

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

**Seventy-fifth Session
May 15, 2009**

The Senate Committee on Government Affairs was called to order by Chair John J. Lee at 2:41 p.m. on Friday, May 15, 2009, in Room 2144 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 John J. Lee, Chair
Senator Terry Care, Vice Chair
Senator Steven A. Horsford
Senator Shirley A. Breeden
Senator William J. Raggio
Senator Mike McGinness

COMMITTEE MEMBERS ABSENT:

Senator Randolph Townsend (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Paul Aizley, Assembly District No. 41
Assemblyman Harvey J. Munford, Assembly District No. 6
Assemblywoman Peggy Pierce, Assembly District No. 3
Assemblywoman Ellen B. Spiegel, Assembly District No. 21

STAFF MEMBERS PRESENT:

Heidi Chlarson, Committee Counsel
Michael Stewart, Committee Policy Analyst
Cynthia Ross, Committee Secretary

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OTHERS PRESENT:

David F. Kallas, Director, Government Affairs, Las Vegas Police Protective Association Metro, Inc.
Tom Roberts, Director, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department
Ted Olivas, Director, Government and Community Affairs, City of Las Vegas
Sabra Smith-Newby, Director, Department of Administrative Services, Clark County
Claudette Enus, Director, Human Resources Department, City of Las Vegas
Jeff Fontaine, Executive Director, Nevada Association of Counties
Lisa A. Gianoli, Washoe County
Janet Murphy, Tahoe-Douglas District
Ricki Y. Barlow, Las Vegas City Council, Ward 5
Rob Joiner, Manager, Government Affairs, City of Sparks
Rusty McAllister, President, Professional Fire Fighters of Nevada
Gary Milliken, American Medical Response; MedicWest Ambulance
Tony Greenway, Administrative Manager, American Medical Response; MedicWest Ambulance
Jim Spinello, American Medical Response; MedicWest Ambulance
Dennis Mallory, Chief of Staff, American Federation of State, County and Municipal Employees Local 4041
Jim Richardson
Rob Potter
Kevin Ranft, American Federation of State, County and Municipal Employees Local 4041
Ronald P. Dreher, Director, Government Affairs, Peace Officers Research Association of Nevada
Tray Abney, Director, Government Relations, Reno-Sparks Chamber of Commerce
Carole Vilardo, Nevada Taxpayers Association
Teresa J. Thienhaus, Director, Department of Personnel
Samuel D. McMullen, Las Vegas Chamber of Commerce

CHAIR LEE:

We will begin this meeting hearing Assembly Bill (A.B.) 130.

ASSEMBLY BILL 130 (1st Reprint): Revises provisions governing the membership of a metropolitan police committee on fiscal affairs. (BDR 22-632)

DAVID F. KALLAS (Director, Government Affairs, Las Vegas Police Protective Association Metro, Inc.):

I am here to ask your support on A.B. 130. I am speaking on behalf of the Las Vegas Police Protective Association Metro, Inc. and another 2,000 employees from the supervisors organization and civilian organization, as this bill will impact almost 5,000 people in the Las Vegas Metropolitan Police Department.

Assembly Bill 130 originated because of issues we have with our collective bargaining process. In 1973, the Legislature enacted Nevada Revised Statute (NRS) 280 which allowed for the creation of metropolitan police departments, and the Las Vegas Metropolitan Police Department (Metro) was formed. The bill's language allowed for a fiscal affairs committee to oversee the financial aspects of the police departments. In that same year, the committee, at that time called a commission, consisted of Clark County Commissioners and City Council members of equal numbers, the sheriff or a citizen at large.

In 1981, the bill came back before the Legislature because a fiscal affairs member asked to be removed from the collective bargaining process because the bill's language at the time of passage required fiscal affairs members to participate in negotiations with the employer and employee groups of the Metropolitan Police Department.

