

BOARD OF COUNTY COMMISSIONERS, WASHOE COUNTY, NEVADA

FRIDAY

12:00 P.M.

MARCH 13, 2009

PRESENT:

David Humke, Chairman
Bonnie Weber, Vice Chairperson
John Breternitz, Commissioner
Bob Larkin, Commissioner
Kitty Jung, Commissioner

Amy Harvey, County Clerk
Katy Simon, County Manager
Melanie Foster, Legal Counsel

The Board convened at 12:06 p.m. in special session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

Katy Simon, County Manager, stated the Chairman and Board of County Commissioners intend that their proceedings should demonstrate the highest levels of decorum, civic responsibility, efficiency and mutual respect between citizens and their government. The Board respects the right of citizens to present differing opinions and views, even criticism, but our democracy cannot function effectively in an environment of personal attacks, slander, threats of violence, and willful disruption. To that end, the Nevada Open Meeting Law provides the authority for the Chair of a public body to maintain the decorum and to declare a recess if needed to remove any person who is disrupting the meeting, and notice is hereby provided of the intent of this body to preserve the decorum and remove anyone who disrupts the proceedings.

09-239 AGENDA ITEM 3

Agenda Subject: “Public Comment. Comment heard under this item will be limited to two minutes per person and may pertain to matters both on and off the Commission agenda. The Commission will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Commission as a whole.”

There was no response to the call for public comment.

09-240 AGENDA ITEM 4

Agenda Subject: “Commissioners’/Manager’s Announcements, Requests for Information, Topics for Future Agendas and Statements Relating to Items Not on the Agenda. (No discussion among Commissioners will take place on this item.)”

Commissioner Larkin noted that Dr. Mervin Wright, a prominent leader in the Pyramid/Paiute Tribe, recently passed away.

Chairman Humke said two meetings were held, mandated by the Board, concerning the Forest Area Plan and discussions had been facilitated by the Nevada Mediation Center. He noted an informational session for the South Valleys would be held March 25, 2009 to discuss the recent surge of break-ins and home invasions in the area.

Commissioner Breternitz said a meeting was scheduled for March 19, 2009 to discuss the Northgate Golf Course. He indicated his Incline Village monthly meeting was scheduled for March 23rd.

09-241 AGENDA ITEM 5

Agenda Subject: “Update and direction to staff on Fiscal Year 2009/10 Budget, including recommended department funding levels for Fiscal Year 2009/10. (All Commission Districts.)”

John Sherman, Finance Director, said the Board had previously received three economic and fiscal scenarios: base, optimistic and pessimistic. He stated in January the economic indicators leaned toward the base outlook; however, since then the economic outlook turned toward the pessimistic scenario. Mr. Sherman stated that the impact of foreclosures on home values had resulted in an additional downward adjustment in assessed values for fiscal year 2009/10. He said based on the economic data, estimates for the two major sources of revenue; property tax and consolidated tax, had been revised. Mr. Sherman reviewed the summary table listed in the staff report, which reflected the major statistics on the revenue side. He indicated next year, Washoe County would also experience growth in certain fixed expenditures and he reviewed those major changes.

Mr. Sherman explained with the continued erosion to the economy and the revenue base changes in expenditures for fiscal year 2009/10, the County projected to have a structural deficit of \$47 million next year. He stated department budget funding levels would need to be reduced by \$47 million to balance the budget, which equaled to approximately a 15 percent reduction of the General Fund for fiscal year 2009/10.

Mr. Sherman explained the “Tiered Service Priorities,” which was a concept being used by staff. He said the establishment of the Tiered Service Priorities was included in several processes and data collected that included the priority setting method of the “Charting Our Course” initiative, public opinion surveys and the historical

allocation decisions by the County Commission. He said the initiative identified evaluation criteria to be used in establishing program priorities. He added that method included 17 criteria weighted by importance. He explained a program with a higher cumulative score indicated a higher relative importance to a program with a lower score. Mr. Sherman indicated in reviewing the outcome, the Board decided that a quantitative method of setting priorities would be helpful; however, it needed to be used in conjunction with other factors when making resource allocation decisions. He said the program priority ranking continued to have merit over the across-the-board method used during the last period of budget reductions in fiscal year 2003/04. Therefore, a Tiered Service Priority approach was proposed and adopted in establishing the 2008/09 fiscal year budget.

