

CARSON CITY BOARD OF SUPERVISORS
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The Carson City Board of Supervisors held a special budget meeting on Monday, April 26, 2004, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 5:30 p.m.

PRESENT:	Ray Masayko Pete Livermore Robin Williamson Shelly Aldean Richard S. Staub	Mayor Supervisor, Ward 3 Supervisor, Ward 1 Supervisor, Ward 2 Supervisor, Ward 4
STAFF PRESENT:	Linda Ritter Ken Furlong John Tatro I. Steve Wolkomir Sheila Banister Walter Sullivan Andrew Burnham Tom Minton Louis Buckley Daren Winkelman Lisa Roth William Naylor Sally Edwards Scott Fahrenbruch Steve Albertsen Matthew Fisk John Simms John Flansberg Joe McCarthy Tracy Arnold Barbara Singer David Stultz Katherine McLaughlin Susan Swenson Kathy Heath	City Manager Sheriff Justice of the Peace, Dept. II Internal Auditor Chief Juvenile Probation Officer Community Development Director Development Services Director Finance Director Fire Chief Health Director Human Resources Director Information Services Director Library Director Acting Parks and Recreation Director Undersheriff Court Administrator Service Program Coordinator, Juvenile Prob. Deputy City Engineer Redevelopment & Economic Development Dir. Animal Control Supervisor Recreation Superintendent Cemetery Sexton Recording Secretary Public Guardian Business Manager, Sheriff's Office

(B.B.O.S. 4/27/04 Tape 1-0007)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 5:30 p.m. by indicating that the process had been revised. Roll call was taken. The entire Board was present, constituting a quorum. Mayor Masayko led the Pledge of Allegiance.

CITIZEN COMMENTS (1-0028) - None.

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ACTION TO DIRECT STAFF TO PREPARE THE FINAL BUDGET FOR THE CARSON CITY GENERAL FUND AND ALL OTHER NONENTERPRISE FUNDS FOR FISCAL YEAR 2004/2005 FOR FINAL CONSIDERATION AND ACTION BY THE BOARD OF SUPERVISORS ON MAY 17, 2004 (1-0032)

- Mayor Masayko described the protocol to be followed for the session. City Manager Linda Ritter then presented the budget and gave a computerized slide presentation illustrating the budget status, revenue projections, and the recommended budget. The State Department of Taxation had reviewed the revenue projections and approved the projections. The revenue projections were conservative estimates. The sales tax was projected to increase at a 2.2 percent rate over this year's revenue. The budget did not include an increase in the tax rate. The base budget included a decrease of two staff positions. Reorganization of staffing in Finance and Development Services had eliminated the need for these positions. The budget included a \$1 million contingency. Walmart will be opening in late Spring of 2005. Its opening may increase sales tax revenue. This potential had not been included in the sales tax estimate. The revenue stabilization fund and other reserves can be used to address any revenue shortages. The vacancy factor was not included in the 2004-05 budget. Last year the vacancy factor was included in the budget. The process and criteria used to evaluate the supplemental requests was limned. The criteria included a desire to be consistent with the community's priorities as supported by surveys and feedback. The priority listing of recommended supplementals was reviewed. The recommended list totaled \$556,700 which was approximately 40 percent of all the requests. Discussion indicated the supplemental requests had been prioritized and were limited to the amount a review of the historical budget data determined was a reasonable amount of funding. The base budget of \$49,477,000 does not include the \$556,700. A majority of the three percent cuts made last year were not restored. The contingency amount was taken from the top. Public safety was increased by 1.3 percent overall. Salaries and benefits comprise 78 percent of the total budget. Last year the per capita was \$815. Next year it will be \$819. Ms. Ritter expressed a desire to keep a lid on this figure. She then limned the process used to determine the amount of funding available for one shot funding and the recommended allocation of those funds. Justification for increasing the revenue stabilization fund was provided. Discussion explained the indigent medical tax rate increase of 1.5 cents. The overall State rate will increase by 1.29 cents. China Springs and other State levy decreases were indicated. Clarification indicated that there is a ten-cent medical indigent limit and a 1.5 cent accident indigent rate. The 1.5 cent accident indigent rate was not levied last year but will be this year. Other medical indigent costs will take the entire capped eight cent limit. Mayor Masayko felt that this issue should be discussed and expressed his belief that the agreement with the Hospital also covers some medical indigent services. Finance Director Tom Minton explained that, as a result of the City's having to supplement the medical indigent fund during the last two years, an additional \$120,000 had been added to next year's funds. Mayor Masayko felt that the law either works or it doesn't. It is supposed to have a stop limit which should eliminate the City's need to supplement the fund. Ms. Ritter continued her review of the recommended budget. The enterprise funds are to be discussed on May 6.

