

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-fourth Session
May 18, 2007**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 11:36 a.m. on Friday, May 18, 2007, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Warren B. Hardy II, Chair
Senator Bob Beers, Vice Chair
Senator William J. Raggio
Senator Randolph J. Townsend
Senator Dina Titus
Senator Terry Care
Senator John J. Lee

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel
Michael J. Stewart, Committee Policy Analyst
Olivia Lodato, Committee Secretary

OTHERS PRESENT:

Nicolas C. Anthony, Legislative Relations Administration, City of Reno
Rob Joiner, City of Sparks
John Slaughter, Washoe County
Ted J. Olivas, City of Las Vegas
Chris B. Knight, City of Las Vegas
Marvin A. Leavitt, Urban Consortium
Kimberly McDonald, City of North Las Vegas

Chair Hardy opened the work session with a discussion of Assembly Bill (A.B.) 513.

ASSEMBLY BILL 513 (1st Reprint): Revises provisions relating to general improvement districts. (BDR 25-1380)

Chair Hardy said A.B. 513 was introduced on behalf of the City of Mesquite. He said it was an issue between the City of Mesquite and the Overton Power District No. 5. He said he had worked with representatives of Mesquite and the power company to try to arrive at a resolution. He proposed sending a letter to both parties encouraging them to resolve the board issue and return next session. He suggested removing the section relative to Mesquite and Overton Power District No. 5 from A.B. 513. He said the amendment proposed jointly by Reno, Sparks and Washoe County, was part of the Regional Plan Lawsuit Settlement Agreement. He said the details of the amendment were heard at an earlier meeting.

Senator Lee asked Chair Hardy if the proposed issue with Mesquite and Overton Power District No. 5 needed a bill next session to solve the problem.

Chair Hardy responded it was almost certain a bill was needed. He said there was some general agreement about the size of the board and the proportional representation.

Chair Hardy opened the discussion on the amendment with the proposed Settlement Agreement ([Exhibit C](#)).

Senator Care asked if the amendment was from an Assembly bill that failed.

Nicolas C. Anthony, Legislative Relations Administration, City of Reno, said the amendment was not a bill. He said there was an attempt to bring the amendment to the same bill, A.B. 513.

Senator Care said he received a number of e-mails objecting to the proposal.

Rob Joiner, City of Sparks, said the Regional Plan Lawsuit Settlement Agreement in effect today allowed the cities to expand into their spheres of influence with certain procedures. He said it was not an addition to what was already allowed but another mechanism by which the areas could be developed.

Senator Care asked if the Settlement Agreement had said the county would introduce a bill to the Legislature. He asked if the Settlement Agreement discussed legislation.

John Slaughter, Washoe County, said the Settlement Agreement did discuss separate legislation from the amendment. He said the Settlement Agreement was a long process in regional planning. There were many public hearings and meetings. Mr. Slaughter said the areas anticipated being used from the amendment to A.B. 513 were agreed to by the city and county. He said a provision in the Settlement Agreement discussed legislation heard in the Assembly.

Senator Care said the thrust of the information he had received was to ignore the concerns raised in various workshops.

Mr. Joiner said the Settlement Agreement was a long-protracted process ending with a 12-month settlement hearing. He said not everyone was happy, but an agreement was reached between the parties.

Chair Hardy said the only consideration for A.B. 513 was the bill would be amended as a whole to include the amendment from the proposed Settlement Agreement.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 513.

SENATOR TOWNSEND SECONDED THE MOTION.

Senator Care said he was not voting. He said he wanted to see a copy of the Settlement Agreement. He said he wanted to read the complaint and the Agreement.

THE MOTION CARRIED. (SENATORS CARE AND RAGGIO ABSTAINED
FROM THE VOTE. SENATOR TITUS VOTED NO).

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Chair Hardy opened the discussion on A.B. 120.

ASSEMBLY BILL 120 (1st Reprint): Revises notice requirements for a proposal to vacate certain rights-of-way or easements or to vacate or abandon certain streets. (BDR 22-376)

Chair Hardy said there was some confusion on a proposed amendment regarding billboards. He said the proposed amendment had been negotiated and was no longer necessary. He said A.B. 120 and one technical amendment regarding "held in fee" were the only issues.

Michael J. Stewart, Committee Policy Analyst, discussed the term "held in fee" and the bill (Exhibit D). He said during the hearing on A.B. 120, the term "held in fee" was determined not needed except when there were two separate mail methods to notify property owners. He said the bill addressed only one type of mail notification.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 120.

SENATOR TOWNSEND SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Hardy said the final bill, A.B. 514, made various changes to the City Charter of Las Vegas.

