# BUDGET WORKSHOP
# RENO CITY COUNCIL AND
# REDEVELOPMENT AGENCY BOARD
# BRIEF OF MINUTES
# May 1, 2008

The Reno City Council and Redevelopment Agency Board held a joint Budget Workshop at 10:10 a.m. on Thursday, May 1, 2008 in the Council Chambers in City Hall.

**PRESENT:** Councilpersons/Board Members Gustin, Zadra, Sferrazza, Dortch, Aiazzi and Hascheff.

**ABSENT:** Mayor/Chairman Cashell.

**ALSO PRESENT:** City Manager/Executive Director McNeely, City Attorney Kadlic, Chief Deputy City Attorney Chase and City Clerk/Secretary Jones.

ASSISTANT MAYOR/CHAIRMAN AIAZZI PRESIDED IN MAYOR/CHAIRMAN CASHELL'S ABSENCE.

**2. Public Comment**

Dick Bartholet, representing the Nevada Small Business Development Center, discussed the services provided by the Center, and thanked the Council for their continued support.

Barry Breslow, Director of Sierra Nevada Community Aquatics, stated that the goal of the newly formed non-profit corporation is to collaborate with the City to form a public/private partnership to develop, construct and operate a new aquatic facility at the Moana Pool site for recreational, athletic, rehabilitative, and therapeutic uses.

Jeff Church, retired Reno Police Sergeant and founder of Reno's first homeless drop-in center, discussed the repercussions of placing additional restrictions on homeless individuals' ability to utilize the Community Assistance Center facilities.

**AGENDA**
**ITEM**
**NO.**

3. Overview of Proposed FY2008-2009 City of Reno and Redevelopment Agency Budgets.

Charles McNeely, City Manager/Executive Director, discussed the budget preparation process, and presented an overview of the proposed FY2008-2009 Budget.

Andy Green, Finance Director, presented the FY2008-2009 Budget Outlook.

MAYOR/CHAIRMAN CASHELL PRESENT AT 11:30 A.M.

Mr. McNeely stated that the State of Nevada is expecting a $900 million deficit in 2008-2009, and the main target for funding cuts will likely be local governments.

Councilperson/Board Member Sferrazza and Mr. Green discussed the financial impacts on local governments of recent legislative mandates regarding PEG (Public, Education and Government) fee and property tax revenue distributions.

Mr. McNeely stated that cities in some other states have banded together to seek legislation that would bar the state from capturing local governments' revenue.

Councilperson/Board Member Aiazzi and Mr. McNeely discussed legal considerations involved with banning the state from capturing local governments' revenue.

Councilperson/Board Member Sferrazza and Mayor/Chairman Cashell requested that staff provide cost depreciation data.

Mr. Green and Councilperson/Board Member Hascheff discussed the stability of the City's $7.3 million Reserve Fund.

Neil Mann, Public Works Director, and Councilperson/Board Member Hascheff, discussed issues related to the accelerated streets program.

Councilperson/Board Member Sferrazza stated that the accelerated streets program is funded by a voter-approved property tax override.

Discussion ensued regarding details of the accelerated streets program and sources of funding for the program.

Councilperson/Board Member Gustin and Mr. McNeely discussed the proposal to defer contributions to the Risk and Worker's Compensation programs, and Cabela's estimated contribution to the area economy.

**AGENDA**
**ITEM**
**NO.**

MAYOR/CHAIRMAN CASHELL ABSENT AT 11:30 A.M. ASSISTANT MAYOR/CHAIRMAN AIAZZI PRESIDED IN MAYOR/CHAIRMAN CASHELL'S ABSENCE.

**4. Presentation and Discussion of Department Budgets for FY2008-2009.**

4.A. Parks, Recreation and Community Services.

Julee Conway, Director of Parks, Recreation and Community Services, discussed the department's services, open space and trails initiative, internal reorganization, and potential cuts in services necessary to balance the budget.

COUNCILPERSON DORTCH ABSENT AT 11:35 A.M.

Councilperson/Board Member Sferrazza asked how much money was budgeted for the Youth City Council in FY2007-2008.

Darryl Feemster, Parks, Recreation and Community Services Youth Services Manager, stated that the budget for the Youth City Council was maintained at $50,000 during FY2007-2008.

Christine Fey, Arts and Culture Manager, and Councilperson/Board Member Sferrazza discussed funding for arts and cultural events.

Councilperson/Board Member Sferrazza and Ms. Conway discussed the annual cost of the hanging flower baskets (approximately $60,000), and the possibility of asking downtown property owners to assist with the expense.

Discussion ensued regarding the cost and source of funding for the Virginia Lake Park and Rosewood Lakes Golf Course projects.