(1-0740) Mayor Masayko expressed his desire to discuss any issues with staff. He suggested that, if there are no questions for a Department, its budget be considered closed and staff be allowed to leave. He also suggested that the tax rate and one shot funding be considered first. Consensus should be used to determine those Departments which the Board wants to review in depth.

Supervisor Livermore expressed his feeling that the analysis of the property values and property taxes was unique. Assessed values have growth. Market demand is forcing the property values to rise. He congratulated staff on its efforts to establish the budget. As the assessed value has increased significantly, it is not necessary for the Board to increase the ad valorem rate. He suggested that the Board consider lowering the

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ad valorem rate if the assessed value continues to grow. Mayor Masayko responded, for the record, that the taxes will be going up 1.29 cents this year. The Board is not decreasing the taxes. The increase is related to the medical indigent levy and the issues dealing with them. It is a fair statement to say that taxes have not gone up a large amount, but they have gone up. The overall increase totals approximately one-half of a percent. The proposed rate is a slight increase. Supervisor Livermore indicated that the tax rate operating general government is going up. Mayor Masayko felt that the tax payers do not notice the difference. Supervisor Livermore expressed his belief that the taxpayer looks at the overall bill and only notices the increase from \$1500 to \$1600. Mayor Masayko directed that the record show that last year the reappraised area was in the older part of Carson City and that depreciation had been included in the calculations. The reappraisal had increased the total appraised value of Carson City by 1.6 percent. This compounds the problem. Supervisor Livermore indicated that his point is that they do not have to spend every penny obtained as a result of the assessed value. They could ethically and prudently decide to return some of the property taxes. Mayor Masayko indicated that they agree. The Board can discuss and debate this point. He also indicated that the Board is "holding on to property tax levies that have not been imposed", e.g., Fire Station No. 1 and the Silver Springs Juvenile Facility. The record should show that the Board has not always imposed taxes which the Legislature has established and enabled the Board to impose. These taxes are to fund items that are in City operated areas and not State operated items. The Board will have this healthy discussion and debate in the future. Public comments were then solicited but none were given.

(1-0849) Mayor Masayko then suggested the Board discussion begin with the total ad valorem tax rate. He felt that the total medical indigent tax should have stopped at ten cents and not 11.5 cents. Ms. Ritter indicated that the actual maximum levy is 11.5 cents as the accident indigent rate is 1.5 cents. Long term care is capped at eight cents. There are other expenses which exceed that level. Mayor Masayko pointed out that in the past the City/Board has had to supplement the indigent care as a result of the excess amount of long term care. He felt that there had to have been other amounts in the long term care. Mr. Minton agreed and explained that there are two components to long term care. The eight-cent cap applies to the Medicare program. Carson City currently pays about \$250,000 a year into the county only portion. This is coverage for people who make too much money to qualify for long term care. This amount is generated by a levy of approximately two cents. Mayor Masayko reiterated that the record shows, that unless the Board is willing to reduce expenditures or tax rates somewhere else, the total rate ranges between \$2.7334 and \$2.7463 for an average difference of 1.29 cents. He then indicated that he was satisfied with the explanations.

