



MAYOR
Geno Martini

CITY COUNCIL
Julia Ratti, Ward I
Ed Lawson, Ward II
Ron Smith, Ward III
Mike Carrigan, Ward IV
Ron Schmitt, Ward V

CITY ATTORNEY
Chet Adams

REGULAR CITY COUNCIL MEETING MINUTES

2:00 P.M., Monday, April 23, 2012

City Council Chambers, Legislative Building, 745 Fourth Street, Sparks, Nevada

1. Call to Order (Time: 2:02 p.m.)

The regular meeting of the Sparks City Council was called to order by Mayor Geno Martini at 2:02 p.m.

2. Roll Call (Time 2:02 p.m.)

Mayor Geno Martini, Council Members Julia Ratti, Ed Lawson, Ron Smith, Mike Carrigan, Ron Schmitt, City Manager Shaun Carey, City Attorney Chet Adams, and Assistant City Clerk Teresa Gardner, PRESENT.

ABSENT: None

Staff Present: Adam Mayberry, Ron Korman, Tom Garrison, Jeff Cronk, Brian Adams, John Martini, Chris Syverson, Steve Driscoll, Chris Cobb, David Bruketta, Tracy Domingues, Andre Stigall, Armando Ornelas, Brian Miller, Stacie Hemmerling, Trish Kuehl, Steve Keefer, Rich Brown, Heidi Shaw, Dan Marran, Andy Flock, Teresa Wiley, Jim Rundle, Rocky Triplett

Invocation Speaker (Time: 2:03 p.m.)

The invocation was given by Bishop Tom White of the Church of Jesus Christ of Latter Day Saints.

Pledge of Allegiance (Time: 2:04p.m.)

The Pledge of Allegiance was led by City Attorney Chet Adams

Comments from the Public (Time: 2:04 p.m.) - None

Approval of the Agenda (Time: 2:04 p.m.)

Consideration of taking items out of sequence, deleting items and adding items which require action upon a finding that an emergency exists.

A motion was made by Council Member Smith, seconded by Council Member Ratti, to move item 6.5 to the end of the Redevelopment meeting and approve the agenda as amended. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

3. Recommendation to Approve Minutes of April 9, 2012 (Time: 2:05 p.m.)

Consideration and possible approval of the minutes of the Regular Sparks City Council meeting of April 9, 2012.

A motion was made by Council Member Ratti, seconded by Council Member Lawson, to approve the minutes of the Regular Meeting of April 9, 2012. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

4. Announcements, Presentations, Recognition Items and Items of Special Interest
(Time: 2:06 p.m.)

4.1 Commendation - Reed High School Girls Varsity Basketball Team (2:06 pm)

Mayor Martini read a commendation recognizing the Reed High School 2011-2012 Varsity Girls Basketball Team for earning the title of state champions and congratulated them on their outstanding team work and accomplishments representing the best of Sparks. The Commendation was presented to Coach Sara Schopper. The team included Assistant Coach Anthony LeSure, Cori Gammon, Sierra Hooft, Nyasha LeSure, Makaela Moore, Mary Dettling, Cherish Navarroza, Brooke Cervantes, Megan Dettling, Tyler Sumpter, Tina Vernon, Gabby Williams and Nakiyah LeSure.

4.2 Proclamation - Arbor Day (2:10 pm)

Council Member Ratti read a proclamation declaring April 27, 2012 "Arbor Day" and urged all citizens to celebrate Arbor Day and support efforts to protect our trees and woodlands. The proclamation was presented to Tracy Domingues, Parks & Recreation Director.

4.3 Proclamation - Newcomers Club Day (2:12 pm)

Mayor Martini read a proclamation declaring April 26, 2012 "Newcomers Club Day" and encouraged all citizens to recognize and appreciate the valuable contributions The Newcomers make in the communities where they reside, socialize, and work. The proclamation was presented to Bernice Strange, Chairman of the Newcomers Club who invited all to attend the activity showcase on April 26, at 9:30 am. President of the Newcomers Club Carol Pullman said the club is there for all Northern Nevadans who have had a change in life and need a new way to learn about activities and make friends.

4.4 Proclamation - Older Americans Month (2:16 pm)

Mayor Martini read a proclamation declaring May 2012 "Older Americans Month" and urged every citizen to take the time this month to honor our older adults and the professionals, family members and volunteers who care for them. Our recognition of older Americans and their involvement in our lives can help us achieve stronger and more meaningful connections with each other and enrich our community's quality of life. The proclamation was presented to Anita Ritter who is a volunteer working to show the major contributions older Americans make to our society and to highlight key issues older Americans face. Council Member Ratti announced that the Sparks Senior Center will be having an ice cream social on May 10.

4.5 Proclamation - Fred Horlacher History Day (2:19 pm)

Mayor Martini read a proclamation declaring April 23, 2012 "Fred Horlacher History Day" and joined with the City Council in thanking Fred for his decades of commitment to our community and the thousands of students whose lives he has enriched. Fred wanted to share this moment with every teacher. Fred also discussed the importance of history and shared a story from Teddyanna Keele's diary. Mayor Martini thanked Fred for all he does for the City of Sparks and the school system.

4.6 Proclamation - Blue Star Mothers of America Month (2:27 pm)

Mayor Martini read a proclamation declaring May, 2012 “Blue Star Mothers of America Month” honoring the sacrifice and dedication of the Blue Star Mothers of America and the men and women who are defending our nation so we can enjoy the freedoms we have today. The proclamation was presented to Gwen from the Truckee Meadows Blue Star Mother of America group who thanked the City of Sparks for their support and also thanked the crew that installed the banners. Mayor Martini thanked Gwen for putting together the program and allowing the City of Sparks to be a part of it.

4.7 Presentation on the Reno Sparks Convention & Visitors Authority marketing program (2:32 pm)

A presentation was made by Reno Tahoe USA President/CEO Chris Baum regarding the Consumer Marketing Campaign 2012 included the following:

- Reno, Sparks & North Lake Tahoe can no longer market ourselves as a gaming destination...as gambling is available in 48 states today. We need to think of ourselves in a new way...
- Reno Tahoe USA is a friendly, four season resort destination - in a spectacular natural setting - that offers world class attractions, activities and events to excite the passion of almost anyone.
- The tag line is “what’s your passion?”
- Advertising will show people thinking about different activities found in Reno/Sparks/Tahoe.
- **60 billboards throughout No. California**
LEDs/Digital Boards, Bus Shelters, Static Boards, Bulletins, Eco Posters
Locations: San Francisco, Palo Alto, San Jose, East Bay, Berkeley, Sacramento
- **Radio Stations**
KCBS-AM, News/Talk
KLLC-FM, Hot Adult Contemporary
KMVQ-FM, Rhythmic Adult Contemporary
KOIT-FM, Soft Adult Contemporary
KFOG-FM, Sports/Talk
KTCT/KNBR-AM, Contemporary Hit Radio
KYLD-FM, Album Adult Alternative
- **Magazines**
Sunset, VIA Magazine, San Francisco Magazine, Sacramento Magazine, Spirit - Southwest Airlines
- **Online Banner Ads**
Display Ads, Networks using Behavioral & Contextual Targeting, Keyword Campaigns, Facebook Fan Pages, Twitter Promotions, Pinterest
- **Reno Tahoe Website**
- **Passion Packages Landing Page**
- **Local Presence**
Reno Tahoe Airport, National Bowling Stadium, Reno Sparks Convention Center, Reno Sparks Livestock Events Center, Reno Events Center

Council Member Lawson asked if they are getting any feedback from the new campaign and Mr. Baum said they are getting positive comments from those who have seen or heard the messages and will have additional statistics in about a year when they do the Consumer Research.

5. Consent Items (Time: 2:37:37p.m.)

Council Member Carrigan pulled consent items 5.8, 5.9, 5.10 and 5.11. A motion was made by Council Member Ratti, seconded by Council Member Carrigan, to approve Consent Items 5.1 through 5.7, 5.12 and 5.13 as submitted. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

5.1 Report of Claims and Bills approved for payment and appropriation transfers for the period March 22, 2012 through April 4, 2012.

An agenda item from Finance Manager Jeff Cronk recommending the City Council approve the report of claims and bills as presented in the staff report.

5.2 Consideration and possible approval of the destruction/disposal of original building plans and associated documents that have been microfilmed.

An agenda item from EIMS Coordinator Donna DiCarlo recommends approval based on NRS 239.051 which allows for the destruction/disposal of original building plans and associated documents once they have been scanned and microfilmed in a manner that complies with the standards of quality approved by the American National Standards Institute, and that a copy of the film is stored in a manner that protects it reasonably from loss. Once the standards have been met, a reproduction of the film is considered an original.

5.3 Consideration and possible approval of a contract with Broadbent and Associates to perform air quality modeling and potential emissions control consulting at the Truckee Meadows Water Reclamation Facility in an amount not to exceed \$36,085.