Councilperson/Board Member Sferrazza suggested the possibility of using sewer use fees to purchase a new irrigation pump station for Rosewood Lakes Golf Course.

Ms. Conway stated that effluent water is being used at Mira Loma Park.

Greg Dennis, Deputy Public Works Director, stated that the City has the ability to use effluent water at Rosewood Lakes Golf Course, and discussed water quality issues.

Discussion ensued regarding irrigation equipment needs at Rosewood Lakes Golf Course.

4.A. Parks, Recreation and Community Services – continued

Councilperson/Board Member Hascheff and Ms. Conway discussed funding requirements for senior programs and the services of the Access Advisory Board.

Johnathan Skinner, Recreation Manager, and Councilperson/Board Member Gustin discussed adult recreation program cost recovery issues, and on-going efforts to expand Sky Tavern's recreational activities.

Councilperson/Board Member Zadra, Ms. Conway and Mr. Skinner discussed exploring partnerships for developing flat softball/baseball fields, and the feasibility of finding someone to manage golf course operations for the City.

Councilperson/Board Member Sferrazza and Ms. Conway discussed carrying over to 2008-2009 the $200,000 allocated for the Moana Pool study.

Councilperson/Board Member Sferrazza, Assistant Mayor/Chairman Aiazzi and Jeff Mann, Park Manager, discussed the cost of constructing new flat fields.

Mr. McNeely discussed staff's preparation of a comprehensive report regarding the City's recreation facility needs. He stated that the report will be presented to the Council in May or June 2008.

Councilperson/Board Member Sferrazza discussed the possibility of obtaining Flood Control Project funding for flat field construction.

Assistant Mayor/Chairman Aiazzi and Ms. Conway discussed the new Open Space and Trails Coordinator position.

Andy Green, Finance Director, and Assistant Mayor/Chairman Aiazzi discussed using the balance of the $200,000 set aside for the Moana Pool study for other purposes.

Councilperson/Board Member Hascheff stated that the money should be used to assist the non-profit Sierra Nevada Community Aquatics group with their efforts.

Mr. McNeely stated that funding mechanisms for some recreation related proposals will be discussed during the CIP (Capital Improvement Program) deliberations.

Councilperson/Board Member Sferrazza and Ms. Fey discussed funding sources and allocations for various Arts and Culture programs. Ms. Sferrazza requested a breakdown of the Arts and Culture funding sources.

**AGENDA**
**ITEM**
**NO.**

4.B. Communications and Technology.

Rick Vandenberg, Director of Communications and Technology, presented an overview of the Communications and Technology budget.

Assistant Mayor/Chairman Aiazzi, Mr. Vandenberg and Charles McNeely, City Manager/Executive Director, discussed the possibility of sharing with the City of Sparks and Washoe County the expense and use of new technology systems.

Jill Olsen, Assistant Finance Director, Councilperson/Board Member Sferrazza and Mr. Vandenberg discussed details and cost savings of the proposed on-line sewer payment system.

Assistant Mayor/Chairman Aiazzi discussed potential savings of the on-line payment system.

Councilperson/Board Member Hascheff and Mr. Vandenberg discussed the possibility of utilizing interactive on-line training programs.

A RECESS WAS CALLED AT 12:01 P.M. AND UPON RECONVENING AT 12:52 P.M. MAYOR/CHAIRMAN CASHELL WAS ABSENT. ASSISTANT MAYOR/CHAIRMAN AIAZZI PRESIDED IN MAYOR/CHAIRMAN CASHELL'S ABSENCE.

4.C. Public Works.

Neil Mann, Public Works Director, presented an overview of the proposed FY2008-2009 Public Works budget.

Councilperson/Board Member Sferrazza and Mr. Mann discussed funding sources for neighborhood street lighting and the replacement of street signs. They also discussed items included in the downtown maintenance budget (sidewalk cleaning, decorative street light maintenance, banners, plantings, etc.), collaborative efforts for traffic light synchronization, the status of the Virginia Street Bridge project, and other budget details.

4.H. Civil Service.

Ric Bailey, Chief Examiner, Civil Service Commission, presented an overview of the proposed FY2008-2009 Civil Service budget.

Councilperson/Board Member Hascheff and Mr. Bailey discussed the vacant senior analyst position.

4.H. Civil Service – continued

Charles McNeely, City Manager/Executive Director, discussed funding issues related to the vacant senior analyst position, and stated that he will place a discussion of the issue on a future meeting agenda.

Assistant Mayor/Chairman Aiazzi and Mr. Bailey discussed impacts of the hiring freeze on the number of Civil Service requisitions.

Discussion ensued regarding the projected number of retirees during FY2008-2009.

4.D. Redevelopment Agency.