In 2005, an incident occurred where our Association entered into a tentative collective bargaining agreement that was subsequently denied by the Fiscal Affairs Committee, but not after an unprecedented move by the County Commission. They removed one of their Commissioners from that Fiscal Affairs Committee who they believed was going to vote for our collective bargaining agreement and replaced him with somebody they knew was going to vote against that agreement. A lengthy arbitration resulted, costing our Association almost \$200,000. It also cost the County. Last year, after filing a tort in district court alleging tortious interference with contract and unfair labor practice, we reached a settlement agreement where the County agreed to pay \$250,000 on the condition they claim no responsibility. The County placed the settlement money into one of our charities.

The bill's opponents on the Assembly side said we could not allow designees from the Fiscal Affairs Committee to make decisions on behalf of those elected officials because the contract needs to be agendized, spoken about and given the opportunity for public discussion. It would then be voted upon by elected officials.

We have put forth an amendment ([Exhibit C](#)). Along with our amendment is an explanation of our amendment's intent concerning our desired negotiation process. After a completed negotiation, we want the agreement to become a part of the Sheriff's budget and have it go through the budgetary process with the Fiscal Affairs Committee. This budgetary process is lengthy. If you refer to the budgetary brief ([Exhibit D](#)), the Annual Budget Calendar is presented. The Calendar starts in January. There is an open meeting in January, February, April, May and June.

I have listened to presentations by opponents and have listened to comments by the Assembly Committee on Government Affairs. I have listened to the audio of the hearing and have watched the video in order to assist me in finding a resolution. The amendment, [Exhibit C](#), is a result of this review, discussion with the Committee's Chair and with talking to County representatives.

Addressing the amendment, [Exhibit C](#), the blue language found in subsection 3 of section 1 calls for the member, a County Commissioner or City Council person, to be removed for cause by the governing body. In the original bill, that member could have been removed by majority vote of the members of the Fiscal Affairs Committee. The County had an issue with another group of people removing an elected official from that body. They want the opportunity if their member was not acting properly. The amendment addresses this concern.

In section 1, subsection 4, paragraph (d) we increased the compensation of the citizen-at-large Committee members from \$40 to \$80 for daily participation. This is consistent with most State boards and commission appointments.

Section 2 is the meat of the amendment to NRS 280.320. Based on my review of statements made on the Assembly side and by comments made afterwards, if the designated people who sit in the room cannot negotiate on behalf of the City Council and the County Commission, we do not understand the sense of having them in that room. Our 2005 arbitration process took seven months, at which time we reached an impasse. I took it upon myself to meet with former

Sheriff Bill Young of Metro and asked if he understood the problems in our contract negotiations as to why we could not meet a resolution. He was unaware of the problems in the negotiation room. After a lengthy discussion, I advised him I would speak to each Fiscal Affairs Committee member, and within three meetings, that contract was resolved.

Opponents of this bill might say they need representatives in the room to keep their elected officials advised of what is taking place. I challenge that this actually occurs. As those representatives stated in the hearing of the Assembly Committee on Government Affairs, they advise their County Manager and City Manager who may or may not advise the elected officials who, in turn, may or may not give direction.

As with what takes place among other groups, the Association and our employer need to get involved in the collective bargaining process for the process to be effective and efficient. We address the need for more transparency because the Las Vegas Metropolitan Police Department budget process, [Exhibit D](#), is transparent. The issue of accountability is addressed because the Sheriff's budget is agendaized and posted for public meeting, allowing for community comment and input. Christina Dugan, former Government Affairs Director for the Las Vegas Chamber of Commerce, appeared at a 2005 Fiscal Affairs Committee meeting and opposed our budget approval. This participation can continue to occur under our proposal.

During the Government Affairs hearing on the Assembly side, Ted Olivas, now the Government Affairs Director for the City, said the City of Las Vegas has to have input. Using his words, "If there is a need to have this law, then I would suggest that the provision says that any tentative agreement from the negotiation must be reviewed and approved by the Committee in an open meeting." The process under our amendment, [Exhibit D](#), will lead to more transparent and accountable meetings. I have spoken with Sheriff Doug G. Gillespie of the Metro. He does not support this amendment, but he also does not oppose it. The Department's position is the amendment is not necessary, but they hold a neutral position.