ASSEMBLY BILL 514 (2nd Reprint): Makes various changes to the Charter of the City of Las Vegas. (BDR S-1381)

Chair Hardy said there were concerns and questions regarding the salary commission. He said that section of the bill was removed. He said the sponsor of the bill agreed to the removal of a salary commission. Chair Hardy said the Committee would review the bill section by section (Exhibit E).

Section 1 of A.B. 514 provided the City of Las Vegas City Council with the power to adopt necessary ordinances for development of affordable housing. Chair Hardy said it was an expansion of home rule. He said it appeared the City

was asking for powers similarly authorized for the county. He said it provided additional powers for the City of Las Vegas.

Senator Beers said he was concerned section 1 included the ability to levy a tax. He said he viewed affordable housing as increasing housing costs for other people in order to create affordable housing for a few. He said the section was vague in describing the authority being conferred.

Chair Hardy said he described the measure as "sweeping" rather than vague.

Eileen O'Grady, Committee Counsel, said in the identical section that gave the counties the authority to do this, an exception stated they could not impose or increase a tax unless the tax or increase was authorized by specific statute. She said similar language could be included in A.B. 514.

Senator Beers said someone had proposed that anyone who developed a set of houses should reserve some to be more affordable. He said that meant the others were less affordable within the development.

Chair Hardy said it was equitable and fair the City had the same ability as the county to develop ordinances for affordable housing. He said he would be comfortable having the language Ms. O'Grady quoted closely mirror the provisions to the county.

Senator Beers asked if a statement saying it did not extend to requiring inclusionary housing could be included.

Chair Hardy said he supported the local government. He asked if there were objections to including the language Ms. O'Grady articulated.

Chair Hardy said section 2 was removed from A.B. 514. He said section 3 provided the City the power to adopt ordinances for the development of employment and training programs.

Senator Townsend suggested the same limitations on taxation as provided in section 1 be included in section 3.

Ted J. Olivas, City of Las Vegas, said section 3 addressed the City's ability to provide training for a prisoner reentry program. He said nothing in statute addressed a city's ability to provide this type of training.

Section 4 provided for the appointment of commissioners to hear and decide certain misdemeanor actions.

Senator Care said the members of the hearings had to be members of the bar in good standing. He asked Mr. Olivas if the problems with the existing municipal court judges were heavy caseloads. Mr. Olivas replied he was correct.

Chair Hardy said section 5 extended the time from 30 days to 60 days for filling vacancies in the office of mayor, councilman or municipal judge.

Mr. Olivas said the concern about section 5 was that a vacancy was not always predictable. He said 60 days allowed more time for the transition.

Senator Lee said people wanted representation in less than 60 days. He recommended 45 days rather than 60 days.

Mr. Olivas said during discussion, it was decided 60 days allowed an appropriate time to do due diligence in identifying people interested in filling vacancies. He said 45 days had not been discussed.

Senator Lee reiterated his request for 45 days.

Senator Titus said she agreed with Senator Lee. She said 30 days was sufficient.

Senator Beers said he preferred 30 days. Senator Lee said he could agree with 30 days.

Chair Hardy requested the Committee take action on that portion of the bill. He said he supported 60 days. The Committee supported leaving the time at 30 days.

Chair Hardy said section 8 had a similar proposal. He said it changed from 30 days to 60 days the time in which a proposed ordinance must be adopted or

rejected by the City Council. Senator Beers said it was a good idea. Chair Hardy said the provisions in section 5 and section 8 for 60 days would be removed.

Section 6 was no longer required because section 2 was removed from the bill. He said section 7 made technical changes stating a person could not continue as a council member if he/she became mayor.

Senator Care said there was permissive language in section 8. He asked Mr. Olivas what the existing practice involved. He asked if the proposed ordinance must be referred for consideration by the Committee. He asked if the language now said maybe the ordinance would or would not be considered.

Mr. Olivas said he was correct. He said occasionally an ordinance generated community interest. He said the majority of the time there was no attendance. The appropriate posting for the meeting happened and brief action was taken. He said section 8 allowed for extra days when there were contentious issues.

Senator Care said legislation was sometimes introduced that was going to pass. Senator Beers said he agreed with Senator Care. He said the sections had a force of law and needed a mandatory deliberative process even if they were simple and noncontroversial.

Chair Hardy asked the Committee to resolve the issues in section 8, subsection 2. He said the proposal was to remove "maybe" and require it be referred to the Committee.

Chris B. Knight, City of Las Vegas, said all ordinances considered by the City Council, by statute, were heard three times by the Council. He said a public hearing requirement was in all ordinances. He said there was due diligence.

Chair Hardy said he did not have difficulty with the wording.

Senator Beers asked if there was a standing ordinance review committee for the City of Las Vegas.

Mr. Knight said it was the recommending committee. He said ordinances with issues were referred to the recommending committee. He said section 8 did not do away with the recommending committee, it just brought them into play when there were concerns about ordinances. He said the current Charter said it

always had to go to the recommending committee even though the ordinance was not controversial.