Mayor Masayko explained that the one time/one shot expenditures indicate that \$2.728 million is available and that the recommended expenditures total \$2.771 million. Mr. Minton expressed his feeling that \$50,000 was "close enough" to the expenditures to be used in the budget. Mayor Masayko indicated that he would have been happier with the figure being under rather than over. The budget should balance. Something(s) should wait until funding is available. Discussion indicated that the \$75,000 set aside for future debt financing may not be spent. This allowed the one shot expenditures to be increased. Ms. Ritter also felt that the conservative sales tax estimates will provide the \$50,000 for the expenditure. Mayor Masayko acknowledged that it would be possible to find \$75,000/\$42,000, however, in the interest of full disclosures the budget should be balanced. He also pointed out that not all of the funds will be spent on July 1. Ms. Ritter agreed to balance the budget. Discussion indicated that the cameras for the Sheriff's Office had been funded at a \$68,000 level rather than the requested \$98,000 level. Supervisor Aldean felt that the Board had eliminated the \$10,747 for the Senior Center flooring. This reduced the shortage to \$32,000. She preferred to have a balanced budget. The funding can be restored if and when the revenue is received. Mayor Masayko

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supported her position. Ms. Ritter agreed to bring a balanced budget back to the Board. Mayor Masayko pointed out that the contingency fund could have been reduced or another method of funding the one shot expenditures used to provide a balanced budget. He did not have a problem with the \$144 per square foot figure for the City hall remodel. Additional space may be needed. He did not wish to see justification for additional staffing due to the creation of additional space. The supplemental requests do not include additional staffing at City Hall. Ms. Ritter indicated that at no time during the discussion on the need for an expansion had there been any indication that additional staffing will be required. The request was based on the need for room for files and the current staff. Confidential space is also needed away from front counters. Mayor Masayko acknowledged the need for this type of space and pointed out that there are several conference rooms which could be used for the same purpose. Development Services Director Andrew Burnham explained that the actual cost for the expansion is less than \$144 per square foot. The fairly significant cost to finish the facade on the north and east exterior is included in the expansion project. Mayor Masayko pointed out that the parking retrofit may result in the loss of this facade. Discussion indicated that there is \$50,000 in furniture for Human Resources included in the expansion project. The budget does not include CQI funds. The two of the six parking spaces in the drive-up area will be eliminated. The ATM drive-through will remain. The City's utility and bill payment drop box at the ATM drive-through will be eliminated. The number of parking spaces required for the City Hall will still be met. The \$8.9 million in the ending fund balance has been accumulated over the years. The \$4.3 reserve fund will be maintained. Nine hundred thousand dollars will be transferred to the revenue stabilization fund. It will total \$3.9 million. There will be an accumulated reserve of approximately \$9 million. The proposal is to use \$1 million of these reserves for the Sheriff's Office.

(1-1095) Discussion pointed out that the animal shelter estimate was \$250,000 last year. Comments questioned the reasons for the price increase and compared it to the cost of the City Hall expansion. Health Director Daren Winkelman indicated that the figures were based on the national average and compliance issues. The plans have been designed. Research on outsourcing the service was limned. Pet Network has partnered with the City. The success of this partnership was limned. If the City can build the facility, Pet Network may "run it". The plan is to build the new facility at the same location as the current facility. The old facility will be used by Animal Control for quarantine purposes. Supervisor Livermore pointed out the lack of information justifying adding 46 more kennels to the facility. Animal Control Supervisor Tracy Arnold explained that the current facility does not meet national standards or State Statutes. If the current facility is demolished, a similar sized facility will be needed in addition to the new facility. The new facility will be used for adoptable animals. Pet Network will handle Carson City's animals and outsource services to Lyon and Douglas Counties. This will create a larger revenue source for Pet Network. The terms of an agreement with Pet Network have not been developed. Supervisor Livermore reiterated his comments regarding the lack of adequate information to support the expansion. He also expressed his belief that the current facility is well operated and maintained and that the cost of \$85 to \$90 per cage is excessive. Mr. Winkelman explained that the facility was ranked very high last year on the project priority list and had been carried forward for to this year's list for that reason. Two years ago \$40,000 had been provided for the A&E designs. He also volunteered to provide the statistics. The current facility has been in operation for more than 50 years. Nothing has been done to increase the kennel space. There has been a tremendous increase in the number of animals that are being taken in. He also felt that there could be some savings generated by partnering with Pet Network although it could be a breakeven agreement. Pet Network, as he conceived the partnership, will run the expansion for the City. The City will still have to handle the enforcement activities. Mayor Masayko explained his opposition to approving the request if, at some future date, additional staffing

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and operational funding will be required. A binding long-term agreement with Pet Network is needed to gain his support for the concept. He preferred a ten or 15-year lease. Mr. Winkelman explained the concept is to construct the building and outsource the services. He did not want a short term contract. A long term contract is more acceptable. He also indicated that Pet Network's financial statement is needed before the agreement could be consummated.

