

City of Elko)
County of Elko)
State of Nevada)

SS March 8, 2016

The City Council of the City of Elko, State of Nevada met for a special meeting beginning at 3:00 p.m., Tuesday, March 8, 2016.

This meeting was called to order by Mayor Chris Johnson.

NOTE: The order of the Agenda has been changed to reflect the order business was conducted.

ROLL CALL

Mayor Present: Chris J. Johnson

Council Present: Councilman John Rice *left at 5:40pm*
Councilwoman Mandy Simons *arrived at 3:16pm*
Councilman Robert Schmidlein
Councilman Reece Keener

City Staff Present: Scott Wilkinson, Assistant City Manager
Ryan Limberg, Utilities Director
Shanell Owen, City Clerk
Dawn Stout, Administrative Services Director
Jonnye Jund, Accounting Manager
Aubree Anderson, Human Resources Manager
Ben Mangeng, Information Services Manager
Ben Reed Jr., Police Chief
Rich Genseal, Police Lieutenant
Mark Gibbs, Airport Director
Jeremy Draper, Development Manager
Matt Griego, Fire Chief
Mike Hess, Landfill Superintendent
Bob Thibault, Civil Engineer
James Wiley, Parks and Rec Director
Dawn Leyva, Recreation Services Manager
Joe Carr, Parks Superintendent
Brian Mickels, Golf Maintenance Superintendent
Nikki Johnson, Aquatics Manager
Dennis Strickland, Public Works Director
Karen Walther, Animal Shelter Manager
Dave Stanton, City Attorney
Cathy Laughlin, City Planner
Ted Schnoor, Building Official
Diann Byington, Recording Secretary

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. **ACTION WILL NOT BE TAKEN**

There were no public comments.

I. **FY 2016/2017 BUDGET WORKSHOP**

- A. Review, consideration, and direction to Staff regarding the Fiscal Year 2016/2017 Budget, inclusive of the General and Governmental Funds, and matters related thereto. **FOR POSSIBLE ACTION**

Staff's presentation will exclude all Enterprise Funds, which will be reviewed at a subsequent meeting. DS

Dawn Stout, Administrative Services Director, went over the spreadsheet included in the packet and then gave a presentation (also included in the packet). The presentation consisted of the following topics:

Taxes Paid by City Residents
Taxes paid by Homeowner
City of Elko A/V & Revenue History
City Property Tax Breakdown
Elko County Sales Tax Distribution 6.85%
History of General Fund Revenues
Sales Tax History
FY 2015/2016 General Fund Outlook
General Fund Outlook

Councilwoman Simons arrived at 3:16 pm.

Projected General Fund Revenues 2015-2016
General Fund Expenditures
Projected General Fund Expenditures 2015/2016
General Fund Summary
FY 2016/2017 Rollup Costs

Mayor Johnson said he takes the Salaries and Benefits and add up those percentages (4.92% +2.93%) and that comes up to 7.83% increase. He doesn't remember any increase in any negotiation that is even close to that number. Why is that number so high?

Ms. Stout answered a lot of times the charge outs between the Enterprise Funds and Administration will drive that a little bit. If you have retirements coming up you have to budget for those. On the benefits side of it it's going to be the health insurance and PERS on any salary increases. She did budget for a 2.6% increase based on CPI in January.

Mayor Johnson asked are we landing on the side of conserving.

Ms. Stout answered this is as conservative as we can be. We can't do anything about CPI. She also worked in a 2.5% merit increase for management. That is only for the people that qualify for it. If you add the 2.6% and the 2.5% you are at 5.1%. She asked if Council had any direction to staff that they would like to see as we go forward on either the salary projections of 2.6% or the merit increases for management of 2.5%.

Mayor Johnson wanted a better feel for the number. To go \$900,000 more in expenses seems high. He is concerned that the City is faced with that type of an increase.

Ms. Stout said that is why when we look at staffing positions or increasing staff, we look at those very hard because that is our largest cost. We are a service provider and when you are a service provider a majority of your costs is going to be salaries and benefits. We don't want to overstaff and we don't want to have people sitting around doing nothing. We are very leanly staffed. There is another chart that shows our staffing levels from 1997 to current. We haven't really increased that much over time. The ones that we did increase were very necessary.

Mayor Johnson said from the private side, to see 7% increase in wages and benefits is very high. He wondered what the trend is. Luckily the revenue side of this is able to keep up but a 10% increase of wages and benefits; we need to get a handle on that.

Ms. Stout added that it is not sustainable. She continued with her presentation:

Current General Fund Staffing Levels – Full-time Positions
General Fund Additional Requests

Mayor Johnson wanted more information about how we are getting into a 7.83% increase. He would also like to know if these types of numbers would enter into the discussions with the unions and if these are going to be supplements on the table. There are some things that he doesn't know to say that he would support approving the additional requests. We have a \$900,000 increase of what we are looking at. These are great programs and they are good for employee retention but he didn't feel that he had enough information to support these numbers being added to the budget.

Councilman Schmidlein asked, as far as healthcare goes do you have any idea how much it has been increasing in the last three years.

Ms. Stout answered that the city has had increases in the double digits every year.

Councilman Schmidlein said sooner or later we need to start taking that into consideration as we continue to increase salaries and everything else. That entire matrix needs to come together in

one piece because at the end of the day we are going to have to start picking and choosing on what direction we want to go with that. He didn't feel that he was ready to vote on this item until he knows more.

Ms. Stout offered to get council any information they want. Keep in mind that this is our first look at the General Fund. Next meeting we will look at the Enterprise Funds, however, if council wants her to come back with the General Fund again, she could do that. Regarding the insurance increases, if you look at the insurance industry you will find that it is not just us. Nationwide these are the types of increases they are seeing. She continued with her presentation:

Recreation Fund
Capital Equipment Replacement Fund
Youth Recreation Fund
Facility Fund

Mayor Johnson interrupted Ms. Stout and recessed the workshop until after the regular council meeting scheduled to start at 4:00 pm.

BREAK

Councilman Rice left at 5:40 pm before the special workshop reconvened.

Mayor Johnson called the workshop back to order at 5:54 pm.

Ms. Stout continued with her presentation:

Capital Construction Fund
Ad Valorem Capital Fund
Revenue Stabilization Fund
Municipal Court Assessment Fund
Public Improvement Development Fund
Redevelopment Agency Fund
Debt Service Fund
Community Service Donation Requests
Proposed Schedule

Mayor Johnson asked regarding the health savings, what is the policy to distribute those funds. Is there a set amount per employee?

Ms. Stout answered yes, it is \$1,000 per employee and \$200 per dependent up to a maximum of 3 dependents. The most any employee could get if they have three dependents is \$1,600.

Mayor Johnson asked about the retirees increase.

Ms. Stout answered that is not just retirees. It is active people that have dependents as well as the retirees.

Mayor Johnson said he has thought about these items that we were asked to include in the budget. He thought it was X amount per person and he was in favor of that. He asked what motion she needed.

**** A motion was made by Councilwoman Simons, seconded by Councilman Keener, to approve the General Fund budget as presented.**

The motion passed. (4-0 Councilman Rice was absent.)

**** A motion was made by Mayor Johnson, Seconded by Councilwoman Simons, to approve the Governmental Funds as presented.**

The motion passed. (4-0 Councilman Rice was absent.)

COMMENTS BY THE GENERAL PUBLIC

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There were no public comments.

Mayor Johnson read a letter from Newmont regarding a donation for the Elko Sports Complex capital campaign (Exhibit "A").

There being no further business, Mayor Johnson adjourned the meeting.

Mayor Chris Johnson

Shanell Owen, City Clerk