Chair Hardy said if the language was adopted, the public hearing portion of the Council was not affected. Mr. Knight said he was correct.

Senator Care said he would like to delete section 8.

Chair Hardy said section 9 authorized City Council to adopt an alternative procedure for a person to appeal the denial, suspension or revocation of a work permit or identification card.

Mr. Olivas said all work permits and identification cards had to go before the City Council. He said an administrative group could handle the procedure and it would free up time for the Council and mayor for other items.

Senator Beers said he agreed it would expedite the process, but it was too important to be expedited. He said it was someone's ability to work.

Chair Hardy asked if by adopting section 9, someone would be disallowed from appealing to the City Council.

Mr. Olivas said an appeal was still made to the City Council or if the Council set up another process, to that judicial or administrative body.

Chair Hardy said language stating a final appeal to the City Council must be provided in the bill.

Senator Care asked if the holder of a license or work card had a choice of going to the City Council or the judicial administrative body.

Chair Hardy said it was not the intent of the bill. He said a mandatory process would be established, but if it was denied, the applicant ultimately had the right to appeal to the City Council.

Mr. Olivas said Chair Hardy was correct. If the City Council created this committee, then a person appealed to the committee. Chair Hardy said the permissive language applied to the Council, not the applicant.

Senator Care said the judicial body did not necessarily mean the municipal court. He asked if it could be that court.

Mr. Olivas said the intent was not for the municipal court.

Chair Hardy asked Ms. O'Grady if clarifying language was needed. She said it could be clarified if there was confusion over whether the alternatives were exclusive or not. She said the language needed to clarify municipal court was not the intent.

Chair Hardy said section 10 was removed by the Assembly.

Chair Hardy said section 11 authorized the director of financial management to serve as city treasurer.

Senator Beers was opposed to section 11. He said internal control purposes required two points of financial control, not one.

Chair Hardy said he was concerned with that portion of the bill.

Senator Titus asked if Las Vegas currently had a treasurer and a director of financial management. Mr. Knight replied the city did not have both positions.

Senator Titus said two positions were not being consolidated, one position was being made the treasurer. She asked who completed the functions of the treasurer. Mr. Knight said it was done in the finance department under the finance director. Senator Titus said it appeared it was a title change, not an accountability change. Mr. Knight replied she was correct.

Chair Hardy asked if current law required a city treasurer.

Mr. Olivas said section 11, subsection 2, said the city treasurer performed such duties as may be directed by the financial manager. Chair Hardy said the city treasurer must provide a surety bond.

Senator Raggio said the Las Vegas Charter did not require a city treasurer. The director of financial management may recommend a city treasurer and then the treasurer had certain duties.

Chair Hardy said the policy question for the Committee was requiring the Charter have both a city treasurer and a financial manager. He said he thought both positions were necessary. He asked about the present internal controls.

Mr. Olivas said the City was audited on an annual basis and followed generally accepted accounting principles. He said the financial manager may appoint a city treasurer and then the duties of the treasurer were directed by the director of financial management.

Chair Hardy requested the internal controls of the financial department be provided to Senator Beers and the Committee.

Chair Hardy said section 12 removed the requirement the director of public services be a licensed professional engineer.

Senator Lee said he had called the current director of public services and was assured the city engineer would always be a licensed engineer. He said if titles and positions were moved, the director of public services might not be a licensed engineer. Chair Hardy said there were other evolving professions capable of being the director of public services.

Senator Beers said the Charter of the City anticipated two separate people as the director of financial management and the city treasurer. He said both positions were liable and accountable on their official bonds for the performance of their duties. He said the Charter anticipated two people in senior financial management service.

Senator Titus asked when the City last had a city treasurer. Mr. Olivas said to his knowledge, there had never been a city treasurer. He added the option of having two positions required each position had the appropriate bonds

Senator Beers asked if there were cases of embezzlement in the City's history. Mr. Olivas replied he did not know the answer to that question but would follow up with the Senators. Senator Beers said it was a significant policy issue and the existing Charter was vague. He said as a matter of proper financial management for a billion dollar organization, it made sense to have two positions. Senator Beers said the major cases of embezzlement in the history of Nevada were collusion between the treasurer and the controller.

Chair Hardy said the City Council should bear some responsibility. He said the policy issue before the Committee was should the Charter require the City have a city treasurer.

Chair Hardy said section 13 required municipal judges select a master judge to serve a two-year term.

Senator Care approved the judges selecting their own master judge rather than the City Council. He asked if the municipal judges wanted this provision. Mr. Olivas replied he was correct.

Section 14 provided the City Council may determine the System of Civil Service must be administered by the Board of Civil Service Trustees. He asked Mr. Olivas to explain why that section was necessary.

