

M I N U T E S

Las Vegas, Nevada
March 22, 1977

A SPECIAL MEETING of the Board of City Commissioners of the City of Las Vegas, Nevada, held this 22nd day of March, 1977, was called to order by His Honor, Mayor Pro-Tem Lurie at the hour of 10:10 A.M., with the following members present:

Mayor Pro-Tem	Lurie
Commissioner	Christensen
Commissioner	Leavitt
Commissioner	Woofter

ABSENT (Excused)

Mayor	William H. Briare
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STAFF PRESENT:

City Manager	W. E. Adams, P.E.
City Attorney	Carl E. Lovell, Jr.
Director of Financial Management	Marvin Leavitt
Budget Officer	David Parks
Director of Funds, Coordination & Projects	Bruce W. Spaulding, AIP
Director of Personnel & Employee Relations	Robert McPherson
Director of Business Activity	Ila M. Britt
Director of Community Planning & Development	Don J. Saylor, AIP
Director of Public Services	Laurence Hampton, P.E.
Director of Municipal Services	J. C. Cathcart
Director of Parks and Recreation Services	Richard Campbell
Director of Cultural Services	Harold P. Foster
Director of Senior Citizens Center	Bob Light
Fire Chief, Fire Services	Jerry Miller
Assistant City Clerk	Betty Jo Winter, CPS

1977-78 TENTATIVE BUDGET
Referred to
4/6/77 Meeting

Mayor Pro-Tem Lurie: The first item on the agenda we will discuss this morning is the 1977-78 Tentative Budget for the City of Las Vegas.

Mr. Adams: Mr. Mayor and Commissioners, this is the time for our scheduled hearing on the Tentative Budget. I would like to ask that our Director of Financial Management and our Budget Officer that are here explain to you any of the pertinent facts that you might requestor any additional items, Mr. Leavitt and Mr. Parks.

Director of Financial Management Marvin Leavitt: We filed the tentative budget with the State Department of Taxation. It is required by statute, we have received back from them a letter I am required to read at this meeting this morning. It is addressed to the Mayor and members of the Commission.

"The Department of Taxation has examined your Tentative 1977-78 Budget pursuant to N.R.S. 354.596, subsection 5 and finds it to be in compliance with the law and appropriate regulations. This notice of compliance should be read at the public budget hearing pursuant to N.R.S. 354.596 Subsection 5. A separate letter delineating technical errors and/or questions has been forwarded to the entities budget officer." They consist of questions and not really any problems with the budget the way it was filed. I might mention that those not familiar with preparation of budgets, getting a letter of compliance is something very rare, especially with a budget this size, and I think the budget officer

should be congratulated for the work he has done to get the budget in compliance. We are not ready this morning to ask you to approve the budget. Since this budget has been filed, there's been a number of things that have been changed. One thing is the negotiation with employees who have since ratified contracts and we have not yet made the computations by departments and are ready to put those into the budget. What we would anticipate doing is between now and the meeting of April 6, we will make those computations, we will put those into the budget document and we will get you a copy of the final budget at least several days prior to the Commission meeting and anticipate your approving it, the final budget, on April 6. The current budget calls for general fund expenditures of \$35,333,953. Of course, we recognize that that amount is going to be increased because of the negotiations with employees. There are also a couple of revenue sources that will be adjusted upward, the revenue looks a little better.

Commissioner Leavitt: I would like to ask, if I may, in regard to some of those revenue sources, you indicated in your letter of February 20, 1977 that the ending fund balance was going to be less than the 4% required by regulation, because of the loss of anticipated ad valorem tax revenue. Would you explain that.

Mr. Leavitt: What that simply means is that we had anticipated during the year that our ad valorem would probably go up between 7% and 8% for this year. When we actually got the ad valorem figures from the County Assessor, they had only went up about 4%. Because of that, we were more hard pressed to come up with a larger ending balance than we had anticipated.

Commissioner Leavitt: Isn't it normal that the assessed valuation goes up that much during the year? That was your estimate. Normally it goes up between 7 to 8, and it only went up 4, is that what you're saying?

Mr. Leavitt: That's right. There is several things that can cause that. One thing is that he did not do reassessments in the boundaries of the City of Las Vegas this year. He will be doing that two years from now, so we will not, even though we have had some pretty good construction in the area, a good share of the amount that goes up comes from the reassessment, so until he does that, we would anticipate the amount going up probably a fairly small amount next year too.

Commissioner Leavitt: It's every three years he has to do it, isn't it?

Mr. Leavitt: It's every five years.

Commissioner Leavitt: They've been doing it about every three, haven't they?

Mr. Leavitt: He's been able to get around more often than that, but he didn't do anything within the City this year according to my understanding.