An agenda item from TMWRF Plant Manager David Bruketta and Environmental Health and Safety Coordinator Paul Shapiro recommending approval of a contract with Broadbent and Associates to perform air quality modeling potential consulting services at the TMWRF. Broadbent previously sampled and tested the air quality and now this is a continuation of services to model the results in order to establish a total emissions inventory and possible consult on emission control devices if needed. Following quarterly reconciliation of TMWRF's operating expenses; Sparks is expecting reimbursement from the City of Reno based on the percentage flow split, of the actual cost of this contract.

5.4 Consideration and possible award of the 2012 Street Rehabilitation – Unit 2, Bid No. 11/12-023, PWP-WA-2012-161 to Spanish Springs Construction, in the amount of \$591,444.

An agenda item from Assistant Community Services Director John Martini and Transportation Manager Jon Ericson recommending approval of this contract to remove and replace rundown curb and gutter, sidewalk, and reconstruct the roadway with new asphalt on Richards Way from Pyramid Way to Probasco Way. New sidewalk will be installed, from Kim Way to Probasco Way, to provide better pedestrian access to the Senior Center and the City of Sparks Recreation Center. This project is funded in the Capital Improvement Plan (CIP) and there is no General Fund impact.

5.5 Consideration and possible award of the Steneri/Snider Storm Drain Lift Station Project, Bid Number 11/12-021, PWP WA-2012-158 to Peavine Construction in the amount of \$822,685.

An agenda item from Assistant Community Services Director John Martini and Utility Manager Andrew Hummel recommending approval of a contract to install a pump station in an area of the Sparks Industrial zone which has historically been impacted by minor rain storms and flood events due to its low-lying topography. The project is funded in the Capital Improvement Plan (CIP).

5.6 Consideration and possible approval of a contract with Goodi's Fresh Squeezed Lemonade/Goodwin-Huett Enterprises Inc. for concessionaire services (snack stand) at the Sparks Marina Park RFP #11/12-025.

An agenda item from Parks & Recreation Director Tracy Domingues and Recreation Supervisor Andre Stigall recommending approval of the contract for Goodi's Fresh Squeezed Lemonade who has been in business in the northern Nevada area since 1989 and has administered the seasonal concession contract at the Sparks Marina Park for the past nine years. The company has done an outstanding job of serving the public a variety of quality menu items at a fair price. Staff is looking to fill a new 1 year contract, with options for an additional 7 years. Seasonal months of operation are approximately April – September.

5.7 Consideration and possible approval of Change Order No. 2 for the federally funded (CDBG) 7th Street Pedestrian Improvements Project, to Granite Construction, in the amount of \$22,692.

An agenda item from Assistant Community Services Director John Martini and Capital Projects Manager Chris Cobb recommending approval of the change order to provide for the construction of the remaining curb, gutter, and sidewalk improvements along E Street from 7th Street to 6th Street. This project is funded by CDBG in the FY12 CIP.

5.8 Consideration and possible approval of the purchase of recreation equipment and site amenities for Pah Rah All Abilities Playground from Recreation Republic, Inc. in the amount of \$44,236.00.

An agenda item from Assistant Community Services Director John Martini and Capital Projects Manager Chris Cobb recommending approval to purchase equipment and amenities for the "All Abilities" Playground at Pah Rah Park which was designed using the "7 Principles of Universally Accessible Design" from No. Carolina State University and research from the Center for Persons with Disabilities at Utah State. Based upon Recreation Republic's background with the layout and design of this project and specialty nature of all access playgrounds, they are the best vendor positioned to sell this equipment. This project is funded in the FY11/12 Capital Improvement Plan (CIP).

Council Member Carrigan asked what the funding source is for this project and Capital Projects Manager Chris Cobb said the project is funded by Park District 2 collected during the housing boom and is restricted by NRS; it has to be used in local parks less than 50 acres. Mr. Cobb further described the project.

A motion was made by Council Member Carrigan, seconded by Council Member Lawson, to approve Consent Items 5.8 through 5.10 as submitted. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

5.9 Consideration and possible authorization to use the CMAS/GSA contract with Field Turf for the purchase of play equipment, shade system, and installation of artificial turf at Pah Rah Park All Abilities Playground, in the amount of \$187,471.22.

An agenda item from Assistant Community Services Director John Martini and Capital Projects Manager Chris Cobb recommending approval to use the cooperative purchasing contract offered under the CMAS/GSA program to afford the City a price that is specific to the project while also satisfying the legal procurement requirements. Based upon known market conditions, the quoted

price under this contract represents a significant discount for the quality of material being installed. This project is funded in the FY11/12 Capital Improvement Plan (CIP).

5.10 Consideration and possible authorization to use the U.S. Communities contract with Kompan for the purchase of play equipment for Pah Rah Park All Abilities Playground, in the amount of \$151,854.80.

An agenda item from Assistant Community Services Director John Martini and Capital Projects Manager Chris Cobb recommending authorization to use the cooperative purchasing contract offered under the U.S. Communities program to afford the City a price that is specific to the project while also satisfying the legal procurement requirements. Based upon known market conditions, the quoted price under this contract represents a significant discount for the quality of material being installed. This project is funded in the FY11/12 Capital Improvement Plan (CIP).

5.11 Consideration and possible approval of a contract with Carrara Nevada for legislative services.

An agenda item from Community Relations Manager Adam Mayberry recommending approval of a contract with the Carrara Group, LLC, who has over 50 years of experience in governmental affairs in Nevada representing corporate, association, and government clients. Carrara Nevada has been retained as the City's contract legislative strategist since 2007. In 2011, Carrara was again selected through a formal request-for-proposal (RFP) process. Carrara provided a key role in advising the city on state legislative matters, supporting relationship building with key legislators and state leaders, and providing strategic guidance on issue management.

Under the provisions of the proposed professional services agreement, staff wishes to retain Carrara Nevada under an agreement that expands their role to include tracking legislation, lobbying, and communication. The increased cost to be paid is offset by salary savings from the frozen Senior Administrative Analyst position.

Council Member Carrigan understood the city would be hiring a legislative strategist, this item includes legislative lobbying. Community Relations Manager Adam Mayberry explained that due to a reduction in staff, the Carrara contract was expanded to include some lobbying and bill tracking. Council Member Carrigan was concerned that Council did not provide that direction; however, the Legislative Team (Mayor Martini and Council Member Ratti) gave direction to make the change. Council Member Ratti commented that this change is actually saving money by increasing the Carrara contract and eliminating a position in the City Manager's office. Council will still need to support the legislative function as in the past, the change was merely to provide additional staff support. Council Member Ratti, Mayor Martini and City Manager Shaun Carey apologized for not bringing this to the Council's attention prior to the staff report.

Council Member Smith asked if the retainer fee was an additional fee and Community Relations Manager Adam Mayberry said the amount of the contract has been increased from last year, adding \$20,000 to the contract.

A motion was made by Council Member Ratti, seconded by Council Member Smith, to approve Consent Item 5.11 as submitted. Council Members Ratti, Smith, YES. Council Members Lawson, Carrigan, NO. Council Member Schmitt, ABSENT. Reopened for further discussion.

Council Member Lawson requested additional information. Council Member Carrigan believes the council recently voted to re-join the Nevada League of Cities and now increased the Carrara contract and he is concerned. Also this was not discussed during the recent budget workshop. Council Member Ratti reiterated the intent was to continue with the strategist and provide addition support during the session. She requested further direction from Council on what they would like to do with this item.

Council Member Smith asked if the contract was signed with the Nevada League of Cities and City Manager Shaun Carey responded that the Council authorized the money in next year's budget and he is working with the League director to bring the membership agreement to a future Council meeting for approval to be paid at the beginning of the upcoming fiscal year, although the League of Cities will include us for the remainder of this year.

Council Member Ratti says it is important to look at the Carrara contract as more than just work done during the session; there is much work to do throughout the year. Council Member Smith says the Legislative Team made this recommendation because they felt it was necessary. Council Member Lawson said he has enough information to vote at this time.

A motion was made by Council Member Ratti, seconded by Council Member Smith, to approve Consent Item 5.11 as submitted. Council Members Ratti, Lawson, Smith, Carrigan YES. Council Member Schmitt, ABSENT. Motion carried.

5.12 Consideration and possible award of the Wedekind Park Project, Bid No. 11/12-029, PWP-WA-2012-187 to West Coast Paving, in the amount of \$153,470.

An agenda item from Assistant Community Services Director John Martini and Capital Projects Manager Chris Cobb recommending approval of the contract to construct two trail head access parking lots, one off Disc Drive and another off 4th Street, install two shade structures, and a Picnic Pavilion. Funding for this project will be from the Capital Improvement Plan (CIP) and from a Recreation Trails Program Grant.

5.13 Consideration and possible approval of the purchase of VHF radio equipment from the Midland Radio Corporation in the amount of \$98,463.