Pet Network Director Adam Hulme indicated that his management and board are willing to consider the concept. A 10 to 15 year contract is desirable. They have been working with and considering moving into the Carson City area for four years. Their successful adoption program was limned. Such a program may increase the spay/neuter program locally. He also felt that as the population grows, the number of animals coming into shelters increases. Carson City will eventually have to face this growing problem. Pet Network has staffing, policies and procedures. The terms of the lease will have to be worked out. His board is aware of the utility costs. Pet Network does not at this time receive any public funding. The majority of its funding is from private donors, membership programs, etc. Their current operating budget is approximately \$640,000 a year. The financial information had been distributed. (A copy was not given out at the meeting. A copy was not in the board packet.) Pet Network also has an endowment account and two investment accounts. They have boarding facilities available. These facilities are currently leased to a local vet in Incline Village. The lease expires in approximately five years. If there is a need for this service, Pet Network may in the future build a boarding facility. Adoption and boarding facilities are two separate operations. Mayor Masayko felt that the recommended \$392,959 is to remain in the budget contingent upon Pet Network or another provider coming forward and contracting for a long-term operation of the facility. Without this agreement, he did not feel that the expansion project should be built until the full ramifications of the additional staff needs and the fixed operational costs are provided. Supervisor Staub questioned the status of the Capitol City Humane Society and its building program at the East Highway 50 site. He asked that a status report by the Society be provided. Mayor Masayko felt that discussions with Pet Network should not prevent the Society from bidding on the proposal and, if successful, running the facility. Other similar organizations should/could submit bids. Unless a long term agreement is reached with some similar organization, however, he did not believe that the funds should be spent constructing the expansion project. As no Board comments were made to remove the project from the one shot funding list, Mayor Masayko indicated that the funds were conditioned as indicated.

Mayor Masayko then questioned the \$450,000 for fleet replacement and if \$450,000 will be needed on an ongoing basis in the future. The Board is still awaiting a fleet maintenance report. In order to do this, tracking and justification must be provided. Ms. Ritter indicated that the preliminary numbers show this is the amount that is needed. A report will be submitted to the Board before the expenditure occurs. The funding was set aside for the acquisitions for budgeting purposes. Mayor Masayko indicated his point is that the funding must be justified annually due to the fluctuation in the new and used car markets. This includes the trade in values and costs. The public must be convinced that this program is the best use of its funds. Ms. Ritter indicated that the entire fleet operation is being reviewed. This includes whether the current number of vehicles is appropriate or too many. Are there alternatives? The amount of usage each vehicle receives? Whether ownership justifies the cost to keep and maintain the vehicles? Etc. Mayor Masayko acknowledged the small area in which the vehicles operate. He also pointed out that the Sheriff, fire, and ambulance vehicles are used 24-hours a day. He reiterated his need to have justification supporting the funding on an annual basis. City Engineer Larry Werner explained the fleet analysis that had been conducted. The current policy of keeping the vehicles five or six years is beginning to encounter a high cost for maintenance. The salvage value exceeds the amount received for trade-in. A program has been analyzed that would dispose