Commissioner Leavitt: What about this loss of anticipated cigarette tax revenue?

Mr. Leavitt: I think that is just a fact we are going to have to live with, probably from now on. Cigarette tax has just not been very fast grower. It's been a slow grower over the years, but we have now reached a point where it created almost no growth in that revenue. I think it is something we'll have to live with.

Commissioner Leavitt: Is the fact that some cigarettes

are being sold at certain places, Indian Reservation, and so forth, without the necessity of paying tax have an effect on that?

Mr. Leavitt: Yes. I do not know the total effect, right here in Clark County, but I understood the effect was quite substantial.

Commissioner Leavitt: I know, I drive down there, I see a lot of cars lining up to go buy the cigarettes at the Indian Reservation where they don't have to pay the tax, and I'm just wondering if that was a factor in the loss of anticipated revenue there. Also, they are considering the possibility of a bond issue backed by an additional cigarette tax and that's why I was curious as to what the reason for the loss of anticipated tax is. You think that does have a substantial effect, the fact they are sold without the tax.

Mr. Leavitt: Yes, I received some figures the other day, which I have not really verified their accuracy, which indicated that the loss might be as great as \$800,000 a year in tax that relates to cigarettes sold through that Reservation.

Mayor Pro-Tem Lurie: I am sure that the Legislature will be taking a close look at these anticipated budgets and the revenue generated before they pass any type of legislation to increase the tax to retire any bonds for a sports complex.

Mr. Leavitt: That's right.

Mayor Pro-Tem Lurie: I have a question on some of the departments and the increases and decreases and other. Like Municipal Court shows a decrease of almost \$100,000. Does that take into effect the new fourth Municipal Court?

Mr. Leavitt: The fourth Municipal Court is not in this budget. That is one that will be added between now and the final budget. The fourth one is not reflected in the tentative budget.

Mayor Pro-Tem Lurie: Well, then, that figure is going to be considerably higher as far as tentative.

Mr. Leavitt: Between tentative and final, that's right. It will be considerably higher.

Mayor Pro-Tem Lurie: Then your justification is that the revenue that will be generated from the Court would offset the increase that we are going to be looking at there.

Mr. Leavitt: That's right. So, we'll see an increase in the revenue as well as an increase in expenditure

Mayor Pro-Tem Lurie: There was another one that stands out here. That's in Municipal Services. Down \$340,000. Can you explain to me why that particular department was cut that amount of money?

Mr. Leavitt: The Municipal Services, you notice on 112, they go from \$1.1 million to \$781,000 which, notice if you turn the page to 113, that goes from \$128,000 to \$555,000. It's just a change in the way we account for that. It doesn't really represent much of a change in the activity of the function. It relates to City Hall janitorial staff, that's what it relates to.

Mr. Adams: That's some of our new accounting process. We're coming in and picking up some of the figures and getting a little more accurate.

Commissioner Christensen: Does this budget reflect the usage of the City Hall by the County?

Mr. Leavitt: It reflects expenditures. It does not reflect any revenues from that source.

Mayor Pro-Tem Lurie: As of April 1, we are supposed to be receiving compensation from the County. So that's increased revenue and would reflect in the Municipal Services.

Commissioner Christensen: Has that been established that we will start receiving revenue from the County.

Mr. Adams: It's not finalized. That was their request and it was my understanding that the original request from the Commission was to go back to the first of January. As soon as the City Attorney gets through with the legal material in the agreement, I want to get back with George and see if that date doesn't go back to the first of January. I can't really say if there is any change, and I can't make the 1 January, then I'll bring it back to you.

Commissioner Leavitt: In regards to page 10 in the Metropolitan Police Department, I notice that you have tentative approval there for about \$12.4 million. Did you have a chance to look at the tentative Metropolitan Police Department budget?

Mr. Leavitt: I have seen that.

Commissioner Leavitt: What's the total budget, tentative?

Mr. Leavitt: They call for \$25 million as I recall, \$24.9 million.

Commissioner Leavitt: What I'm getting at, is \$12.4 million a 50%, 52-1/2%, or how did you arrive at that figure?

Mr. Leavitt: The \$12,358,233 is \$1.94 of the tax rate.

Commissioner Leavitt: In other words, it is not based on a 50-50 budget. What would it be, can you give me a real quick figure? The maximum according to law we can contribute is \$1.94, but I'm wondering if suppose the Legislature changes that and says it's a 50-50 budget, how much additional would the City have to contribute?

Mr. Leavitt: Based on a budget of \$25 million, we would be talking very close to where we are now, we are at \$12.4 million.

Mayor Pro-Tem Lurie: That \$25 million, I believe it is a little higher. The budget that I reviewed was about \$26 million and that's to hold the line and for additional personnel and equipment, it goes up as high as I believe \$29 million.