An agenda item from Fire Captain Jake Conely and Fire Administrative Division Chief Tom Garrison recommending approval to purchase portable, mobile, and base-station radio equipment to replace current obsolete and irreparable radio equipment. Funding is provided through the award of a 2011 U.S. Department of Homeland Security Assistance to Firefighter Grant and a 20% applicant grant match.

6. General Business

6.1 Consideration and Possible Approval of a \$1,000.00 donation to Partners in Parks and Recreation from the Sertoma Club of Sparks. (Time: 3:18 p.m.)

An agenda item from Parks & Recreation Director Tracy Domingues and Recreation Supervisor Andre Stigall recommending approval of a \$1,000 donation which will enable the Sparks Parks and Recreation Department to continue the Junior Giants Baseball program for children. Ms. Stigall said this is the fourth year the Sertoma Club has provided this donation.

A motion was made by Council Member Smith, seconded by Council Member Carrigan, to accept the \$1,000.00 donation to Partners in Parks and Recreation. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

6.2 Consideration and possible acceptance of a Justice Assistance Grant in the amount of \$31,905 to pay for training and equipment. (Time: 3:20 p.m.)

An agenda item from Police Chief Steve Keefer recommending acceptance of a Justice Assistance Grant in the amount of \$31,905.00, co-applied for with the Reno Police Department and the Washoe County Sheriff's Office. The Sparks Police Department has tentatively allocated the grant funds, if accepted, for training police officers, and equipment purchases. The grant funds will be managed through an interlocal agreement.

A motion was made by Council Member Smith, seconded by Council Member Lawson, to accept the Department of Public Safety, Office of Criminal Justice Assistance Grant in the amount of \$31,905. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

6.3 Consideration and possible direction to staff to initiate master plan and zoning code amendments, including the possible removal of the area east of Sparks Boulevard from the TOD (Transit Oriented Development) corridor and to amend development standards accordingly. (Time: 3:21 p.m.)

An agenda report petitioned by Mayor Martini and presented by Senior Planner Jim Rundle requesting direction to staff to initiate master plan, zoning code and development standard amendments for the area currently within the Transit Oriented Development (TOD) east of Sparks Boulevard, referred to the TOD Employment District. The amendments to be considered include the possible removal of this area from the TOD corridor. The TOD corridor master plan and zoning standards were approved by the Sparks City Council in 2009. The TOD corridor stretches from the City limit with Reno east to Northern Nevada Medical Center, along Oddie Boulevard, along and south of Prater Way and north of I-80. Direction from Council would allow staff to move forward with analysis and to bring forward proposals. The difference between TOD and industrial uses was discussed as well as other issues regarding the TOD. The Regional Governing Board will be discussing TOD issues as well.

A motion was made by Council Member Smith, seconded by Council Member Lawson, to direct staff to initiate master plan and zoning code amendments to the TOD (Transit Oriented Development) corridor including but not limited to the possible removal of the area east of Sparks Boulevard from the TOD corridor. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

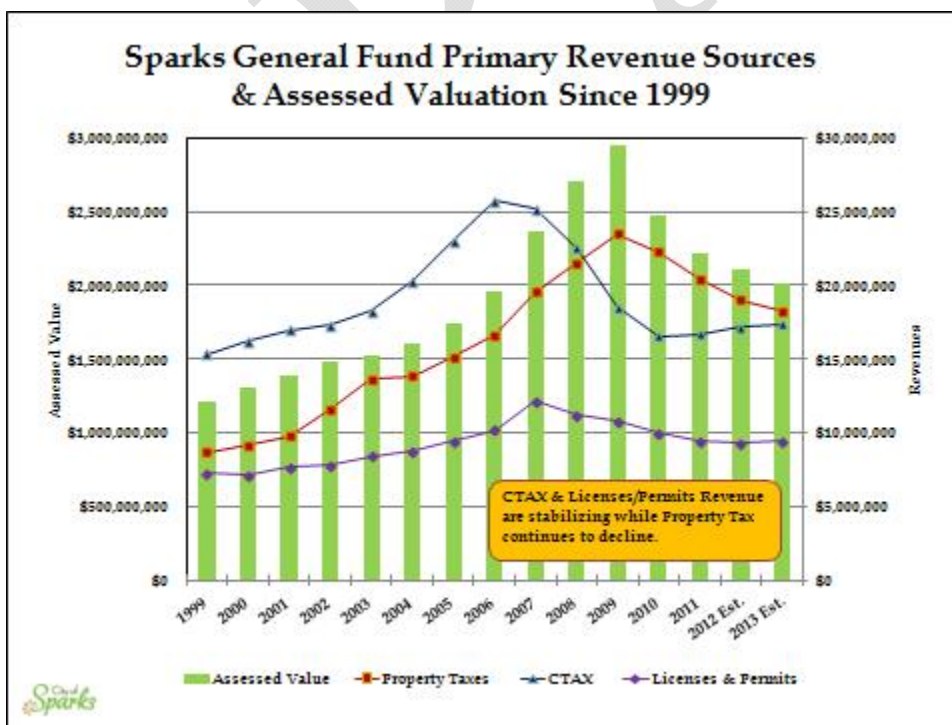
6.4 Consideration, discussion, and possible approval of fiscal year 2012-2013 budget and fiscal items including 1) the City Manager's recommendations for the City of Sparks final budget; 2) the City's property tax rate; 3) committing \$200,000 of Business License revenue to the Stabilization Fund; 4) the creation of a new Internal Services Fund called the "Employee Retirement Benefits Fund"; 5) initiating a second round of the Sparks Sustainable Services Initiative (SSSI); 6) the proposed five year Capital Improvement Plan; and 7) the proposed use of unspent 2007 CTAX bond proceeds. (Time: 3:36 p.m.)

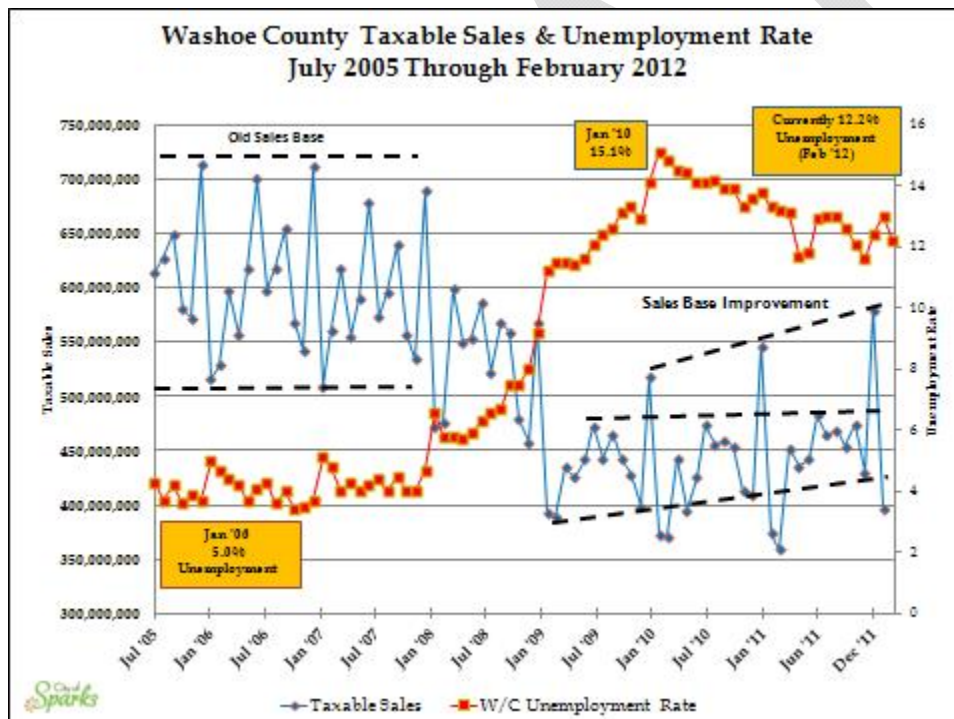
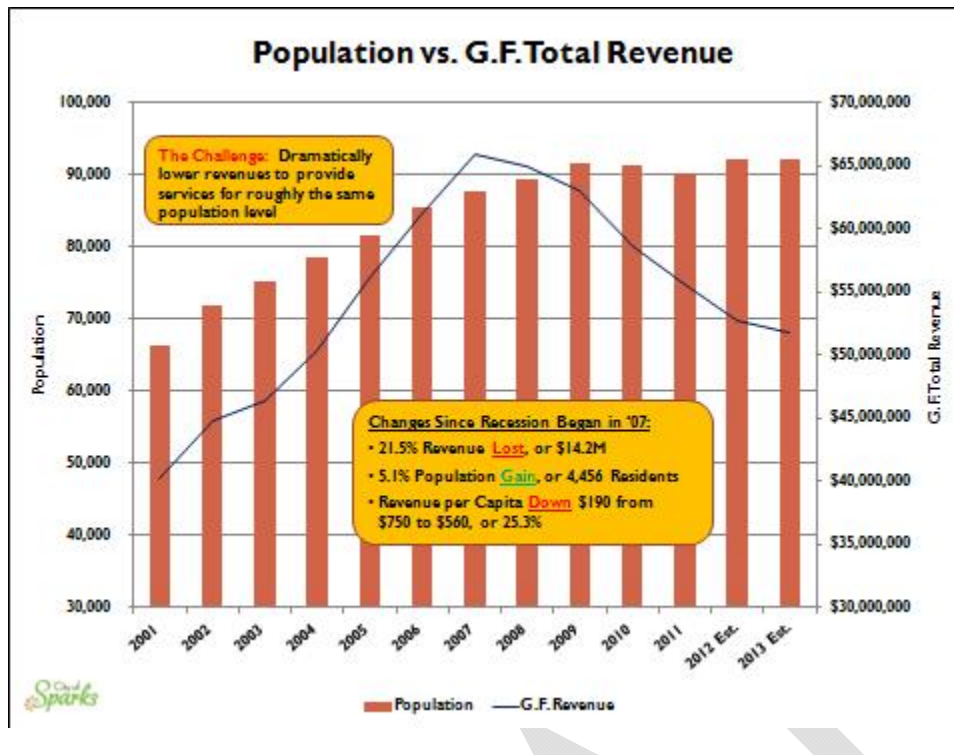
An agenda item from City Manager Shaun Carey and Financial Services Director Jeff Cronk recommending:

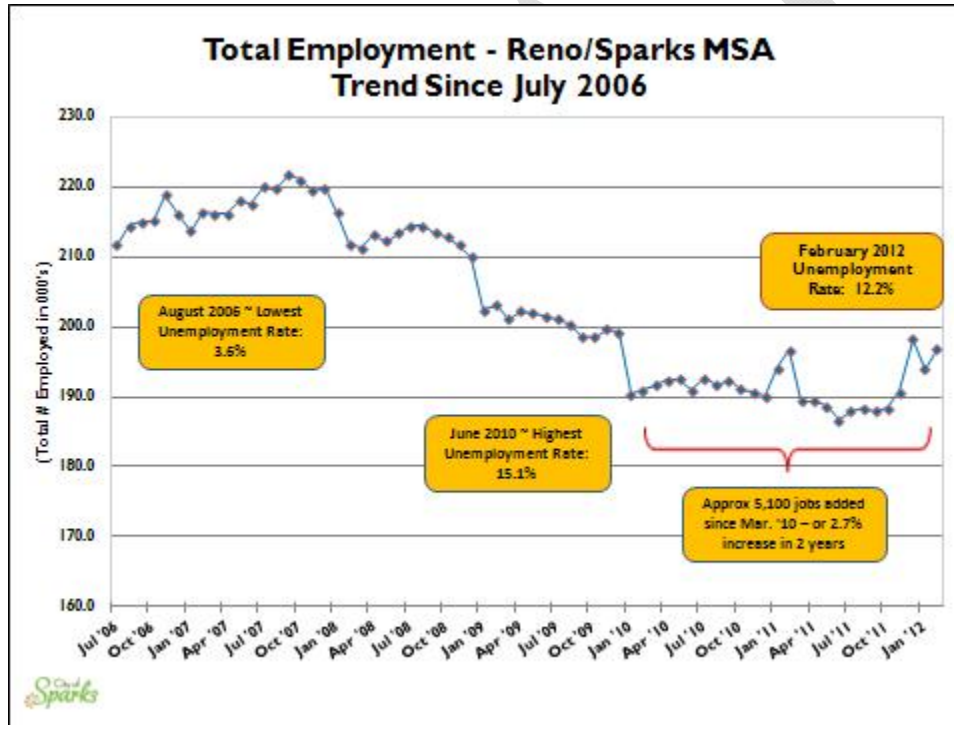
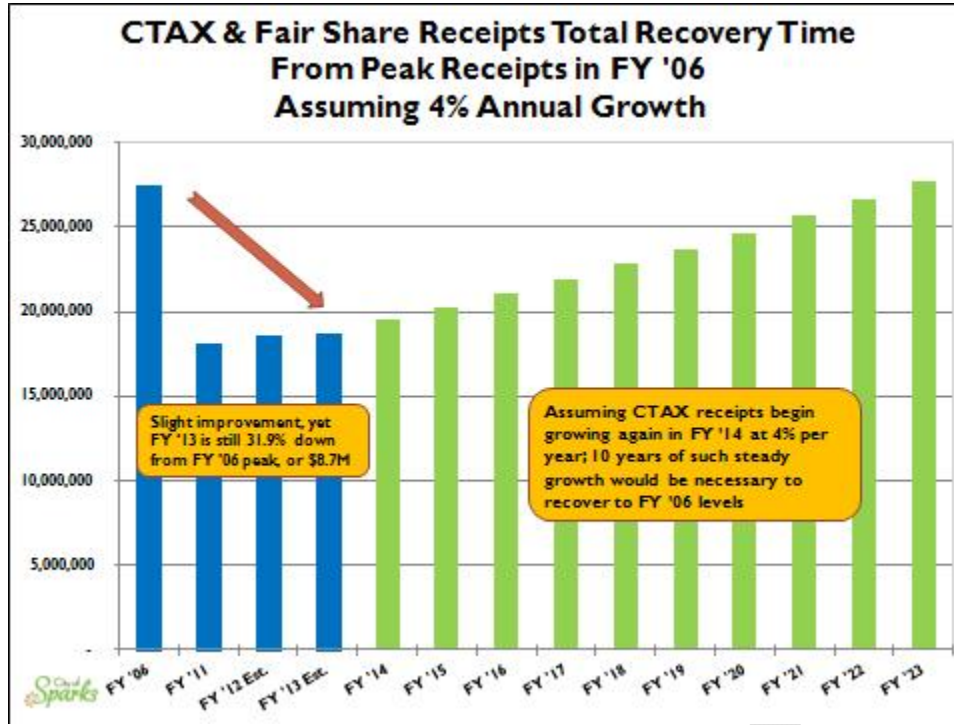
1. Approval of the fiscal year 2012-2013 City Manager’s budget recommendations;
2. Approval of the City’s property tax rate (no change is recommended);
3. Formal Council action to “commit” \$200k of Business License revenue to the Stabilization Fund per Council Policy in accordance with GASB 54 requirements.
4. Direction to establish a new Internal Services Fund to be called “Employee Retirement Benefits Fund”, designed to accumulate assets to offset the City’s OPEB liability;
5. Approval to initiate a second round of the Sparks Sustainable Services Initiative (SSSI);
6. Approval of the proposed five-year Capital Improvements Plan (CIP); and
7. Approval of the proposed use of remaining unspent 2007 CTAX bond proceeds.

