

Carolyn G. Goodman, Mayor (At-Large)
Brian Knudsen, Mayor Pro Tem (Ward 1)
Victoria Seaman (Ward 2)
Olivia Díaz (Ward 3)
Francis Allen-Palenske (Ward 4)
Cedric Crear (Ward 5)
Nancy E. Brune (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 Minutes**
Council Chambers · 495 South Main Street · Phone 702-229-6011
City of Las Vegas Internet Address: www.lasvegasnevada.gov

**May 17, 2023
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 KNUDSEN, CREAR, SEAMAN, DIAZ, ALLEN-PALENSKE, and BRUNE

ALSO PRESENT: CHIEF FINANCIAL OFFICER GARY AMELING, ASSISTANT CITY ATTORNEY JEFF DOROCÁK, and ACTING CITY CLERK STACEY CAMPBELL

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 noticing standards as outlined in NRS 241.020: City Hall, 495 South Main Street, 1st Floor; 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 2024 City of Las Vegas Tentative Budget and Fiscal Year 2024 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 this presentation would highlight the changes that have been made since the tentative budgets were presented. Overall, the budgets respond to the Council's priorities of public safety, healthcare, and diversifying the economy.

CHIEF FINANCIAL OFFICER GARY AMELING thanked all members of the Finance Department for their efforts to bring these budgets together, and the City Council for the time they have spent in various hearings. Using a PowerPoint presentation, a copy of which was submitted and attached as backup, he provided a brief overview as to how the budget responds to the areas of public safety, diversifying the economy, healthcare and internal support. Speaking to the Fiscal Year 2023 General Fund year-end estimate summary, he said the current estimate of revenues are greater than the budget by \$86.2 million, and expenditures are expected to run over budget by \$92.3 million, which is primarily due to the American Rescue Plan funds.

Some of the Fiscal Year 2024 General Fund highlights included: an overall revenue decrease of 3.2 percent, 1.2 percent growth in Consolidated Tax (C-Tax), and a 7.7 percent growth in property tax collections. The City is also planning to receive a \$7.7 Medicaid reimbursement and a \$3 million contribution from the Redevelopment Agency. A pie chart was displayed that depicted the various revenues for Fiscal Year 2024, and MR. AMELING said C-Tax accounts for 56.3 percent, property tax accounts for 19.7 percent, license and franchise fees accounts for 13.8 percent, and other revenues account for 10.2 percent for a total revenue estimate of \$763.2 million. He added that the City has adequate reserves in place if the revenues start to shortfall.

Speaking to C-Tax history, MR. AMELING said there was a peak of \$264.3 million in Fiscal Year 2006, but there was a drop from the Great Recession, and those impacts lingered for about 10 years. There was another decline in Fiscal Year 2020 due to the pandemic, but the stimulus monies provided good growth for the following three years. Staff is projecting \$430 million in C-Tax revenue in Fiscal Year 2024, but MR. AMELING noted that this is below the State's estimate of \$441 million. He added that another recession might be on the horizon, so staff is keeping a close eye on revenues. There was a similar decline associated with the Great Recession as it relates to property tax history, and it took 13 years to fully recover. It is projected that there will be \$150.6 million in property tax revenue in Fiscal Year 2024.

SUSAN HELTSLEY, Finance Director, recognized her team and the administrative staff for their hard work in crafting this budget. She spoke of the expenditure assumptions for Fiscal Year 2024, which reflects a 10.5 percent increase for the Las Vegas Metropolitan Police Department (Metro). Additional expenditure highlights included: a third Fire Academy and Fire Training Officers, expansion of the Call Reduction Initiative/Crisis Response Team, additional Animal Protection Officers, additional positions for city-wide support services, additional positions for neighborhood beautification, housing rehabilitation and code enforcement programs, City Hall security technology, and inflationary cost increases for utilities, services and supplies. Further, it was confirmed that the budget responds to employer rate increases for Nevada Public Employee Retirement System (NVPERS) and the various collective bargaining agreements.

She provided an overview of the Fiscal Year 2024 budget changes from tentative to final, which includes 68.88 positions, and it was noted that an IT position for the Fire and Rescue Communications Center was removed because it is no longer needed. Staff also updated the revenue forecast based on the most recent economic trends, re-evaluated salaries and benefits based on the most recent staffing changes, and they adjusted the Metro contract to reflect a savings of \$6,085. Funding was also added for the following: \$3.3 million for Recuperative Care Center operations, \$50,000 for a new school partnership, \$75,000 for ongoing operations of the Urban Agriculture Hydroponic Farms, \$20,000 for the Neighborhood Partners Fund, and \$400,000 to accommodate the higher escalation of natural gas utility costs. MS. HELTSLEY also noted increased spending authority in various Special Revenue Funds (SRF) for the following: contribution to the Smith Center, additional opioid settlement revenue, refunding of residual funds, and neighborhood beautification. The final budget also reflects a \$2 million contribution from the Redevelopment Agency for Civic Plaza Building #2 tenant improvements, \$30 million in bonding authority for federal transportation grants, a \$9 million transfer from the General Fund to the Capital Improvement Program (CIP), and a \$90,000 transfer to the Percent for the Arts SRF.