Commissioner Christensen: But you've got to remember one thing. If that bill passes, makes it 50-50, it will also put the profit generated by Metro back in the Metro budget, before the split. That profit is conservatively \$1.5 million a year. That's going to reduce that budget by \$1.5 before we are required to contribute, so we should be right in the ballpark.

Commissioner Leavitt: Even if it did go \$26 million, the revenue comes back in, it would still be about \$12.5, our share.

Mr. Leavitt: It would still be very close to where we are now.

Mayor Pro-Tem Lurie: Do the Commissioners have any further comments?

Commissioner Leavitt: What's your anticipated ending balance?

Mr. Leavitt: I would anticipate the ending balance in the final would be very close to what we show as the ending balance right now, which is about \$200,000.

Commissioner Leavitt: That's about 2 days, isn't it?

Mr. Leavitt: That's right. About 2 days.

Mayor Pro-Tem Lurie: Do the Commissioners have any other questions? Then, you don't want any action on the budget today. We will refer this to our April 6 agenda for final approval. Is there anyone in the audience that would like to make any comment on the tentative budget? This is a public hearing. Let the record show that no one was here in the audience to object to the City's Tentative Budget. I would like to thank Marvin Leavitt and Dave Parks and their staff, and the City Manager's staff on preparing the tentative budget and receiving the letter that they did from the Tax Commission. I think, Commissioner Christensen, since we've been part of the Board, I think it's the first time we got a nice letter from the Tax Commission, and we didn't have to go back and readjust in the tentative budget. I'll close the public hearing, and this item will then be referred to the April 6 agenda.

FEDERAL REVENUE
SHARING
Referred to
April 6 Agenda

Mayor Pro-Tem Lurie: The second item that we are going to discuss this morning is the possible uses for Federal Revenue Sharing for 1977-78. Can we have a copy of the proposed uses?

Director of Funds, Coordination and Projects Bruce W. Spaulding: This is the second public hearing on the allocation of General Revenue Sharing. It is a time for public comment on possible uses of these funds. Tentatively, the allocation is scheduled for the meeting, your regular meeting on April 6.

Mayor Pro-Tem Lurie: Is there anyone in the audience that would like to speak on the public hearing concerning revenue sharing money for 1977-78.

Garth Winckler: I'm the Planning and Allocations Director with United Way. We do have a proposal in for General Revenue Sharing funds and if there are any questions you might have about that proposal, I would be glad to answer them. If not, just let the record show that we were here in support of our proposal.

Mayor Pro-Tem Lurie: Thank you very much. Do the Commissioners have any questions of Garth? Thank you very much and the record will show that you were here. Is there anyone else in the audience that would like to make comments on the expenditures of Revenue Sharing? Let the record show that no one else was in attendance at the public hearing. Do any of the Commissioners have any comments on the expenditures of Revenue Sharing for 77-78.

Commissioner Leavitt: I would like to know if the list of suggested projects were listed by priority or are they just listed at random.

Mr. Spaulding: No, they are not. They are just listed by category.

Commissioner Leavitt: They are not by priority in the category?

Mr. Spaulding: They are by category, not priority.

Commissioner Leavitt: For example, public works projects you have three listed there and I was just wondering if one had priority over the other.

Mr. Spaulding: No, within the categories there is no ranking at this point. Between now and the April 6 meeting, the City Manager will be forwarding his recommendations on the expenditures.

Mayor Pro-Tem Lurie: Most of the projected categories mainly it is a wish list, as Commissioner Christensen calls it, of things we would like to do. The total I think comes up to almost \$8 million and we have \$1.9 million available.

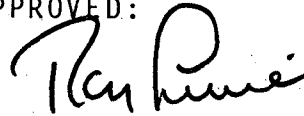
Mr. Spaulding: \$1.9 million available.

Commissioner Leavitt: Mine's \$10.4 million.

Mayor Pro-Tem Lurie: Between now and the April 6 meeting, we will be receiving information and you will be receiving our comments on how we would like to see the Revenue Sharing monies spent. Do the Commissioners have any further questions? Then this item will be referred to the City Manager and placed on the agenda for the April 6 meeting. No more public hearing. It will just be under the City Manager's agenda.

There being no further business to come before the Board, at the hour of 10:25 A.M., Mayor Pro-Tem Lurie declared this Special Meeting of the Board of City Commissioners A D J O U R N E D.

APPROVED:



MAYOR PRO-TEM RON LURIE

ATTEST:



BETTY JO WINTER, CPS
ASSISTANT CITY CLERK

APPROVED BY REFERENCE at a Regular Meeting of the
Board of City Commissioners held on the 6th day
of April, 1977.