Mark Lewis, Redevelopment Administrator, presented an overview of the proposed FY2008-2009 Redevelopment Agency budget.

Andy Green, Finance Director, and Assistant Mayor/Chairman Aiazzi discussed the RDA1 and RDA2 tax increment increases.

Assistant Mayor/Chairman Aiazzi and Mr. Lewis discussed separating Baseball Stadium revenue from other RDA1 projects, and proposed RDA2 projects.

Assistant Mayor/Chairman Aiazzi and Mr. Green discussed funding issues related to Cabela's.

Councilperson/Board Member Hascheff and Mr. Green discussed assessed valuation decreases on downtown properties.

4.E. Finance.

Andy Green, Finance Director, presented an overview of the Finance Department's proposed FY2008-2009 budget.

Councilperson/Board Member Sferrazza, Mr. Green and Jill Olsen, Assistant Finance Director, discussed the number of individuals employed in various capacities in the Business License Division of the Finance Department, the number of business license applications processed annually (approximately 4,400), and the function and workload of the Business License Revenue Officers.

COUNCILPERSON DORTCH ABSENT AT 2:00 P.M.

Charles McNeely, City Manager/Executive Director, discussed the detailed analysis of the Business License Division's functions that staff is currently preparing for presentation to the Council.

4.E. Finance – continued

Assistant Mayor/Chairman Aiazzi and Mr. McNeely discussed including in the audit of the Business License Division an analysis regarding the amount of money recovered by Revenue Officers from illegal businesses operating within the City of Reno.

Discussion ensued regarding the City's enforcement of new state laws regulating antique and secondhand merchandise dealers, and timing issues related to reassessment of the Downtown Police Special Assessment and Downtown Tax Maintenance Districts.

4.F. City Clerk.

Steve Whitaker, Records System Manager, on behalf of Lynnette Jones, presented an overview of the City Clerk's operations and proposed budget.

Assistant Mayor/Chairman Aiazzi and Ms. Jones discussed the projected $27,000 decrease in hearing examiner services and $130,000 decrease in services and supplies created by FY2007-2008 over budgeting.

Councilperson/Board Member Hascheff said that hearing examiner contracts are paid on a flat fee basis (i.e. the contract amount remains the same regardless of how many hearings are conducted).

Councilperson/Board Member Sferrazza asked staff to provide information regarding how much of the City Clerk's funds go towards Planning & Building Enterprise Funds indirect costs.

4.G. Human Resources.

Renee Rungis, Director of Human Resources, presented an overview of the proposed FY2008-2009 Human Resources budget.

Councilperson/Board Member Sferrazza, Ms. Rungis and Charles McNeely, City Manager/Executive Director, discussed the need for examining the current market and existing contracts in an effort to determine how Reno compares with other collective bargaining agencies regarding salaries and benefits.

Councilperson/Board Member Hascheff discussed the economic downturn of the 1980s, increasing cost of heath care benefits, and need for staying competitive in the marketplace.

Mr. McNeely discussed the status of the City's Stabilization Fund.

**AGENDA ITEM NO.**

4.I. City Manager's Office (including Organizational Effectiveness and Community Relations).

Donna Dreska, Chief of Staff, presented an overview of the proposed City Manager and Legislative Relations budgets.

Jon Heinrich, Director of Organizational Effectiveness, presented an overview of their key issues and strategies, services, and proposals for reducing expenses during the upcoming fiscal year.

Kevin Knutson, Director of Community Relations, presented an overview of their key issues and strategies, services, and proposals for reducing expenses during the upcoming fiscal year.

Councilperson/Board Member Sferrazza and Ms. Dreska discussed the proposed increase in the 'council manager office support' line item ($691,000 – $849,000). Ms. Dreska stated that $75,000 has been budgeted for hiring council interns.

Councilperson/Board Member Sferrazza and Mr. Knutson discussed the proposed 32% decrease ($1,100,000 – $748,000) in the 'neighborhood services' line item. Mr. Knutson stated that Clean and Green program funding ($120,000) was transferred from Community Relations to Public Works, and an item previously budgeted in the 'neighborhood services' category was transferred to Reno Direct.

Gayela Emory, Senior Management Analyst, and Councilperson/Board Member Sferrazza discussed carrying over NAB (Neighborhood Advisory Board) funds from FY2007-2008 to FY2008-2009.

Cadence Matijevich, Special Events Program Manager, and Councilperson/Board Member Sferrazza discussed existing long-term contract obligations, current practice regarding the renewal of non-commercial event contracts, cost recovery issues, and special events programs that receive City funding and contribute funds to non-profit foundations with whom they are affiliated.

Councilperson/Board Member Sferrazza, Mr. Heinrich, and Ms. Emory discussed prior under-funding of salaries and benefits in the 'city-wide training' line item.

