

**SPECIAL NORTH LAS VEGAS  
CITY COUNCIL MEETING MINUTES**

May 21, 2002

**CALL TO ORDER:** 4:05 P.M. City Hall  
2200 Civic Center Drive, North Las Vegas, Nevada

**ROLL CALL      COUNCIL PRESENT:**

Mayor Michael L. Montandon  
Mayor Pro Tempore William E. Robinson  
Councilwoman Stephanie S. Smith  
Councilman Shari Buck  
Councilman Robert Eliason

**STAFF PRESENT:**

City Manager Kurt Fritsch  
Assistant City Manager Gregory Rose  
Assistant City Manager Dan Tarwater  
City Attorney Sean McGowan  
Assistant City Clerk Karen Storms  
City Treasurer Clarence VanHorn  
Public Works Director Jim Bell  
Assistant Director of Development Services Steve Baxter  
Parks & Recreation Director Ken Albright  
Director of Human Resources Vince Zamora  
Community Services Director Jacquelin Risner  
Director of Administrative Services Eric Dabney  
Library Director Anita Laruy  
Fire Chief Robert Dodge  
Acting Chief of Police Joe Forti  
Chief of Detention Services Ken Ellingson  
Debbie Lamb, Court Administrator  
Public Information Officer Brenda Johnson  
Deputy City Clerk JoAnn Lawrence

**VERIFICATION:** Karen L. Storms, CMC, Assistant City Clerk

**BUSINESS:**

1. **CONDUCT THE PUBLIC HEARING, PURSUANT TO NRS 354.596, ON THE CITY OF NORTH LAS VEGAS TENTATIVE BUDGET, THE NORTH LAS VEGAS REDEVELOPMENT AGENCY TENTATIVE BUDGET, AND THE NORTH LAS VEGAS LIBRARY DISTRICT TENTATIVE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2002 AND ENDING JUNE 30, 2003 AND CHANGES TO THE BUDGETS FOR THE FISCAL YEAR BEGINNING JULY 1, 2001 AND ENDING JUNE 30, 2002. (Exhibit A)**

Mayor Montandon opened the Public Hearing.

City Manager Kurt Fritsch read the agenda items to be heard. He introduced Mario Garcia, Budget Officer for the City and invited Council to ask questions at any time during the hearing. City Manager Fritsch stated he felt a balanced budget was presented to Council, even with the difficulties faced by the September 11, 2001 incident and the impacts that event had on the City as well as the rest of the Valley. He stated the City was in a solid financial situation. The budget included approximately \$3.4 million dollars in supplemental expenses to the General Fund. Approximately \$1 million of that was in utility costs, which would increase in fiscal year 2002-2003 due to the situation with Nevada Power Company.

Mario Garcia, Budget Officer, stated the budget represented an effort to maintain the existing tax rate but would not know what the total overlapping rate would be until the other jurisdictions had acted on their budgets. All efforts would be focused on keeping any tax rate increases to a minimum.

Mr. Garcia stated the budget consisted of three entities, the City budget, the Redevelopment Agency Budget, and the Library District Budget. The City's total budgeted expenditures for all funds in the City Budget was \$251 million as presented in the Tentative Budget distributed in April, 2002. He stated there had been some significant changes. The 2002-2003 budget was approximately 14% higher than the 2001-2002 budget. The percentages allocated by function had remained constant.

Mr. Garcia explained the total available resources in the General Fund was \$101 million. The City expected approximately \$92 million to be received next year in revenues to the General Fund and \$2.7 million or 3% in transfers from other funds. The beginning fund balance was projected to be \$6.3 million or approximately 5%. Operating expenses would comprise approximately 93% or \$94 million, transfers to other funds was almost 1% or

\$643,000, and 2% or \$2.28 million had been budgeted in contingency funds, leaving a projected ending fund balance at the end of FY 2002-2003 of approximately \$4,042,000 which represented approximately 4% of the budget. Mayor Montandon questioned what funds the General Funds were being transferred to. Mr. Garcia responded the funds would be transferred to the Debt Service Fund.