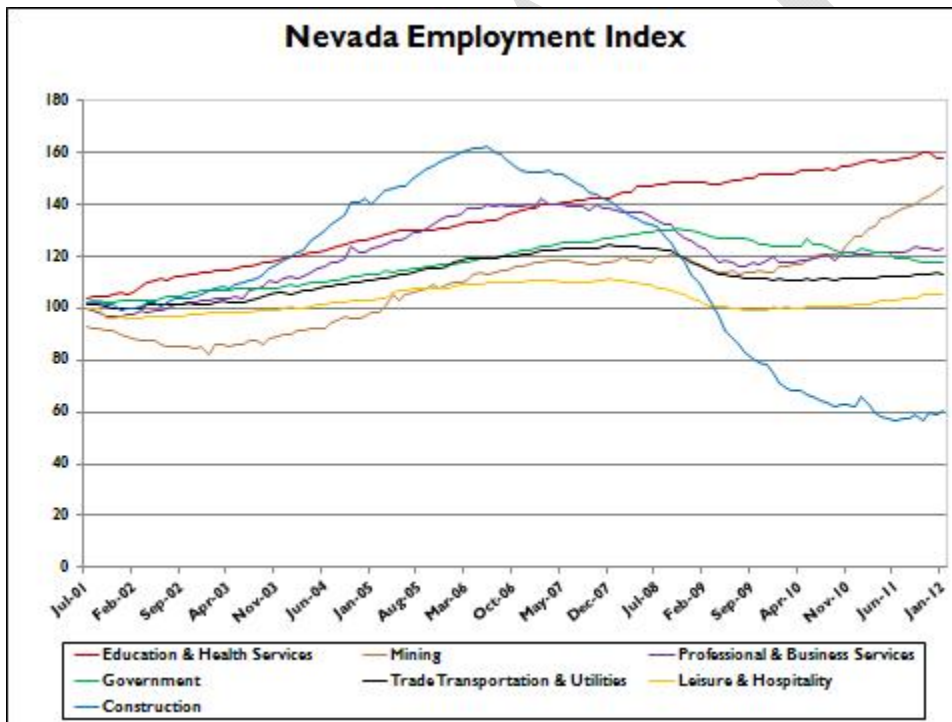
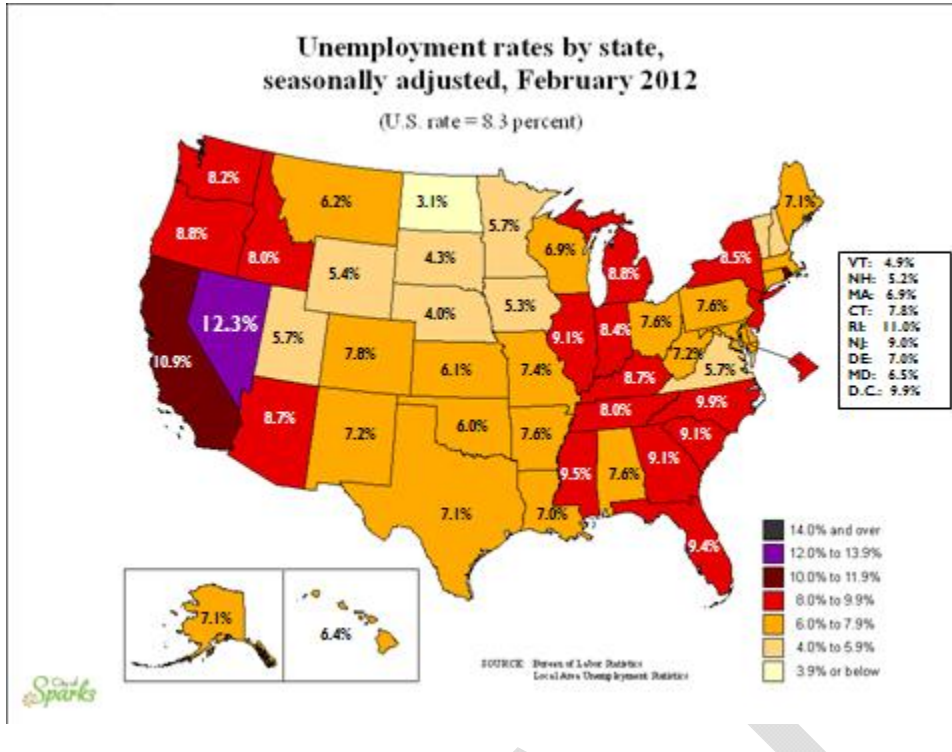
Financial Services Director Jeff Cronk presented the City Manager’s final budget recommendations for fiscal year 2012-2013 and requested Council to direct staff in preparing the city’s final budget document for submission to the State of Nevada. City staff has filed the tentative budget for the fiscal year 2012-2013, and Council will receive public comment on the fiscal year 2012-2013 tentative budget on Tuesday morning, May 15, 2012 at 9:00 am. Immediately following the public hearing on the 2012-2013 tentative budget at 9:00 am, the City Manager and Financial Services Director will present the final budget which will be prepared based upon direction received today. The final budget must be filed with the Nevada Department of Taxation by June 1 annually. During years in which the Legislature is in session, should the Legislature take action which affects the City’s budget for the subsequent fiscal year, an additional 30 days would be granted to file an amended budget with the Nevada Department of Taxation. The presentation included the following:

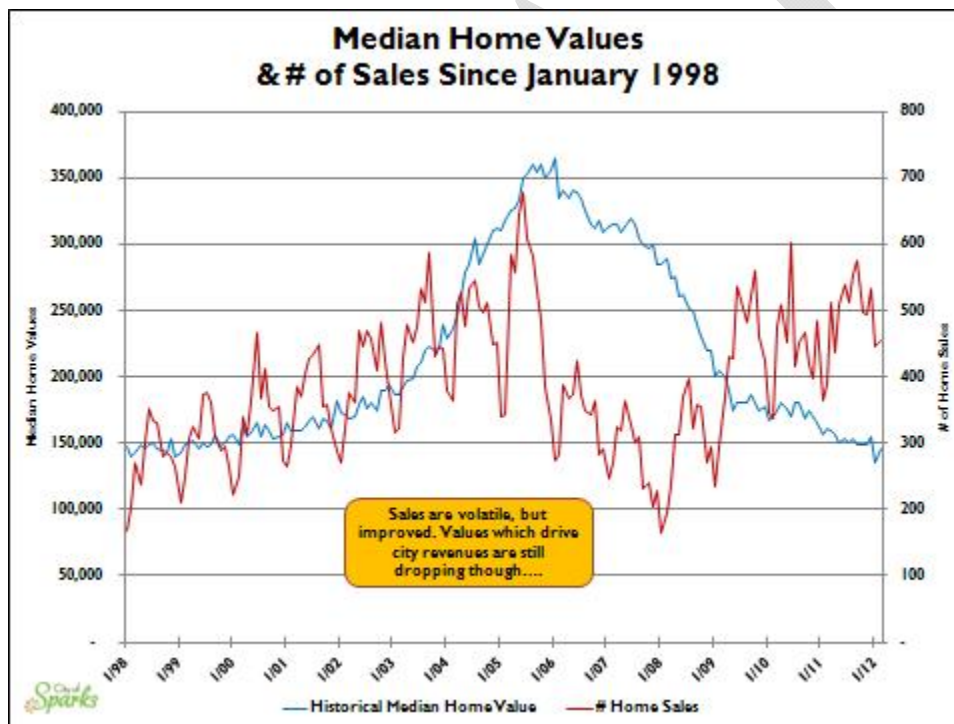
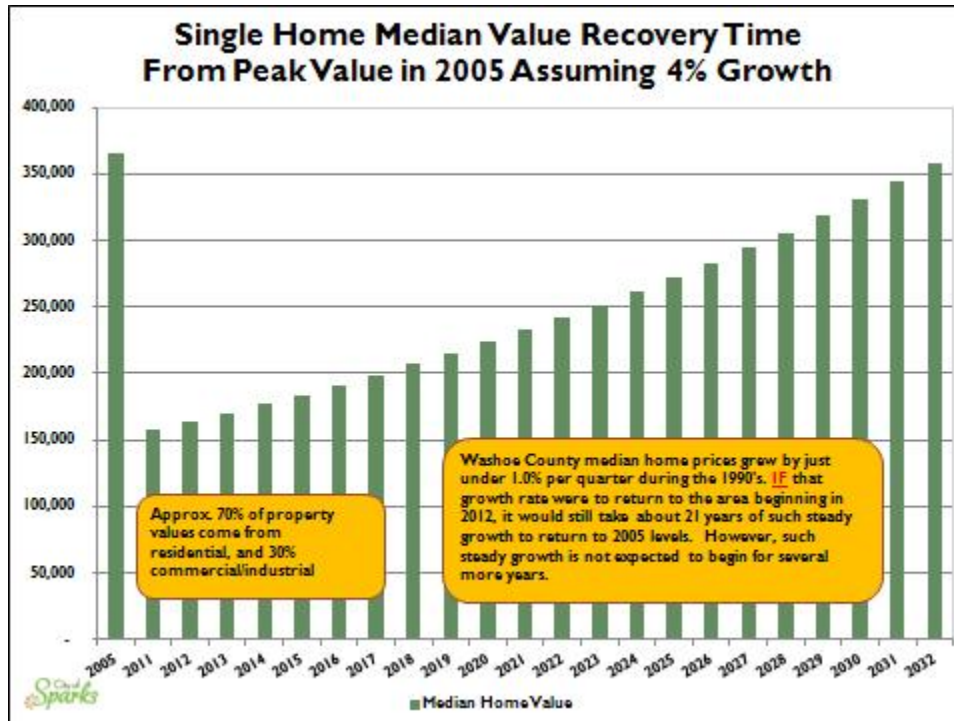
Economic Review & Expectations



