5 million which was pulled from various funds. Additionally, because this is a special revenue fund, there must be a dedicated revenue source. MR. AMELING recommended allocating one-tenth of one percent of property tax monies into this fund. He said the expenditures from this fund would only be used to stabilize operations during times of economic events or natural disasters. Monies will be transferred from the General Fund, bringing the balance to \$90.5 at the end of this fiscal year. In fiscal year 2021, \$32.6 million needs to be transferred back to the General Fund, leaving \$57.9 million to help support fiscal year 2022.

The Customer Service and Payment Center Fund would provide for a centralized service area where citizens may call with questions or complaints, receive current information on City activities and services, and make payments. MR. AMELING said the center is already operating on the first floor of the City Hall garage, and is open to customers Monday through Friday. MAYOR GOODMAN asked if cash is accepted and inquired about the operating hours. MR. AMELING said the center is open on Friday and will eventually be open on Saturday as well. The City has moved towards online payment opportunities, but phone and in-person payments are also accepted. MAYOR GOODMAN asked what the annual cost is for operating this center, and MR. AMELING said he did not have an exact number, but it would be less expensive because this is a more centralized location and requires less employees to operate. In closing, MR. AMELING presented an overall summary for the \$1.5 billion budget for fiscal year 2021. He pointed out that the General Fund would have a \$572 million budget, which is \$44 million less than what was previously approved.

Speaking to Capital Improvement projects, COUNCILMAN CREAR asked what projects are incorporated in the budget and who identifies which projects are a priority. CHIEF OPERATIONS AND DEVELOPMENT OFFICER JORGE CERVANTES said when looking at projects, staff looks at three things: restriction on the funding, critical needs and alignment with City Council priorities. Referencing a list he received of Capital Improvement projects that were requested throughout all wards, COUNCILMAN CREAR asked if the fire apparatus, fire equipment and security upgrades were the only projects moving forward in 2021. MR. CERVANTES confirmed, and said these are the projects funded out of the General Fund proceeds. There was only \$10 million available, and that money had restrictions; therefore, staff was limited on what projects the money could be used for. COUNCILMAN CREAR asked if they would go through the projects in his Ward and figure out alternative funding methods, and MR. CERVANTES confirmed. Referencing the scheduled transfers to the Fiscal Stabilization Fund, COUNCILMAN CREAR asked if the money going in to that fund is being taken away from something else. MR. AMELING said that was correct, and explained the resolution requires one tenth of one percent of property tax monies into this fund. This funding source would then make this fund restricted under State law, and would not be part of the General Fund. COUNCILMAN CREAR asked if staff was only anticipating \$100,000 going into this fund per year, and MR. AMELING said it would be about \$113,000.

MAYOR GOODMAN asked how this fund would be affected if property taxes were decreased, and MR. AMELING said it would always be one tenth of one percent, but the overall balance may be less.

COUNCILWOMAN FIORE thanked MR. AMELING for his patience and helping her get through this process.

COUNCILMAN KNUDSEN asked MR. AMELING if he could send regular e-mails with details on how the CARES Act money is being spent, to which MR. AMELING confirmed.

For clarification, MR. DOROCK explained the Council would need to vote on each action item. Additionally, he noted the agenda for Item 7 was mislabeled and should state 'Customer Service and Payment Center Internal Services Fund'. He also clarified the process for increasing property taxes which requires a two thirds vote in the Assembly and the Senate to add an additional \$5 per \$100 assessed on the home.

KATIE DUNCAN, President of the Historic Westside Chamber of Commerce, referenced the Redevelopment Agency Employment Policy, which required 51 percent of employees to be people who live in the redevelopment area. She said the law changed from 51 percent to 15 percent, but the requirement is still never met. She wanted to know why taxpayer funds continue to be spent if we are not fulfilling the intent of the law. Per the Mayor's request, MR. DOROCK confirmed MS. DUNCAN'S question could be addressed as long as the Council does not engage in a discussion. BILL ARENT, Director of Economic and Urban Development, said the City does maintain a report for every expenditure and an employment plan on file. MS. DUNCAN said the City is employing 15 percent on the construction side, but they are not complying with the permanent employment requirement. COUNCILMAN CREAR said he would like to meet with MR. ARENT to go over the employment plan, as it is a priority of his to make sure Ward 5 residents are employed.

MAYOR GOODMAN declared the Public Hearing closed for Items 4-7.

Motion made by Michele Fiore to Approve

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

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

5. Public hearing and discussion for possible action regarding Fiscal Year 2021 City of Las Vegas Redevelopment Agency Tentative Budget and Fiscal Year 2021 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 Michele Fiore to Approve

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

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

6. R-24-2020 - Discussion for possible action regarding a Resolution establishing the Fiscal Stabilization Special Revenue Fund to stabilize operations during periods of economic downturn or for the mitigation of the effects of disasters - All Wards

Minutes:

See Item 4 for related discussion.

Motion made by Michele Fiore to Approve

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

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

7. R-25-2020 - Discussion for possible action regarding a Resolution establishing the CARE Center Internal Service Fund to be used to account for costs associated with a centralized call center where citizens can call and receive the most current City information, respond to customer inquiries and complaints, as well as a central location to make all payments for services offered by the City - All Wards

Minutes:

See Item 4 for related discussion.

Motion made by Michele Fiore to Approve

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

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

8. 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:

STEPHEN "CAPTAIN TRUTH" DEMPSEY said he was glad he stayed for this meeting and voiced his opinion against increasing property taxes.

MAYOR GOODMAN thanked the staff who has been working so diligently during this difficult time. She wished everyone a happy Memorial Day, and said it is an honor to serve people who want to keep the city moving forward. She said she is proud of everyone who works for the City, and the world needs to live like Las Vegas does.

9. Adjournment

Minutes:

The meeting was adjourned at 2:18 p.m.

Respectfully submitted:

Cheyenne LaRance, Deputy City Clerk

LuAnn D. Holmes, MMC, City Clerk

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS IN ACCORDANCE
WITH THE STATE OF NEVADA EXECUTIVE DEPARTMENT DECLARATION OF
EMERGENCY DIRECTIVE 006

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