Our Association wants equal treatment. Our amendment to [A.B. 130](#) proposes fairness by allowing interaction and negotiation with our employer, and then our employer reports to the Fiscal Affairs Committee over several months. The process is open and transparent because meetings would be agendaized and

discussions would occur in open meetings. There is also accountability because the two County Commissioners and City Council people would have a vote. Concerns to the original bill have been addressed by amendment, [Exhibit C](#), so on behalf of 5,000 employees, I ask this Committee to amend and do pass A.B. 130.

CHAIR LEE:

Under this process, the Association would decide those things they want negotiated, and then representatives would meet and negotiate with the Sheriff. After an agreement has been reached, the Sheriff would report to the Fiscal Affairs Committee which is made up of two County Commissioners, two City Council members and a citizen at large. It is your understanding the County Commissioners and City Council people do not need to be present in the initial negotiating stage because they thwart the process, but they would be involved in the final step of the process. Is this correct?

MR. KALLAS:

No. The Fiscal Affairs Committee's purpose is to look at the financial obligations of the entities they represent. The Sheriff is an elected official. Our contracts are 30 to 35 pages. We deal with grievance issues, transfers, sick leave, catastrophic leave and the Family and Medical Leave Act. If our issues do not have financial impact on the City or County, the Committee is not overly involved. Their main concern is with the financial liabilities that a contract may entail. My understanding is the Committee is an impediment to the process. During our last process, we spoke to the Sheriff to brief him before the negotiation Committee met because we wanted to increase understanding about what was taking place.

CHAIR LEE:

In regard to your example, a Commissioner was removed from the Fiscal Affairs Committee?

MR. KALLAS:

Yes. The Commissioner was vocal in his support of a tentative agreement and before a vote was taken on that agreement, he was removed by his appointing body and replaced by another County Commissioner. This change transpired prior to the agendaized hearing on the tentative agreement; when the hearing did occur, this new member of the Fiscal Affairs Committee voted no on the agreement.

When we negotiated our last contract and briefed the Sheriff ahead of time to give him an understanding of what we were proposing, we reached a tentative agreement after only five meetings. This agreement became agendaized for the next Fiscal Affairs Committee hearing. The public had opportunity to review and respond, and the agreement was voted upon and approved by the Committee. The existing process is time-consuming. There has not been a contract negotiated under six or seven months. This is because the Committee's focus is financial. They slow the process down. We want our elected Sheriff, who is accountable to the voters, to negotiate with us in good faith based on the provisions of NRS 288.150 and bring this negotiation to the Committee through the Sheriff's monthly budget process which provides transparency and accountability.

SENATOR MCGINNESS:

Once the Association negotiates with the Sheriff, the final product would move to the City Council or County Commission?

MR. KALLAS:

The provisions of NRS 280 that created the metropolitan police departments created this Fiscal Affairs Committee, made up of two County Commissioners, two City Council people and one at-large citizen. The Fiscal Affairs Committee is delegated by their appointing bodies to oversee the fiscal affairs of the department. They approve all contracts for such items as radios, cars, donations and the like. They approve contracts on anything having a financial impact. This is their sole purpose. In our proposal, this budget process takes it a step further. The contract would be seen by the City Council and by the County Commission first and then voted upon by the Fiscal Affairs Committee.

SENATOR MCGINNESS:

The contract is not voted on by the City Council or County Commissioners?

MR. KALLAS:

No, our contracts are voted on by the delegates sitting on the Fiscal Affairs Committee.

SENATOR MCGINNESS:

This is similar to our forming subcommittees at the Legislature, but a subcommittee usually returns to a full committee to make a recommendation and the committee votes.

MR. KALLAS:

The NRS 280 creating metropolitan police departments advocated the authority to a fiscal affairs committee. It declares that the committee will make those decisions. This prevents the contract from bouncing back and forth between the County Commission and the City Council for various reasons, such as a financial burden. The manner to reach resolutions is to have a board with the final decision power comprised of elected officials of both governing bodies. This prevents power struggles.