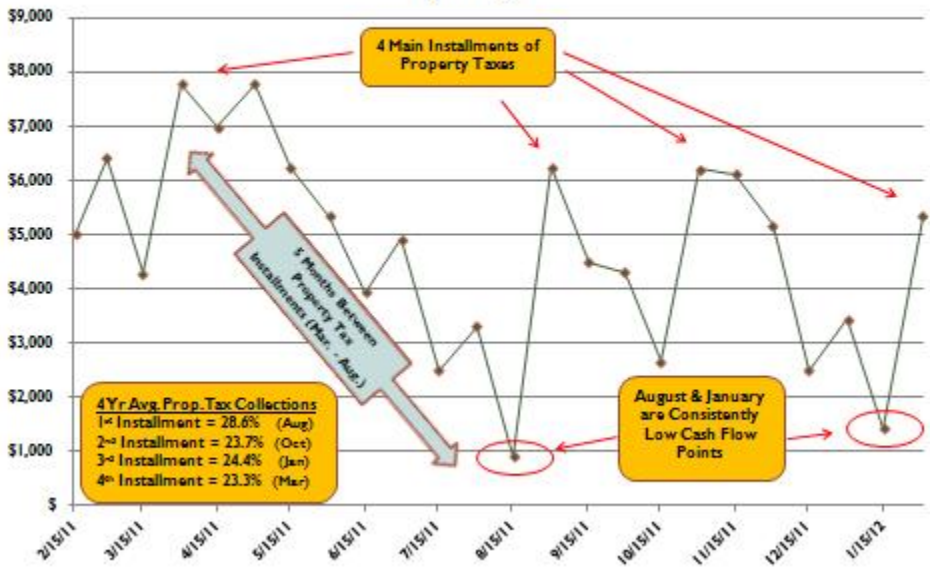




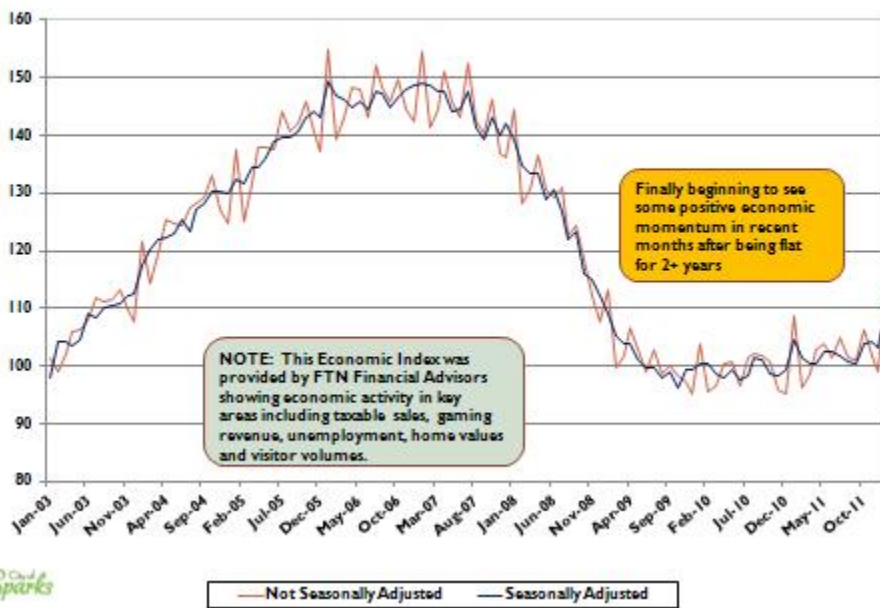


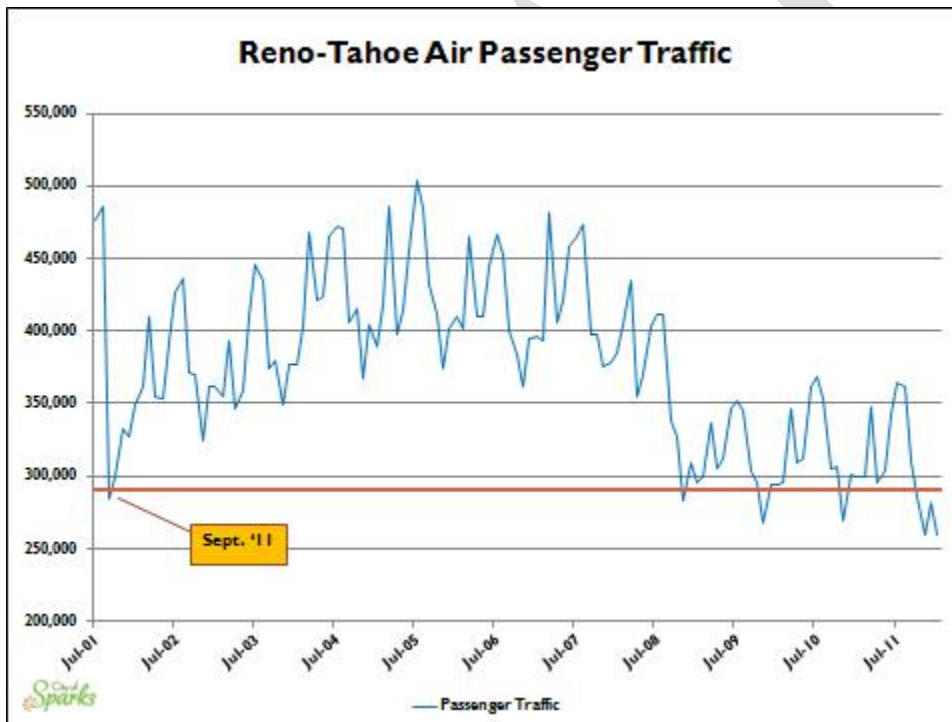
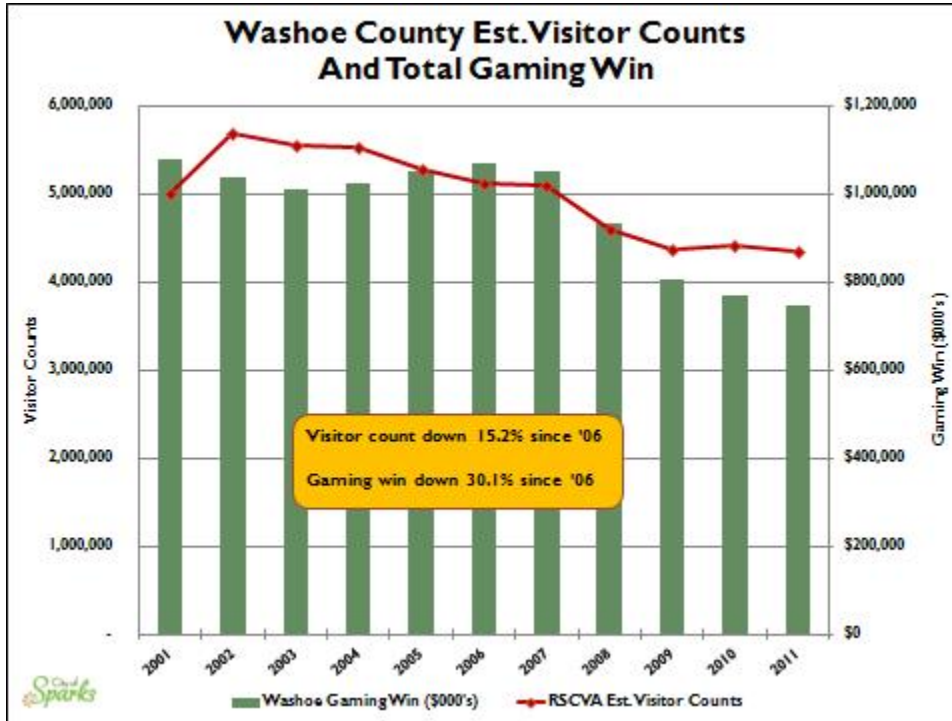


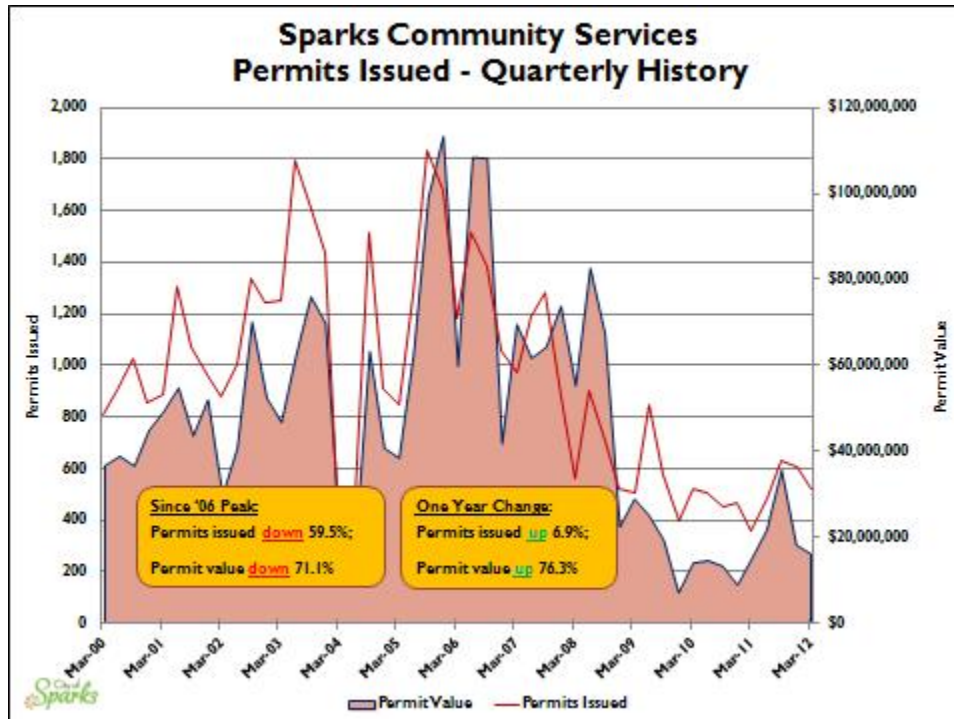
General Fund Cash Flow Trend February '11 - January '12 (\$000's)