Mr. Sherman commented budget balancing must begin with a target and he suggested the process begin using the Tiered Service Priority approach. He reviewed the proposed reduction levels for each department, which had been determined according to the Tiered Service Priorities. He said department plans used to meet those tiers would be evaluated by the Board using the results of the Budget Policy Committee (BPC). He said there were budget reduction measures taken in fiscal year 2008/09 and, if sustained, some of those structural changes would help close the deficit. Mr. Sherman said departments that maintained the structural change would have the following mid-year reductions applied to the FY 2009/10 reduction level:

- Sustaining mid-year budget reductions (position and programmatic changes);
- Wage concession of 2.5 percent;
- Turning in Motor Pool Vehicles (\$12,500 per vehicle); and
- Salary Savings from separation incentives.

Mr. Sherman explained the BPC was formed in February. He said the purpose of the BPC was to develop budget principles and guidelines that could be used by departments for budget reduction plans and by the Board to evaluate budget reduction choices. He said the recommendation was for the Board to accept the update on the FY 2009/10 budget, including recommended budget reduction planning levels for FY 2009/10 and provide further direction to staff.

Commissioner Breternitz asked what the reduction of the 3.5 percent property tax and the 10 percent consolidated tax (C-Tax) equated to. Mr. Sherman replied the property tax equated to approximately \$7 million and the C-Tax equated to \$69 million, and was across all funds. Commissioner Breternitz asked if step increases were still being awarded. Mr. Sherman indicated those were part of the current negotiated employment contracts and were still being implemented. Commissioner Breternitz stated in addition to looking at this mathematically it was important to verify the impact was minimized to citizens also going through budgetary issues, such as library closures and reduction in park hours.

Commissioner Jung said based on the dollar projections for the 3.5 percent projected property tax decrease and a 10 percent decrease for the C-Tax, it looked like an \$86 million deficit; however, with the cost cutting measures in place for the past three years that gap had been narrowed by \$39 million. She asked if that statistic was included in the figures. Mr. Sherman indicated the County had been in cost reduction mode for the past two years because of declining revenues. He said the movement of all the revenues and spending was reflected in the 2009/10 projected budget.

Commissioner Jung asked if the tier level approach reflected what the most recent citizen survey reported. Mr. Sherman replied that information would be important and critical. He indicated that would be discussed during the budget hearings so the information could be provided to the Board.

Commissioner Jung inquired when staff was asked for incremental budget reductions, was the history of each department considered in terms of spending through the flush times or being fiscally conservative. Mr. Sherman replied a Board priority reflected on how much was spent in various areas over a period of time. He said the information was provided to the BPC as a key document and that information would also be provided to the Board. Commissioner Jung asked if departments were given credit for structural changes for the next fiscal year and was that considered in the formula. Mr. Sherman replied it was considered in the formula, and those numbers were being finalized and would be provided to departments. He said if the structural changes that were brought forward this year could be replicated and replicated again next year it would be part of the incentive to maintain those structural changes. Commissioner Jung said those departments that implemented the incentives would be awarded and would continue to be if those were carried forward. Mr. Sherman stated that was correct; however, the flip side was also true if no structural changes were made then the change next year would be steeper.

Commissioner Weber commended all of the department heads for working hard. She asked how the strategic priorities were being included and if those had been adopted into the BPC. Mr. Sherman stated those had been included and there was a specific principle or policy that related to the County's strategic plans and focus. He said they were recognized and not abandoned and the County needed to continue to have strategic focus.

Commissioner Larkin asked how many tiers were involved and what the percentages were. Mr. Sherman replied there were four tiers. He said the top tier was 2.5 percent and the bottom tier was 15 percent. Commissioner Larkin indicated there would be a 40 percent increase with the new reductions from the previous tiers to the existing tiers. Mr. Sherman concurred. Commissioner Larkin asked what was the rationale for the 40 percent increase. Mr. Sherman replied it was the magnitude for the bottom line dollars. He indicated the mathematical relationship between the tiers was the same, but because the change was so large the percentage had to increase. Commissioner Larkin said department heads would now take those target reductions and integrate those with the Board's strategic priorities and the budget principles from the BPC, once approved.