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of vehicles within or near the end of the warranty period. Discussions are occurring with other entities and the auctioneers to determine if it is possible to achieve a higher return value for the vehicles. This will create a savings per vehicle by recycling the vehicles at three years or on a 36,000 mile basis. The difficulty is in "playing catch up". He also indicated that the vehicles are being driven further than had been anticipated. Therefore, they need to implement the program of turning the vehicles over quicker. His personal experiences at another community and its policy of turning the patrol vehicles around every 18 months were explained. Carson City has the same type of activity which may warrant the same turnaround period. Carson City currently has 12 - 1999 vehicles with 70,000 miles. They have very little value left. Turning them around quicker will create a cost savings over the long run. Mayor Masayko pointed out that the opposite is also supported by some people if the vehicle still runs, is reliable, and serviceable. Mr. Werner explained that the maintenance costs to keep the vehicle are higher at that level. Mayor Masayko pointed out that this is the justification that the Board needs to see and was discussed in the Maximus report. Discussion ensued on the information that had been included in the Maximus report and the need for additional information before it is implemented. Mayor Masayko stressed that the funding is one shot and that it will not be continued in the future until justification is provided. Mr. Werner then explained that the 2001 vehicles now have more than 50,000 miles on them. It may be necessary to turn the vehicles over faster than the suggested three year period. Mayor Masayko responded that the statement was not "music to his ears". Mr. Werner agreed that it was not painting "a rosy picture". Mayor Masayko reiterated that the Board was not promising to do it again next year. Mr. Werner pointed out that rental vehicles are turnover quickly and supported implementing a similar program with City vehicles. Staff's analysis indicates a three-year turnover creates a savings. The calculations were described and discussed. The current program replaces the vehicles every six years. It costs the City \$300,000. The proposal is to increase the funding level to \$450,000 and replace the vehicles every three years. Mayor Masayko reiterated the need for justification. Supervisor Williamson pointed out that there are advantages to paying employees to use their own personal vehicles for some purposes. She asked that this option be included in the report. Comments indicated that personal vehicles should not be used for patrol vehicles. Mr. Werner indicated that the replacement policy is for only patrol vehicles at this time. Fleet management should analyze each use to determine the type of replacement program that should be utilized. Some jurisdictions have a policy whereby any vehicle used less than 4,000 miles a year is not owned by them.

Discussion indicated that staff is still discussing with BLM the need and cost for doing an urban interface plan. BLM has dropped the City's portion of the cost from \$250,000 to \$80,000. Ms. Ritter felt that the City's share should be even less as BLM will benefit from the plan and functions. The BLM urban interface plan is not included in the City's \$250,000 Comprehensive Master Plan. The City has agreed to utilize its master planning process to present the BLM urban interface plan to the community. The contingency may be needed to do the BLM urban interface plan if the negotiations are unsuccessful. Ms. Ritter has discussed the matter with the Congressional delegates in an effort to reduce the cost even further. The City has been asked to provide a federal lands bill. In order to do it, federal agencies must cooperate and participate with the City in the development of the lands bill. Development Services Director Andrew Burnham indicated that the staff anticipates the cost of the work on the Comprehensive Master Plan to be in the order of \$300,000. Last year \$100,000 was set aside for the corridor studies and master plan work. These items were "folded" into the Comprehensive Master Plan project. The total funding allocated for the project is \$350,000. Staff is still negotiating the scope and price. They hope to keep the price under \$300,000 to allow the remaining portion to be used for the BLM urban interface plan. Mayor Masayko pointed out that if \$80,000 is required for the BLM project, the City may have to find a funding source.

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Discussion ensued with Acting Parks and Recreation Director Scott Fahrenbruch on the need to repair the Civil War Hero Memorial. All other funding opportunities have been unsuccessfully pursued and exhausted. A \$21,000 grant was obtained in fiscal year 0203. It required a three percent match. When the CIP funds were removed from the budget, the matching funds were not available. The grant could not be extended. Unfortunately since that time, the structure has deteriorated even more which has increased the repair cost. The repair program was limned. If the repair is not made soon, the statute will be lost. The statute had been inspected and evaluated several years ago by the restorers. They were the only national firm that does zinc repairs. Discussion also explained the reason the statute was placed in the cemetery.

Discussion then indicated that the total funding allocation for the Economic/Redevelopment website is \$75,000 which is located in one shot funding of \$30,000; supplemental ongoing funding of \$30,000; and minor capital request for \$15,000.

(1-1930) Clarification reiterated that the City Hall expansion funding included \$50,000 for Human Resources' furniture. Mr. Burnham explained that \$270,000 of the \$350,000 City Hall expansion project is for construction. The remaining portion is for design services, soft costs and furnishings. He also felt that the furnishings were funded at a \$30,000 to \$35,000 level rather than at the \$50,000 level.