Another pie chart was shown that depicted the \$754.4 million of expenditures by category, and MS. HELTSLEY pointed out that salary and benefits make up nearly 50 percent of the budget. Metro's contract accounts for 22.5 percent, non-labor fees are 20.2 percent, other is 4.8 percent and debt service is three percent. In looking at expenditures by function, 63 percent are dedicated to public safety. The remaining, consecutively, is comprised of general government, other, cultural and recreation, judicial, public works, and debt service. In looking at an overview of the final budget for Fiscal Year 2024, she said the City will have revenues of \$763.2 million and expenses of \$754.4 million for an excess of \$8.8 million. Speaking to the General Fund forecast,

MS. HELTSLEY reported that the City will not fall into a deficit until Fiscal Year 2029, which is estimated at \$10.2 million.

MIKE JANSSEN, Executive Director of Infrastructure, expressed the amount of teamwork that goes in to planning the budget, and his team is ready and excited to deliver these projects. He said the only changes from the tentative to final budget is the Redevelopment Agency contribution and the Road Construction Bond/Federal Infrastructure Match. He gave a brief overview of the major projects that will be taking place during Fiscal Year 2024, and he noted that the contract amount for the Lorenzi Park improvements will be \$3.2 million instead of \$3.3 million. MR. JANSSEN said in order to compete for federal infrastructure funds, the City must submit a matching component; therefore, staff felt it would be strategic to have a \$30 million bond as a placeholder. He added that additional funds will be going towards inclusive/adaptive playground equipment, the Arts District Master Plan implementation, and a bid reserve.

The total proposed CIP budget is \$190 million, but he noted that this does not include projects that receive funding through the RTC (Regional Transportation Commission), RFCD (Regional Flood Control District), and NDOT (Nevada Department of Transportation). Most of the funding will be used for City facilities, and the remaining allocations will be used for parks and recreation, public safety, road and flood, and technology projects. There are a total of 59 new projects planned for Fiscal Year 2024.

MR. AMELING spoke of the Redevelopment Agency budget, noting that not much has changed with the exception of the additional contribution to the CIP. Staff also had the desire to update the Budget Policy (Item 6), which has not been updated since 2014. He highlighted the changes, which included revised language in the Budgets, Positions and Personnel, Capital, Revenue, and Fund Balance and Reserves sections, and removing language in the Budgets, Capitals, Revenues, and Fund Balance and Reserves sections that did not apply to the Agency. Further, staff recommended changes to the Fund Balance and Reserves section to increase the reserve target from five percent to 10 percent of budgeted operating expenses.

In closing, MR. AMELING said the total budget proposal for next year is \$2.2 billion. Staff believes this budget responds to the Council's priorities while also focusing on organizational and fiscal health. He also reiterated that staff was conservative in planning this budget, which includes a surplus of \$8.8 million. If approved, the budget will be filed with the State by June 1st, and the final five-year CIP plan will be filed by August 1st.

MAYOR GOODMAN said she has seen such improvement over the last 12 years, especially in the areas of public safety and diversifying the economy.

COUNCILWOMAN BRUNE said she was impressed with the budget process and level of transparency. She appreciated staff's attention to organizational health, and she believed the budget aligns very intentionally with their priorities. The Councilwoman was curious which fund(s) would include homeless services, to which KATHI THOMAS, Director of Neighborhood Services, answered public safety and general government. The Mayor inquired about any funds related to sanitation, and MS. HELTSLEY said those dollars would come from the Enterprise Fund and a SRF.

COUNCILMAN KNUDSEN thought the budget was very reflective of the Council's priorities, and he felt the Finance team has done a great job in responding to each of their needs.

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

Motion made by Brian Knudsen to Approve

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

For-Nancy Brune, Victoria Seaman, Cedric Crear, Carolyn Goodman, Brian Knudsen, Olivia Diaz, Francis Allen-Palenske;

5. Public hearing and discussion for possible action regarding Fiscal Year 2024 City of Las Vegas Redevelopment Agency Tentative Budget and Fiscal Year 2024 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 Brian Knudsen to Approve

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

For-Nancy Brune, Victoria Seaman, Cedric Crear, Carolyn Goodman, Brian Knudsen, Olivia Diaz, Francis Allen-Palenske;

- 6. RA-9-2023 - Discussion for possible action regarding a Resolution adopting the budget policies upon which the Redevelopment Agency Budgets are based

Minutes: See Item 4 for related discussion.

Motion made by Brian Knudsen to Approve

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

For-Nancy Brune, Victoria Seaman, Cedric Crear, Carolyn Goodman, Brian Knudsen, Olivia Diaz, Francis Allen-Palenske;

- 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: ARCELIA BARAJAS, Deputy Neighborhood Services Director, assisted in translating for PATRICIA LOSE (phonetic) and ASTRID TORRES, who had concerns about a security guard that works for the Fremont Street Experience (FSE). They said he abuses his authority and although he has been reported to the Marshals, nothing has been done about it. He also conducts illicit business in charging the homeless for the busker spots. MS. LOSE was handcuffed, which she has an injury from, and said she has videos of everything. The Mayor clarified that this individual works for FSE's private security company, and they have already filed a report with their executive body. She called upon CITY ATTORNEY BRYAN SCOTT to assist them further.

- 8. Adjournment

Minutes: The meeting was adjourned at 1:05 p.m.

Respectfully submitted:

Cheyanne LaRance

Cheyenne LaRance, CMC, Senior Deputy City Clerk

Stacey Campbell

Stacey Campbell, MMC, Acting City Clerk

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS IN ACCORDANCE WITH THE NOTICING STANDARDS AS OUTLINED IN NRS 241.020:

The City of Las Vegas website – www.lasvegasnevada.gov
The Nevada Public Notice website – notice.nv.gov
City Hall, 495 South Main Street, 1st Floor