Mr. Garcia stated the largest component of the General Fund were revenues of approximately \$92 million from Consolidated Tax Distribution from the State of Nevada, which was approximately 33.6% of the budget for FY 2002-2003. The other governmental revenues were approximately 15.8% or \$14.5 million; charges for services were approximately 12.4% or \$11.4 million; Fines and Forfeitures, 4.4% or \$4 million; and miscellaneous revenues were budgeted at 3.7% or \$3.4 million and property taxes were 10.8% or \$9.9 million.

Mr. Garcia explained the expenditures for the General Fund were approximately \$94 million. The break down was 19% General Government, 4% Judicial, 22% Police, 16% Fire, 20% Detention, 2% Public Works, 1% Health, 7% Culture and Recreation, 1% Community Support and Debt Service, and the other components of the Public Safety function represented 8%. He also stated Salaries and Wages represented approximately 59% of the expenditures, Employee Benefits 22%, Services and Supplies 19%, and Capital Outlay less than 1%. He stated the percentages had changed little from last fiscal year.

Mr. Garcia stated the Redevelopment Fund had a beginning balance of \$1.8 million or 49% of the budget. Property tax revenues were expected to be generated in the amount of \$1.5 million or 41%, interest in the amount of \$106,000 or 3%, and other financing sources, including the sale of land, in the amount of 7% or \$260,000. The assessed valuation for the Redevelopment District made a significant increase from approximately \$40 million to \$53.2 million from the current fiscal year to the 2002-2003 fiscal year. Mayor Montandon asked Mr. Garcia what tax increment was generated by that increase. Mr. Garcia responded the State adjusted the tax rate by formula. Last year the rate was \$3.3794 per \$100 and this year it would be \$2.9528 per \$100. Mayor Montandon asked if that amount was applied only to the increase in valuation. Mr. Garcia responded it was applied to the total valuation.

Mr. Garcia stated last year the Redevelopment Fund was budgeted to receive approximately \$1.3 million in revenue and for Fiscal Year 2002-2003 the amount was \$1.57 million. This represented an increase of \$230,000.

Mr. Garcia explained the Redevelopment Expenses. Salaries and Wages were 9% or \$328,000, Employee Benefits 3% or \$102,000, Services and Supplies 20% or \$773,000,

Capital Outlay 43% or \$1.6 million, leaving a budgeted fund balance of \$951,000 or 25% of the total budget. Mayor Montandon asked if a portion of the City Manager's salary came from the Redevelopment Agency Budget. Mr. Garcia responded approximately 5% of the City Manager's salary and approximately 2.5% of the Assistant City Manager's salary came from the Redevelopment Agency Budget.

Mr. Garcia explained the Library District Budget had approximately \$2 million in available resources. He stated the expected beginning balance for fiscal year 2002-2003 was \$505,000 or 25% of the total budget. Property Tax Revenue was expected to generate \$1,503,000 or approximately 73%, Fines and Forfeitures 1% and Miscellaneous Revenues 1% for a combined total of \$33,000. The expenditures were Salaries and Wages \$860,000 or 42%, Employee Benefits \$288,000 or 14%, Services and Supplies \$439,000 or 22%, Capital Outlay \$5,000 or less than 1%, leaving an ending operating Fund Balance of \$437,000. He stated there was also a balance of \$365,000 that was designated for capital projects. The combined fund balance would be approximately \$800,000. Mayor Montandon stated although there was a healthy ending balance, the Library District would be deficit spending by approximately 3%. Mr. Garcia stated that was correct.