Board consensus supported the recommended \$2,728,183 one shot funding items. Supervisor Livermore questioned the reasons a third Deputy was not approved. Ms. Ritter pointed out that the Sheriff was part of the team that made the funding recommendations. The criteria used to establish the listing indicated that other supplemental requests were a higher priority than the third Deputy. Supervisor Livermore felt that there is ample funding, in either a contingency account, the ending fund balance or for debt service, to justify the additional officer. Sheriff Ken Furlong felt that the team had used an extensive process to determine what the highest priorities were and to meet those needs. He appreciated the comments. The team's consensus had placed the third Deputy position lower on the listing. Supervisor Livermore expressed his appreciation for Sheriff's Furlong's efforts to revitalize the Department and create a new community effort. He explained his belief that the reserve funding should be used for public safety. Discussion then explained the vacancy factor at the Sheriff's Office and the difficulties encountered in attempting to hire Deputies. Mayor Masayko commended Sheriff Furlong on his effort to reduce the vacancy factor. Mayor Masayko then expressed his desire to discuss the Fire Department's budget and indicated that the other staff members did not have to remain.

RECESS: A recess was declared at 7:35 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 7:45 p.m., constituting a quorum.

Mayor Masayko explained his need for additional staffing information to justify the recommended seven positions in the Fire Department and the understanding that the overtime costs will be reduced and the future personnel costs for these individuals. He did not wish to see the overtime costs increased in five to seven years to the point where it is equal to the salaries for these individuals. He also questioned when the ambulance service will reach a point of diminishing returns due to the Medicare costs. At that time the City will need to make a decision regarding the need to continue providing this service. Ms. Ritter explained that Fire Chief Buckley had analyzed the costs and the need to meet minimum manning requirements. His analysis indicated that hiring seven new firefighters will leave \$40,000 for overtime. She then pointed out that overtime is currently being required of the firefighters and may be the cause of an increase use of sick

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leave, workers' compensation, etc. Adding more personnel should reduce the use of sick leave, workers' compensation, etc. , and create additional savings in these areas. Overtime is also being used to fill the void created by long-term employee turnover. She challenged Fire Chief Buckley to keep the overtime down and committed to monitoring it. Mayor Masayko reiterated his concerns that the overtime does not creep back up to the present figure. He also encouraged management to manage the leave and training time as he felt it is unbalanced. He then explained the Board's attempt to fund additional personnel for the Department by hiring a few every year. Cooperation from the employees is needed to allow management to control the costs for the benefit of the entire community. He did not want the overtime costs to return to the present level. He also felt that the Department's base budget will increase at a rate between seven and eight percent per annum for the seven employees. A certain amount of overtime is reasonable. Fringe benefits are not required for new employees. The Department's reputation will be on the line if the overtime cannot be managed. Fire Chief Buckley indicated that he had based his decision and recommendation on last year's personnel data. He had not filled the last position authorized by the Board as the overload level being required of his staff was unacceptable and the position did not reduce it. Examples of the workload carried by several of his staff were limned. He also explained that the service level will not be increased with the additional staff. The proposal will reduce the 33,000 hours of overtime encountered last year. He also explained his belief that the Firefighters' contract included items which should be under the management's control. They generated the overtime costs seen in the budget. The seven individuals will fill the positions now covered with overtime. The Internal Auditor had allegedly reviewed his process and indicated that his process was mathematically valid. Although he could not guarantee that the overtime would not exceed the current funding level, he believed it would be less specifically in view of the \$30,000 in reimbursement costs which were in the overtime budget. He then elaborated on his belief that staff's fatigue, illness, and on the job injuries have a relationship. He also explained that injured individuals who can perform light duty are used to fill productive areas within the Department. His overtime budget for next year included \$154,000 in the operations division, \$35,000 in training, approximately \$12,000 in WECO, and \$2,000 in the prevention division. The reasons for having these amounts in the budget were limned. He then explained the reasons overtime will increase as the years ago by. His justification in making the recommendation was based on the high volume of overtime being worked by his staff, the impact it has on their decision making abilities, and the liability those decisions could have for the City. He reiterated the need to reconsider some of the contractual commitments contained within the labor agreements and specifically those related to management issues. He acknowledged that the agreement(s) was negotiated and agreed to by both parties. He then explained that the Department's turnover rate is increasing "tremendously". The workloads carried by his firefighters purportedly range three and five times the workload experienced in surrounding fire districts. He also expressed his pride in his employees and working for Carson City and the Board. His top priority is safety of the residents of the community. His second priority is to his employees. He did not believe that management will allow the contracts to "continue to roll out of control". Mayor Masayko thanked him for his constructive comments. He also felt that the overtime costs were less than the salaries and benefits. The salary and benefit costs compound with each change. Fire Chief Buckley pointed out that the labor contract also impacts the overtime costs and the small amount of the budget which he controls. He also reiterated his belief that management needs to be cognizant of the impact contract revisions will have on management and the budget. He then explained that under previous management he had been instructed not tell the Board specific items. The new City Manager does not support this policy . He commended Ms Ritter on her stand on these issues. Mayor Masayko felt that neither Fire Chief Buckley nor City Manager Ritter could be held accountable on the short term basis. They will be held accountable on the long-term basis. He also urged Fire Chief Buckley to talk to the Board on any issues as the constituents should be allowed to determine the