Nevada Economic Index







What the City Manager is Seeking Today

1. Approval of FY '13 City Manager's budget recommendations
2. Approval of the City's property tax rate (**no change is recommended**)
 - Currently, the City is 4.37 pennies under the property tax cap of \$3.66 per \$100 of assessed value, and Council has the authority to raise the rate up to the maximum allowed
3. Council approval to "Commit" \$200k of Business License revenue to the Stabilization Fund per Council Policy in accordance with GASB 54 requirements
 - Approval is necessary prior to the end of the current fiscal year, and is expected to result in a balance of about \$428k by end of FY '13
4. Authority to establish a new Internal Services Fund called "Employee Retirement Benefits Fund" to accumulate assets & offset OPEB liability;
 - Each year, funds could be swept from the current Health Insurance Fund into the new Employee Retirement Benefits Fund if the current Health Insurance Internal Services Fund assets are sufficient to provide > 3.0x coverage of fund liabilities
5. Approval to initiate a second round of the Sparks Sustainable Services Initiative (SSSI)
6. Approval of the proposed five-year Capital Improvements Plan (CIP)
7. Approval of the proposed use of remaining unspent 2007 CTAX bond proceeds

City Manager's Recommendations FY '13 General Fund Budget

- Follow Council Adopted Fiscal Policies
 - Maintain a minimum unrestricted ending fund balance equal to 8.3% of expenditures
 - Transfer \$1.1M to Capital Projects Fund to help meet infrastructure and CIP needs
 - Commit \$200k of revenue to the Stabilization Fund
 - Currently, this Fund has a balance of about \$228k

- Maintain a Contingency Budget
 - Recommend increasing the contingency budget, to \$1.0M, but offsetting it by a transfer-in from the Motor Vehicle Internal Service Fund of an equal amount
- Reduce personnel costs so that they don't exceed 78% of Primary Revenues
 - City Manager is recommending achieving this goal over time
 - Note: Adopted Council policy is to not exceed 78% of Primary Revenues; however, staff is recommending a minimum goal of 75% of Total Revenues to better reflect the new City organization implemented in FY '12
- Consider funding the City's OPEB liability
 - Maintain "Pay-As-You-Go" status; however, City Manager is recommending creating a new "Employee Retirement Benefits Fund" as a vehicle to accumulate assets to offset the OPEB liability over time
- FY '13 "Status Quo" Budget is Recommended
- New Needs & Exceptions to "Status Quo"
 - Filling 2.5 FTE currently vacant positions -- 2 Fire Fighters, & .5 Victim's Advocate (if grant funding is lost)
 - Additional funds are also needed to provide for Contract Plans Examination services (\$60k – funded within the Development Services Enterprise Fund) and to overhaul the City's development ordinances (\$150k one-time money)
 - Inflation is also driving up costs somewhat (fuel, for example)
 - Some of these costs will be offset by a transfer of \$60k from the Development Services Fund to begin to repay the amount subsidized by the General Fund during the prior two fiscal years (\$1.1M total subsidy over two years)
 - Also offsetting some of the additional costs is a planned reduction of health insurance contributions by about \$400k
 - This all results in a net expense increase of about \$316k over FY '12 expectations

General Fund Budget Summary Reflecting FY '13 Recommendations

- Revenues are expected to decline by \$900k, or 1.7%
- Net expenses & transfers are expected to rise by about \$316k as previously outlined
- Overall, expenses are expected to be greater than revenues resulting in a fund balance reduction of about \$1.6M
- FY '12 unrestricted ending fund balance is expected to be about 11.3% of total expenses, or about \$1.6M over the Council's minimum goal of 8.3%
- FY '13's fund balance is expected to be right at the minimum goal of 8.3% with these recommendations

Development Services Enterprise Fund

- The City's General Fund subsidized the Development Services Enterprise Fund by approx. \$1.1M
 - \$916K in FY '10 and another \$200K in FY '11
 - The City Manager is recommending that the Development Services Fund begin paying back this subsidy in FY '13, and has included a \$60k transfer to the General Fund as part of his recommendations
- Plans Examination Services were identified as a "New Need" at the April 9, 2012 Council workshop
 - An additional \$60K within the Development Services Fund is recommended to pay for these services on a contracted basis

“New Needs”

| Fund | Department | Description | FY '13 Amount | Manager Recommended? |
|---------|----------------|---------------------------|---------------|---|
| General | Police | I Property Evidence Tech. | \$66,515 | No |
| General | Comm. Services | Maint. Worker III | \$68,116 | No – Staff to Explore Reduction from Contract Svcs. |
| General | Comm. Services | Safety & Training Officer | \$73,247 | No – Staff to Explore Privatization |
| General | Comm. Services | Economic Development Mgr. | \$137,025 | No – Staff to Explore Combining with Econ. Dev. |
| General | Comm. Services | Business & Dev. Mgr. | \$75,000 | No |

| Fund | Department | Description | FY '13 Amount | Manager Recommended? |
|-----------|----------------|--------------------------------------|---------------|----------------------|
| General | Fire | 3 Fire Fighters | \$297,819 | No |
| General | Fire | Public Fire Safety Education Officer | \$104,641 | No |
| General | Police | Dispatcher | \$68,821 | No |
| General | Police | Detective – Crime Suppression | \$115,425 | No |
| Equipment | Comm. Services | P/T Parts Tech. | \$26,060 | No |

| Fund | Department | Description | FY '13 Amount | Manager Recommended? |
|-----------|----------------|--------------------------------|---------------|----------------------|
| Dev. Svcs | Comm. Services | Bldg. Inspector | \$87,611 | No |
| General | Comm. Services | 5 Temp. & 2 P/T Maint. Workers | \$112,123 | No |

General Fund Budget Summary Looking Ahead to FY '14.....

- Revenues are expected to be flat at best
- A need to cover the loss of the COPS grant which provides funding for 6 Officers, equal to about \$726k

Regular City Council Meeting Minutes - Page 19
 Monday, April 23, 2012

- Redevelopment Area #2's debt will potentially need to be subsidized by an approximate \$550k due to lack of property tax revenue generated from Area #2 (subsidy will probably be needed through FY '17 when debt matures & is removed from the books)
- Currently estimating a potential shortfall of about \$3.1M from reaching the 8.3% minimum fund balance goal (Exp's > Rev's)
- To address the est. shortfall, the City Manager is recommending a second round of the Sparks Sustainable Services Initiative (SSI), which was originally implemented in FY '11 & FY '12