Mr. Garcia stated since the time the Tentative Budget was prepared, the required letter had been received from the State. The Tentative Budget for the Library District and Redevelopment Agency were found to be complete and correct by the Department of Taxation. The Department of Taxation noted the City's budget contained some comments related to prior year activity. Mr. Garcia explained three types of information were reported in the budget, prior year, the estimate to finish the current fiscal year, and the proposed budget for the next fiscal year. The figures were not tied back together on the prior year column in the budget report. Those errors were corrected along with some other adjustments in the General Fund. Mr. Garcia, referencing the yellow sheet in the handouts (Exhibit A), stated those changes were reviewed and recommended for approval by the City Manager. The Supplemental Request from the Parks and Recreation Department was inadvertently omitted from the Budget. The total requested amount for the Parks and Recreation Department was \$296,700 which would not effect the ending fund balance as it would be financed by transfers from two separate Parks Funds (Safekey Fund 277 and Parks Special Event Fund 275) and would be accounted for in the Special Purpose Funds group. Mayor Pro Tempore Robinson asked if that amount would effect existing programs in the Parks and Recreation Department. Mr. Garcia stated the changes would not effect the current programs as there was an available balance to be used. Mr. Garcia stated the next adjustment was \$133,900 in expenditures for the personnel reclassifications recently approved by Council in the Community Development and Development Services Departments. He pointed out the change would not effect the ending fund balance due to \$150,000 being approved in the mid-year budget for that purpose and employee

reclassifications made later in the year than anticipated. There would be an approximate balance of \$16,000 to \$17,000 to be carried forward to fiscal year 2002-2003; therefore, there was no effect on the ending fund balance in the General Fund.

The next change was the benefit package regarding senior management. The estimated dollar impact was \$26,000 to the General Fund, reducing the tentative budget from \$4,042,000 to approximately \$4,018,000 which would maintain 4% of the budgeted expenditures as the ending fund balance. Mayor Montandon asked if the budget was based on the State's estimate of revenues primarily from the Consolidated Tax Distribution. Mr. Garcia responded the City's budget was about 4% higher than the State's estimate. Mayor Montandon stated revenues were generally higher than the State's estimate and questioned if that was allowed. Mr. Garcia responded the State's estimate could be used or the City could use their own estimate. Mayor Montandon asked Mr. Garcia if he felt comfortable using a figure 4% higher than the State's estimate. Mr. Garcia responded he did, as the estimate for the Consolidated Tax Distribution was high. Mayor Montandon asked if the figure for property tax was accurate. Mr. Garcia responded that figure was provided by the State.

Mr. Garcia summarized corrections made to errors found in the estimated column of the Tentative Budget. There would be an approximate \$1.4 million reduction in the anticipated expenditures for fiscal year 2001-2002. The budgeted revenue for the Park District III was increased due to having received more revenue than originally budgeted. The budget for outside Attorney Fees and Self Insurance Fund were increased to \$650,000. In addition, further analysis revealed Capital projects had not progressed as anticipated resulting in a reduction in the current year's budget of approximately \$12.3 million. Other changes included the recognition the City would receive approximately \$50 million for the North Valley Special Improvement District and \$15 million was budgeted in expenditures. Mayor Montandon asked for clarification that 66% was spent on various forms of Public Safety and approximately 2% on Public Works. Mr. Garcia responded that was correct. Mayor Montandon asked how much the total budget was in Capital Project Funds. Mr. Garcia responded it was approximately \$49.7 million for the current fiscal year prior to this adjustment. Mayor Montandon then asked if the sources for the revenue for the Capital Projects was from other governmental agencies. Mr. Garcia responded they were. Mayor Montandon asked if by cutting the budget by \$12 million that meant the flow-through in that account was lower. City Manager Fritsch stated that did not mean those projects would not be completed, they would roll over to next year or future years. Mayor Montandon asked how much was spent out of the Water Sewer Fund on Capital Improvements on the City's water and sewer system. Mr. Garcia responded it was approximately \$1 million. Mayor Montandon asked how much was spent on Capital Improvements in Public Works (paving streets, new water lines, etc.). Public Works Director Jim Bell stated a small percentage came from the General Fund and approximately \$3.3 million from the 268 Fund. Mayor

Montandon asked if the 268 Fund was the override from the jail. Mr. Bell stated it was and that fund was also shared with the Fire Department. Mayor Montandon asked what other funds were used for Capital Improvements to the infrastructure. Mr. Bell stated some projects were parks related so the revenue came from the Park District Funds. Some projects were funded externally by Assessment District Funds but as far as General Fund commitment for projects, there was no provision this year.