Mr. Sherman remarked there would be more detailed communication with the departments, but the budget policies the Board would be considering was something the departments could use to come up with their target plan. He said the departments would then have those tools to develop a package. The Board could identify particular policy issues based on the budget policies those plans represented. Commissioner Larkin asked if a listing of mandates that were in question would be included. Mr. Sherman said those would be included and discussed within the BPC. He said staff had concurrently been talking to departments on the importance of this budget policy and the development of their plans.

In response to a question from Commissioner Weber, Commissioner Larkin said the County was taking a broad brush to the budget on the principles. He said if legislative action was done it would be focused and targeted and those particular departments would have already been notified.

Commissioner Larkin moved to accept the update on the Fiscal Year 2009/10 budget including recommended budget reduction planning levels for fiscal year 2009/10. That the succinct dialogue begin and be an orderly and measured dialogue and that staff be directed to proceed with the plans outlined in the staff report. Chairman Humke seconded the motion.

In response to the call for public comment, Josh Wilson, Assessor, stated as an elected official he was mandated to provide certain services not only to the residents of the unincorporated areas, but also to the Cities of Reno and Sparks. Currently, his office was operating with a 20 percent vacancy rate. Mr. Wilson stated the recommended reduction for his department would equate to a vacancy rate of approximately 50 percent.

Commissioner Weber commented other departments with mandates would be in the same situation. She said it would not be easy with departments half-staffed.

Mr. Wilson replied mandates and revenue generation were the top two criteria to utilize in developing the tiers. He asked how the Assessor's Office was given no credit for being a revenue generating department and said he had posed that question to the Finance Department. He said he was willing to look at mathematical formulas to arrive at projected budget cuts; however, without considering historical growth of a department or considering minimizing the impacts to other entities, was a big issue.

Chairman Humke stated he would employ the following principles: the work product of the BPC presented to the Board on March 17, 2009; department based budgeting; citizen surveys, recent budget history, service provide to citizens versus the detriment where a cut would be made, revenue collection efforts, unintended consequences and possible mitigations to the public.

On call for the question, the motion passed with a 5 to 0 vote.

Agenda Subject: “Discussion and direction to staff regarding legislation or legislative issue proposed by legislators, by Washoe County or by other entities permitted by the Nevada State Legislature to submit bill draft request, or such legislative issues as may be deemed by the Chair or the Board to be of critical significance to Washoe County. (All Commission Districts.)”

John Slaughter, Management Services Director, distributed updates, which were placed on file with the Clerk, of the 2009 bills of interest and AB 119, which required the comprehensive regional plan in certain counties to include provisions concerning the identification and sustainability of certain supplies of water.

Adrian Freund, Community Development Director, said a working group composed of the Regional Planning Agency, representatives from the Cities of Reno and Sparks, Washoe County and the Truckee Meadows Water Authority (TMWA) had been working to reach acceptable language on AB 119 in carrying out the ballot question WC-3 and reflect the wording of that question. He explained WC-3 called for the regional plan to include policies that reflected the use and level of development supported by available water resources. Mr. Freund indicated there were several obstacles which included: the original draft was not consistent with the Regional Water Management Commission (RWMC) legislation, it appeared to conflict with the State Engineer’s responsibilities, and represented some fundamental change in the Regional Plan as a guidance document for local planning. However, an acceptable draft had been achieved by all parties and, based on that draft, support was being sought from the agencies for the language brought forward. He indicated the Sparks City Council had unanimously supported the language, the City of Reno supported whatever language the Regional Planning Governing Board (RPGB) supported, who in turn supported the language and noted TMWA was meeting to vote on the draft. Mr. Freund said a hearing was scheduled at the Legislature for March 16, 2009 to report on the Board’s action and other local government actions.

Commissioner Weber asked if the draft language was the proposed language by the Truckee Meadows Regional Planning Agency. Mr. Freund stated they were part of the working group and as reflected by the RPGB support, this was the language endorsed by the agency. Commissioner Weber said she had not seen the vote on language, but saw the language discussed previously at the RPGB legislative session and asked if this draft was that language. Mr. Freund said this was not that language. He indicated some changes had been made and two additional versions had been drafted to address concerns raised by TMWA’s legal counsel.