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funding level which should be granted to the Department.

Fire Chief Buckley then explained his belief that the Board needs to make a decision regarding the level(s) of ambulance service which should be provided. He had purportedly provided Ms. Ritter with a report regarding the alternatives/options. A recommendation will be forthcoming shortly regarding the need for a fourth ambulance. When the fourth ambulance becomes operational, additional manpower will be required or additional overtime will be needed.

Supervisor Staub explained his concern that the overtime will again creep upwards. It will be a challenge for the Department to hold the line and control the overtime. Fire Chief Buckley indicated that the overtime costs are approximately \$630,000 at this time. He also indicated that there will be \$170,000 left in the overtime budget for the Operations Division after seven employees are retained. This cost is on top of the \$470,000 for the seven new positions. He reiterated his concerns regarding the impact fatigue has on his employees and their ability to make sound decisions during a crisis. He then explained his belief that the additional staffing will not be able to lower the response time.

Firefighters Association President and Captain Bob Schreihans complimented Fire Chief Buckley on his willingness to make a hard recommendation. The Association had been asking for additional personnel for some time. He also pointed out for the record that the Association members are dedicated team members and have been working the overtime. Overtime became mandatory due to the lack of staff. The firefighters work in teams. There are established checks and balances to counter decisions. This process eliminates the potential that poor decisions will be made as a result of the overtime fatigue. His pride in being able to represent the Association and serve the public was vocalized. Additional public comments were solicited but none were given.

Mayor Masayko pointed out that the budget included \$556,653 in supplemental requests. Board comments complimented Ms. Ritter and the staff on the budget process and thanked the Department Heads, including the Elected Officials, for their cooperation. Mayor Masayko also felt that the accountability is at the City Manager and staff level where it belongs. He was certain that they will manage the budget within the parameters established by the Board. Tomorrow evening the nonprofit organizations will be considered. Ms. Ritter explained her request of the Department Heads and complimented them on their willingness to participate in the process. Mayor Masayko supported her belief that staff could, if necessary, find reductions when called upon as well as work together to better the progress. He thanked them for exercising their talents.

Supervisor Staub moved to direct staff to prepare the final budget for the Carson City General Fund and all other nonenterprise funds for Fiscal Year 2004-2005 for final consideration and action by the Board of Supervisors on May 17, 2004, based on the information on the record this evening. Supervisors Aldean and Williamson seconded the motion. Discussion explained that the May 17 date was mandated by the Statutes. The Enterprise Funds will be considered at the next regular Board meeting. Motion carried 5-0.

There being no other matters for consideration, Supervisor Livermore moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 8:30 p.m.

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ARE SO APPROVED ON _____, 2004.

Ray Masayko, Mayor

ATTEST:

Alan Glover, Clerk-Recorder