Mayor Montandon stated there were two intersections that were creating a traffic problem, Ann Road and Decatur Boulevard and Lone Mountain Road and Clayton Street. The primary source for those types of street improvements came from developers. Mr. Bell stated that was a fund accumulated over time when most of the rights-of-way were completed. He stated another method was to identify an external source such as Regional Transportation Commission (RTC) if a tax override project designation was a possibility. He stated RTC Funds were being requested for Lone Mountain Road and Clayton Street. Mayor Pro Tempore Robinson asked if Lone Mountain Road was going to become a regional street. Mr. Bell responded it currently was a regional street. It was an 80 foot corridor. Mayor Pro Tempore Robinson asked if the corner of Clayton Street and Lone Mountain Road was slated for development in the near future. Mr. Bell stated the northerly side was already built, the southwesterly side was slated for development, and the southeasterly portion was a problem site. Mayor Montandon asked what the cost would be to put up a traffic signal at the intersection of Clayton Street and Lone Mountain Road. City Manager Fritsch stated Mr. Bell had some other alternatives to putting a traffic signal at that intersection. He stated there had been requests from various Council Members at different intersections and he thought it would be prudent to look at and prioritize all intersections that could potentially use traffic signals. He stated according to traffic engineers, the intersection of Clayton Street and Lone Mountain Road did not meet all the warrants for a signal. Mayor Montandon stated the intersection was at failure level and if all intersections were listed by priority, that intersection would be at the top of the list. Mr. Bell stated funds would be designated to install a traffic signal at that intersection. He also stated there were other intersections with similar or worse traffic problems. Mr. Bell stated they hoped to see a design approval in the next fiscal year. Funding may be available in the next two to three years for the full street. Mayor Montandon stated a temporary solution was necessary. Mr. Bell stated if the money was budgeted, they would go forward with the project. Mayor Montandon stated he wanted the installation of a temporary traffic signal in the budget. Councilwoman Smith stated they did not want to wait until the intersection was an absolute crisis. City Manager Fritsch stated he would add the cost of installing the traffic signal in the budget if that was Council's desire. Councilwoman Smith suggested that a meeting be held to prioritize intersections which needed traffic signals. Mr. Fritsch stated once the list was complete, Public Works would prioritize which would be paid for by the City and by the developers. Mayor Montandon stated he realized the developers shouldered most of the cost of traffic improvements but at some point the City must decide

what was important. City Manager Fritsch stated he understood putting a traffic signal at Clayton Street and Lone Mountain Road was very important to Council and if they funded the project today, he would reduce the contingency fund by \$50,000 and add it to Public Works' budget. Councilman Buck stated an analysis should be done on the funding of street projects. The City was years away from having RTC funding on Ann Road and Clayton Street due to the problems with the Robinson property, so Ann Road would not be widened for some time. There were some streets that needed to be studied, as to how they would be developed, when they were expected to be built out, how the process could be expedited, what the schedule with RTC was and what could be done as a Council to try to mitigate the problems. She stated the City was at least five years behind on Craig Road and was already behind on Ann Road and Clayton Street. City Manager Fritsch stated this was a very complex issue and involved a number of factors. The real issue was the City was an expanding entity, a very large community, the corridors were very expensive to build, and the City relied primarily on developers to fund the projects. Councilman Eliason stated he had concerns about targeting an area for traffic signals when there was explosive growth at Losee Road and Centennial Parkway that had the same issues as Lone Mountain Road and Clayton Street. Mr. Bell responded there was \$3.4 million in the Street Maintenance Fund that would go toward the Public Works projects for Losee Road. The Losee Road asphalt overlay was one of the projects. There was a total of 13 streets to be rehabilitated in the next fiscal year. He stated an analysis would be prepared and presented to Council. Mayor Montandon stated he understood Councilman Eliason's concerns but pointed out the intersection of Lone Mountain Road and Clayton Street was a crisis situation.