Commissioner Breternitz said there was some frustration expressed by the RPGB members on the State Legislature being involved with an initiative which spoke to modify the Regional Plan. He commented he was thankful that acceptable language had been developed.

Mr. Freund acknowledged Rosemary Menard, Water Resources Director and Jim Smitherman, Regional Water Management Commission, as part of the County working group. He reviewed the existing statute regarding regional planning in counties of 400,000 or less and noted there were only two regional plans within the State, southern and northern. He also reviewed the draft AB 119 amendments that were distributed to the Board.

Chairman Humke inquired if county area plans needed to comply so the material could be forwarded to Regional Planning. Mr. Freund said, in essence, county area plans did need to conform. He said it had been expressed so they would conform to the current process, incorporated in the Master Facilities Plan, which each entity completed. Chairman Humke asked if the bill passed, would the effective date be October 1, 2009. Mr. Slaughter replied typically if there was not an effective date listed it would be the October 1st date. Chairman Humke asked if there was anything contained in the bill that would make changes to alternative energy generation facilities. Mr. Freund replied not that he was aware of.

On motion by Commissioner Breternitz, seconded by Commissioner Jung, which motion duly carried, it was ordered that the language as written for AB 119 be supported.

Mr. Slaughter updated the Board on several bills. He said the City of Reno requested SB 88 be withdrawn; and SB 95 had a hearing where staff represented that the Board had a neutral position. He recommended the neutral position remain in place at this time and noted there was no further action scheduled. He said BDR 1162 would direct a study concerning consolidation of law enforcement agencies in Washoe County. Mr. Slaughter said AB 247 dealt with the safety of bicycles on roads and remarked the bill had a positive hearing. Commissioner Jung requested this be presented before the Board for an official position. Mr. Slaughter stated AB 207 considered discrimination based on sexual orientation in a place of public accommodation and would be investigated by the Nevada Equal Rights Commission.

Commissioner Weber asked for an update on AB 54. Mr. Slaughter remarked the bill had a hearing. He said staff informed them that the Board was proposing an amendment to the bill that would remove any discussion of mandatory conversion of a septic or a well to a public system. He said the letter as directed by the Board, was presented to Chairwoman Kirkpatrick and would have further discussion.

Mr. Slaughter announced a legislative Town Hall meeting was scheduled for March 14, 2009 in the Commission Chambers. Commissioner Weber noted the Sun Valley Citizen Advisory Board (CAB) was scheduled to meet on March 14th and hoped if there were future town hall meetings the scheduling would not interfere with that CAB since they were very active legislatively.

09-243 **AGENDA ITEM 7**

Agenda Subject: “Reports/updates from County Commission members concerning various boards/commissions they may be a member of or liaison to (these may include, but not be limited to, Regional Transportation Commission, Reno-Sparks Convention & Visitors Authority, Debt Management Commission, District Board of Health, Truckee Meadows Water Authority, Organizational Effectiveness Committee, Investment Management Committee, Citizen Advisory Boards).”

Commissioner Weber said the Sun Valley Citizen Advisory Board (CAB) meeting was scheduled for March 14, 2009 and the North Valleys Neighborhood Advisory Board (NAB) meeting was scheduled for March 16th.

Commissioner Breternitz requested a short presentation by the Sierra Nevada Community Aquatics Group and an update on the Shared Services Task Force.

Chairman Humke announced that the South Truckee Meadows General Improvement District (STMGID) would meet on March 16, 2009.

AGENDA ITEM 8

Agenda Subject: “Possible Closed Session for the purpose of discussing negotiations with Employee Organizations per NRS 288.220.”

There was no closed session scheduled.

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AGENDA ITEM 10 – ADJOURNMENT

1:50 p.m. There being no further business to come before the Board, on motion by Commissioner Breternitz, seconded by Commissioner Larkin, which motion duly carried, it was ordered that the meeting be adjourned.

DAVID HUMKE, Chairman
Washoe County Commission

ATTEST:

AMY HARVEY, County Clerk
and Clerk of the Board of
County Commissioners

*Minutes Prepared by:
Stacy Gonzales, Deputy County Clerk*