Mr. Olivas said it was an optional provision for the City. He said on occasion, there was a need for a civil service board.

Senator Beers inquired if other cities had done away with their civil service board. Mr. Olivas was unsure if other jurisdictions had done that. He said it made it optional for Las Vegas. He added he worked with the local union and they supported the change.

Chair Hardy said section 15 was the effective date for the bill with the exception of the election of master judges. The master judge was effective upon passage and approval.

Senator Lee inquired if the current master judge would be removed and an election held on July 1 or would the term continue to completion?

Mr. Olivas said the current process was the master judge was selected by seniority. The judges had agreed to the new process and upon passage and approval of the bill, they would select the master judge by a vote. Senator Lee asked if the current master judge agreed to step down from his position. Mr. Olivas replied the judge had agreed.

Chair Hardy returned to the discussion of the city treasurer. He asked how many members of the Committee were in favor of requiring a city treasurer position. He said a city treasurer appeared to be provided for in the City Charter.

Senator Lee asked if the City would be forced to hire another person. Chair Hardy said the City could appoint someone currently in a position in the financial department to serve as city treasurer.

Senator Beers read from section 3.140, subsection 2 of the Las Vegas City Charter ([Exhibit F](#)).

Before payment, all claims and accounts against the city must be approved by the department of financial management. No money may be paid for any purpose except by following procedures which have been approved by the city council. The city treasurer shall prepare all warrants to be drawn against the proper accounts, in payment of those claims. The warrants which are issued must bear the signatures of the director of financial management and the city treasurer, if any. Fax signatures are permitted under procedures which are prescribed by ordinance.

He said the Charter anticipated proper financial controls, meaning someone approved the expense and someone else prepared the check. He said that was the key point in contemplating accounting controls. He said there was a dual approval that took place which served as a safeguard against mishap.

Chair Hardy said it appeared there was intent in the original Charter for a separate chief financial officer and a treasurer. He said the Committee was being asked to allow the city financial officer to assume both functions.

Marvin A. Leavitt, Urban Consortium, served as finance director for the City of Las Vegas for 20 years. He said during that period, the City always had a city treasurer. He said the treasurer was in the finance office, but there was a separately appointed city treasurer who had responsibility for check signing, handling investments and physical cash. He said it was a separate position within the department of finance or any other division. He said when the most recent treasurer retired, he was not replaced. He said he was certain someone in the department had assumed many functions of the treasurer without the title. He said there was a treasurer in 1965.

Chair Hardy said the policy question was whether the responsibilities of the person who served as treasurer would be consolidated under one person.

Senator Beers was concerned that was bad public policy.

Mr. Leavitt said the policy question had been previously considered in the Legislature when they discussed the consolidation of the offices of State Treasurer and State Controller. He said the finance director did not actually do any of the day-to-day procedures.

Senator Lee asked the North Las Vegas representative if the discussion applied to North Las Vegas.

Kimberly McDonald, City of North Las Vegas, said the city had a finance director. She said North Las Vegas previously had a city treasurer who served in the same capacity. She said the position was eliminated approximately five or six years ago. The functions of treasurer were now done by the finance director and his staff.

Senator Beers said the same person should not approve the payment and reconcile the bank statement. He said they should be parallel functions reporting to the city manager.

Chair Hardy asked if those principles were accepted financial practices. Senator Beers said he was sure separate people were approving payments and reconciling bank statements. He said the internal control was the independence of each function from the other.

Chair Hardy returned to his earlier question concerning the separation of treasurer and director of finance. He asked for a show of hands in favor of removing the separation. Senators Care, Hardy, Raggio and Titus voted yes.

Chair Hardy said he would accept a motion whereas section 1 stated the same powers be granted to the City of Las Vegas as the Clark County Commission relative to affordable housing with limitations on taxation; section 2 was removed; section 3 provided the City may adopt ordinances relative to employment and training; section 4 included appointing hearing commissioners; section 5 retained the 30 days; section 6 no longer necessary as section 2 was removed; section 7 was technical cleanup; section 8 approved as written; section 9 adopted with final appeal to the Council available for the applicant; section 10 remained removed; section 11 as it exists including language regarding appropriate standards and controls; sections 12, 13 14 and 15 approved as written.

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SENATOR LEE MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 514.

SENATOR TITUS SECONDED THE MOTION.

Chair Hardy said section 11 may need more global changes on the language regarding the city treasurer. He said the Committee was not requiring a city treasurer for Las Vegas. He said he wanted additional language relative to standard accounting practices.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Hardy asked if there was any further business. As there was none, he adjourned the meeting at 12:41 p.m.

RESPECTFULLY SUBMITTED:

Olivia Lodato,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy II, Chair

DATE: _____