Councilman Eliason asked Mr. Garcia if the yellow handout was an addition to the Budget. Mr. Garcia stated it was. It had an impact on the General Fund balance due to the \$296,000 in fund to fund transfers. Councilman Buck asked Mr. Bell if even though a ballot question were passed to take the funds remaining and put them in Parks and Fire, there was no money remaining because the money would be spent on street projects. City Manager Fritsch stated the money was budgeted to finish Station No. 55 in an amount over \$1 million. Also, \$100,000 was for the Park Study. There was an ending fund balance of over \$1 million so the \$50,000, whether taken from the Contingency Fund, the General Fund or the 268 Fund, could be absorbed.

Mayor Montandon asked if anyone had any other comments or questions on the Budget. City Manager Fritsch asked if Council wanted to go through the supplemental budgets or the summary of the new positions. Mayor Pro Tempore Robinson asked if they had changed since the preliminary hearing. City Manager Fritsch stated they were the same. City Manager Fritsch asked Mr. Garcia to give the total of the Full-time Equivalents (FTE's) for all Funds. Mr. Garcia responded the additions to the budget were: General Fund, 28.5 FTE's; Public Safety Tax Fund, 8.5 FTE's; Utility Fund, 2.5 FTE's; Street Maintenance

Parks and Fire Fund, 2 FTE's; Motor Equivalent Internal Service Fund, 2 FTE's; Judicial Enforcement Fund, 1 FTE; and Redevelopment Fund, 1 FTE for a total of 45.5 FTE's.

Mayor Montandon closed the Public Hearing.

ACTION: PUBLIC HEARING HELD.

**2. ADOPT THE SUBJECT BUDGETS EITHER AS PRESENTED OR WITH MODIFICATION, FOR FISCAL YEARS 2002 - 2003 AND THE AMENDED BUDGET FOR FISCAL YEAR 2001 - 2002.**

**CITY OF NORTH LAS VEGAS BUDGET**

ACTION: FY 2002-2003 BUDGET FOR THE CITY OF NORTH LAS VEGAS ADOPTED AS AMENDED; \$50,000 BUDGETED FROM THE 268 FUND FOR TEMPORARY TRAFFIC CONTROL AT LONE MOUNTAIN ROAD AND CLAYTON STREET.

MOTION: Mayor Montandon

SECOND: Mayor Pro Tempore Robinson

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Councilmen Smith, Buck and Eliason

NAYS: None

ABSTAIN: None

**CITY OF NORTH LAS VEGAS REDEVELOPMENT AGENCY BUDGET**

ACTION: FY 2002-2003 BUDGET FOR THE CITY OF NORTH LAS VEGAS REDEVELOPMENT AGENCY ADOPTED.

MOTION: Mayor Montandon

SECOND: Mayor Pro Tempore Robinson

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Councilmen Smith, Buck and Eliason

NAYS: None

ABSTAIN: None

**NORTH LAS VEGAS LIBRARY DISTRICT BUDGET**

**ACTION:** FY 2002-2003 BUDGET FOR THE CITY OF NORTH LAS VEGAS LIBRARY DISTRICT ADOPTED.

**MOTION:** Mayor Pro Tempore Robinson

**SECOND:** Mayor Montandon

**AYES:** Mayor Montandon, Mayor Pro Tempore Robinson, Councilmen Smith, Buck and Eliason

**NAYS:** None

**ABSTAIN:** None

**PUBLIC FORUM**

There were no participants.

**ADJOURNMENT**

**ACTION:** THE MEETING ADJOURNED AT 5:02 P.M.

**MOTION:** Mayor Pro Tempore Robinson

**SECOND:** Councilwoman Smith

**AYES:** Mayor Montandon, Mayor Pro Tempore Robinson, Councilmen Smith, Buck and Eliason

**NAYS:** None

**ABSTAIN:** None

**APPROVED: June 19, 2002**

/s/ Michael L. Montandon  
Mayor Michael L. Montandon

Attest:

/s/ Eileen M. Sevigny  
Eileen M. Sevigny, CMC, City Clerk