| City of Sparks General Fund Financial Summaries (Prepared for 4/23/12 Council Presentation) FY '11 Through FY '14 | | | | | | | |
|---|-----------------------|------------------------|------------------------|--------------------|------------------------------|---------------------------|--------------------------|
| General Fund (presented in \$000's) | FY '13 Est. Budget | FY '12 Est. Results | FY '12 Filed Budget | FY '11 Results | \$\$ Change FY '12-FY '13 | % Change FY '12-FY '13 | FY '14 'Distant Look' |
| Property Taxes | \$ 18,282 | \$ 18,975 | \$ 19,118 | \$ 20,445 | \$ (683) | -3.7% | \$ 18,282 |
| Consolidated & Fair Share Taxes | \$ 18,736 | \$ 18,550 | \$ 18,350 | \$ 18,055 | \$ 186 | 1.0% | \$ 18,736 |
| Licenses & Permits | \$ 9,615 | \$ 9,497 | \$ 9,056 | \$ 9,418 | \$ 118 | 1.2% | \$ 9,615 |
| Policy to Commit Business License Rev. to Stabilization Fund | \$ (200) | \$ (200) | \$ (200) | \$ - | \$ - | 0.0% | \$ (200) |
| Other (Charges for Service, Grants, etc.) | \$ 5,424 | \$ 5,983 | \$ 6,964 | \$ 7,722 | \$ (500) | -8.6% | \$ 5,424 |
| Total Revenue | \$ 51,856 | \$ 52,756 | \$ 53,288 | \$ 55,639 | \$ (900) | -1.7% | \$ 51,856 |
| Total Dept. Exp's & Transfers-Out | \$ (52,495) | \$ (52,305) | \$ (52,829) | \$ (53,514) | \$ (190) | 0.4% | \$ (52,712) |
| Add: Filling 2.5 Vacant Public Safety Positions (2 FF's & .5 Victim Advocate) | \$ (217) | \$ - | \$ - | \$ - | \$ (217) | n/a | \$ - |
| Add: Overhaul of City's development ordinances - FY '13 only | \$ (150) | \$ - | \$ - | \$ - | \$ (150) | n/a | \$ - |
| Less: Health Insurance Contribution Savings - FY '13 only | \$ 400 | \$ - | \$ - | \$ - | \$ 400 | n/a | \$ - |
| Policy Transfers-Out to CIP (2% of Dept. Exp's) | \$ (1,100) | \$ (1,200) | \$ (1,310) | \$ (140) | \$ 100 | -8.3% | \$ (1,100) |
| Transfer-In From Dev. Svcs. Enterprise Fund to begin subsidy repayment | \$ 60 | \$ - | \$ - | \$ - | \$ 60 | n/a | \$ 60 |
| Other Transfers-In (FY '13 from Vehicle Fund ONLY if Contingency is used) | \$ 1,000 | \$ 318 | \$ 202 | \$ 6 | \$ 682 | 214.1% | \$ 1,000 |
| Contingency Budget | \$ (1,000) | \$ - | \$ (950) | \$ - | \$ (1,000) | n/a | \$ (1,000) |
| Less: Budgetary Savings TBD (SSSI Part II) - FY '14 | \$ - | \$ - | \$ - | \$ - | \$ - | n/a | \$ 3,075 |
| Add: Loss of COPS Grant (6 Officers) - FY '14 | \$ - | \$ - | \$ - | \$ - | \$ - | n/a | \$ (726) |
| Add: Anticipated RDA #2 Subsidy - FY '14 | \$ - | \$ - | \$ - | \$ - | \$ - | n/a | \$ (950) |
| Total Expenditures & Net Transfers | \$ (53,502) | \$ (53,187) | \$ (54,487) | \$ (53,648) | \$ (316) | 0.6% | \$ (51,953) |
| Net Chg in Fund Balance | \$ (1,647) | \$ (431) | \$ (1,200) | \$ 1,991 | \$ (1,216) | 282.1% | \$ (98) |
| Beginning Fund Balance | \$ 6,414 | \$ 6,845 | \$ 6,845 | \$ 4,853 | \$ (431) | -6.3% | \$ 4,767 |
| Total Ending Fund Balance | \$ 4,767 | \$ 6,414 | \$ 5,645 | \$ 6,845 | \$ (1,647) | -25.7% | \$ 4,670 |
| Ending Fund Balance Categories: | | | | | | | |
| Non-Spendable (FY '12 & '13 Assumed No Change From FY '11) | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ - | 0.0% | \$ 1 |
| Restricted (FY '12 & '13 Assumed No Change From FY '11) | \$ 346 | \$ 346 | \$ 346 | \$ 346 | \$ - | 0.0% | \$ 346 |
| Unrestricted (Incl. Committed, Assigned, & Unassigned Balances) | \$ 4,420 | \$ 6,067 | \$ 5,298 | \$ 6,498 | \$ (1,647) | -27.1% | \$ 4,323 |
| Unrestricted Fund Balance as a % of Exp's (Policy Goal = 8.3% Min.) | 8.3% | 11.3% | 9.7% | 12.1% | n/a | n/a | 8.3% |
| Unrestricted Fund Balance Amount Over/(Under) 8.3% Minimum | \$ - | \$ 1,550 | \$ 725 | \$ 1,900 | n/a | n/a | \$ - |

| | |
|---|--|
| FY '12 & '13 Fiscal Stabilization Policy Impacts: Stabilization Fund \$ 200,000 (set annually) Transfers to CIP \$ 1,100,000 (2% of Exp's) Contingency Budget \$ 0 (Alt. Funding) Total \$ 1,300,000 | FY '13 Position Vacancy Notes: -- 2.5 vacant Public Safety existing positions to be filled in FY '13: 2 Fire Fighters, .5 Victim Advocate Payroll Policy Recommended Goal: Costs <= 75% of Total Revenue: -- FY '12 projected to be 76.9%, or about \$1.0M over goal; -- FY '13 projected to be 78.1%, or about \$1.6M over goal. |
|---|--|

A motion was made by Council Member Carrigan, seconded by Council Member Smith, to approve the City Manager's budget recommendations for fiscal year 2012-2013 with the addition of 3 police officers and 1 code enforcement officer. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

A motion was made by Council Member Ratti to raise the property tax to the maximum allowable rate. The motion died due to a lack of a second.

A motion was made by Council Member Smith, seconded by Council Member Carrigan, to keep the City of Sparks' property tax rate unchanged. Council Members Lawson, Smith, Carrigan, YES. Council Member Ratti, NO. Council Member Schmitt, ABSENT. Motion carried.

A motion was made by Council Member Carrigan, seconded by Council Member Smith, to commit \$200k of Business License revenue to the Stabilization Fund for fiscal year 2012-2013. Motion and second withdrawn.

A motion was made by Council Member Ratti, seconded by Council Member Carrigan, not to make a contribution to the Stabilization Fund for fiscal year 2012-2013. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

A motion was made by Council Member Smith, seconded by Council Member Carrigan, to direct the Financial Services Director to begin the process of establishing a new Fund called the "Employee Retirement Benefits Fund" for the purpose of accumulating assets to offset the City's OPEB liability." Council Members Ratti, Lawson, Smith, Carrigan, YES. Schmitt, ABSENT. Motion carried.

A motion was made by Council Member Carrigan, seconded by Council Member Smith, to authorize the City Manager to begin a second round of the Sparks Sustainable Services Initiative (SSSI) during FY '13 in anticipation of a FY '14 budget shortfall as well as look at the fiscal stabilization policy and ending fund balance. Council Members Ratti, Lawson, Smith, Carrigan, YES. Schmitt, ABSENT. Motion carried.

A motion was made by Council Member Smith, seconded by Council Member Lawson, to approve the proposed five-year Capital Improvements Plan for fiscal year 2012-2013 through fiscal year 2016-2017. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

A motion was made by Council Member Carrigan, seconded by Council Member Lawson, to approve the proposed use of unspent 2007 CTAX bond proceeds to offset, if needed, Redevelopment 2 deficit in 2014 if necessary. Further discussion related to the The City Manager requested utilization of \$380,000 for the design of the electrical system to allow work to begin in July. It was determined this item could be determined at the May 15 Budget Meeting when staff would present budget priorities. Motion withdrawn.

6.5 Possible motion to conduct Labor Relations proceeding (Closed per NRS 288.220) (Time: 5:48 p.m.)

An agenda item from Assistant City Manager Steve Driscoll and Employee and Customer Relations Manager Chris Syverson recommending the City Council adjourn to a closed door session to discuss labor issues.

A motion was made by Council Member Smith, seconded by Council Member Lawson, to adjourn to a closed door session after the Redevelopment meeting. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

7. Public Hearing and Action Items Unrelated to Planning and Zoning - None

8. Planning and Zoning Public Hearings and Action Items (Time: 5:37 p.m.)

8.1 2nd Reading, public hearing and possible approval of Bill No. 2643, an Ordinance amending Chapter 7 of the Sparks Municipal Code; amending Section 7.16.010 "Definitions," 7.16.050 "Notice of Violation," and 7.16.060 "Time for Abatement," 7.16.070 "Appeal Procedures," 7.16.100 "Abatement Report Hearing Procedure," to reflect the new procedure for each; and providing other matters properly related thereto.

An agenda item from City Planner Armando Ornelas requesting approval of this ordinance to amend Chapter 7.16 of the Sparks Municipal Code which would provide the City the ability to directly abate a nuisance and levy a special assessment against a property owner to recoup the cost of abating the nuisance.

Mayor Geno Martini received an email from Mr. Jim Nadeau stating: "You and I spoke some time ago regarding possible changes to the nuisance ordinance. You referred me to Armando Ornelas. I spoke with Armando and he subsequently forwarded a copy of the changes to me at which time they were reviewed by Realtor members. After review, the Realtors, though concerned about the potential lien impacts of abatement on the sale of the property, felt that the ordinance allowed for proper notice and appropriate due process before abatement. The overriding need to abate the blight and clean up the property is important to sustaining quality of life and other property values within the neighborhood.

Realtors support the ordinance changes, as is, but certainly would like an opportunity to review changes, if they are significant. We appreciate your allowing the Realtors to provide input and review. Thank you."

A motion was made by Council Member Smith, seconded by Council Member Ratti, to approve item 8.1 as outlined by staff. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Motion carried.

9. Comments (Time: 5:47 p.m.)

9.1 Comments from City Council and City Manager – Council Member Ratti observed the Youth Court, a program with 18-22 year old offenders. It was very productive and seemed like a better form of justice for that population and she was impressed. Council Member Ratti encouraged other Council Members to see it if they have an opportunity.

9.2 Comments from the Public – none

10. Adjournment (Time: 5:49 p.m.)

Council was adjourned at 5:49 p.m.