Laura Dickey, Diversity and Training Manager, and Councilperson/Board Member Sferrazza discussed funding for the Four Steps Into the Future program.

Councilperson/Board Member Zadra and Mr. Knutson discussed the possibility of resurrecting the Community Relations newsletter, and collaborating with other agencies to provide public outreach programs.

4.I. City Manager's Office – continued

Councilperson/Board Member Gustin and Mr. Heinrich discussed the feasibility of reducing Heart and Lung insurance costs by taking a proactive approach in addressing health issues such as smoking.

Councilperson/Board Member Gustin and Ms. Dreska discussed under-funding for interns in last year's budget, and the FY2008-2009 proposal to hire an intern for each of the Councilpersons.

Assistant Mayor/Chairman Aiazzi stated that each of the Councilpersons should state whether they want to employ an intern in FY2008-2009, and the rest of the funds should be freed up for other expenses.

Councilperson/Board Member Zadra stated that no interns should be hired during FY2008-2009.

Councilperson/Board Member Gustin stated that either all or none of the Councilpersons should retain interns.

Councilperson/Board Member Gustin and Ms. Matijevich discussed the promotional benefits the City receives when they sponsor special events.

Discussion ensued regarding special events organizations that donate funds to non-project charitable foundations with which they are affiliated.

Assistant Mayor/Chairman Aiazzi and Ms. Matijevich discussed the current and proposed special events funding issues.

Discussion ensued regarding franchise agreements; funding for the recommended compensation and classification study; and NAB funding.

4.J. City Council.

Donna Dreska, Chief of Staff, stated that the proposed FY2008-2009 City Council budget remains much the same as last year's budget after FY2007-2008 one-time expenditures ($50,000 Challenger Program, $100,000 affordable housing, $35,000 Food Bank, $25,000 communication goal, $100,000 Green City, $7,000 Education Hug, and $10,000 senior Medicare counseling) were removed, and 20% in proposed cost reductions were made.

COUNCILPERSON/BOARD MEMBER HASCHEFF ABSENT AT 2:56 P.M.

Charles McNeely, City Manager/Executive Director, discussed proposed funding cuts to EDAWN (Economic Development Authority of Western Nevada).

4.J. City Council – continued

Councilperson/Board Member Sferrazza and Gayela Emory, Senior Management Analyst, discussed carrying over the balance of the $100,000 allocated in FY2007-2008 for assistance to affordable housing applicants.

Councilperson/Board Member Sferrazza and Andy Green, Finance Director, discussed potential cuts in Council donations.

Councilperson/Board Member Sferrazza and Christine Fey, Arts and Culture Program Manager, discussed ARTown events and funding issues. Councilperson/Board Member Sferrazza requested a breakdown of Arts and Culture funds that have not yet been allocated, and suggested that budget cuts should be shared by all of the programs.

Councilperson/Board Member Zadra suggested making cuts to programs with less of an impact on City operations than the Access Advisory and senior services programs.

Councilperson/Board Member Sferrazza agreed that the Access Advisory and senior service programs should not be cut.

Assistant Mayor/Chairman Aiazzi suggested that it may be premature to state that the Council is unwilling to eliminate staff positions, and discussed the possibility of collaborating with Washoe County to hire an advisor to assist veterans in obtaining benefits for which they qualify.

Councilperson/Board Member Zadra discussed her discomfort with the proposal not to hire additional police officers in FY2008-2009.

Discussion ensued regarding the need for information regarding the number of police officers per 1,000 residents and the cost of hiring five additional officers; possibility of redistributing duties among police officers, CSOs (Community Service Officers) and SAVE (Senior Auxiliary Volunteer Effort) officers; and room-tax allocation issues.

Councilperson/Board Member Gustin stated that seniors and veterans should be provided with services that help them access information regarding benefits that they are entitled to receive.

Discussion ensued regarding the possibility of obtaining federal funds to provide benefit assistance for seniors and veterans.

**AGENDA**
**ITEM**
**NO.**

4.J. City Council – continued

Assistant Mayor/Chairman Aiazzi complimented the City Manager and Finance Department for presenting a budget proposal that only requires minimal adjustments.

Councilpersons/Board Members Gustin and Sferrazza stated that the proposed budget demonstrates staff's commitment to the City of Reno.

MEETING ADJOURNED AT 3:25 P.M.

**Note:** On May 9, 2008, the City Council/Redevelopment Agency Board may, at their discretion, hold another Budget Workshop to hear such new items as they deem appropriate. This Budget Workshop may also include agenda items continued from previous Budget Workshops. The agenda will be separately noticed in compliance with Nevada Open Meeting Law.