SENATOR CARE:

The amendment, [Exhibit C](#), in section 1, subsection 3 says, "Except as otherwise provided in subsection 4, the term of each member of the committee is 2 years. Any member appointed by its governing body may be removed by the governing body at any time for cause." My difficulty is I do not know what constitutes "for cause." It could be a difference of opinion. Was it Commissioner Tom Collins who was relieved of these duties? Is this the instance in discussion?

MR. KALLAS:

Yes, and the original language contained under NRS 280 said a member could be removed at the pleasure of a governing body, giving the statute much flexibility. The language in the amendment, [Exhibit C](#), was proposed by a County staff member. There was an earlier amendment with language saying a person could be removed by the Fiscal Affairs Committee, and some Commissioners had issues with other people removing their elected official. They thought the governing body that appointed them should have the authority of removal. The language in the amendment before you is typical statutory language addressing how appointments are made and how appointments could be reversed. I do not know the definition of "cause."

SENATOR CARE:

I want to address the direct negotiations with the Sheriff. Your employer is Metro.

MR. KALLAS:

Yes.

SENATOR CARE:

You are not a Clark County employee?

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MR. KALLAS:
Correct.

SENATOR CARE:
You are not a City of Las Vegas employee?

MR. KALLAS:
Correct.

SENATOR CARE:
Your contract is run between your union and the Metro?

MR. KALLAS:
Yes, and it is signed by the Chair of the Fiscal Affairs Committee.

SENATOR CARE:
Your intent is to have the parties of your contract directly negotiate, correct?

MR. KALLAS:
Yes.

SENATOR CARE:
In section 2, subsection 2, paragraph (a), I read "The Sheriff or a person designated by him, shall represent the department" to mean if the Sheriff wished to, he could appear at these negotiations and bring at a minimum the Metro employees on which he might have to rely, not necessarily somebody from one of the elected bodies—not the Sheriff individually and nobody else.

MR. KALLAS:
Correct. The Sheriff could show up if he wanted, but he generally designates his Director of Labor Relations along with the Chief Financial Officer and a few assistant sheriffs and a deputy chief. There are usually seven to eight designees from the Department who participate in the collective bargaining process. This does not include a representative from the City and the County.

SENATOR CARE:
I understand it is the City and the County and the funding formula, but the City and the County are not your employer?

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MR. KALLAS:
Correct.

SENATOR CARE:
They are present through representation at the negotiations.

MR. KALLAS:
Correct.

SENATOR RAGGIO:
The Metro Fiscal Affairs Committee is the committee that addresses any fiscal matter affecting the Department, including contract labor negotiations?

MR. KALLAS:
Yes.

SENATOR RAGGIO:
I do not understand the process. Eventually the County will assume the cost for the negotiations?

MR. KALLAS:
There is a formula that the Legislature outlined. It is percentage-based. When first initiated, the City had the majority of the responsibility, but that has since turned and the County has the majority. Metro also pays a portion. All three entities fund the Metro which includes employee contracts. Employee contracts are a part of the budget.

SENATOR RAGGIO:
As I read the amendment, [Exhibit C](#), the red lines are deleted language.

MR. KALLAS:
Yes.

SENATOR RAGGIO:
Primarily, are we discussing the make-up and length of terms and removal?

MR. KALLAS:

Yes. Before, there were no length of terms. We want consistency. On the second page of the amendment, [Exhibit C](#), there is a provision allowing us to negotiate directly with our employer, who is the elected Sheriff of Metro.

SENATOR RAGGIO:

Under this proposal, the term would be two years replacing the existing language of "at the pleasure of the governing body."

MR. KALLAS:

Correct.

SENATOR RAGGIO:

What happens at the end of two years with those appointed members? Are they eligible for reappointment?

MR. KALLAS:

Yes. We set a minimum of two years, but they can be appointed term after term as long as they fulfill the qualifications, which is being an elect member of their appointing body.

SENATOR RAGGIO:

If they fail to make an appointment after the two years expires, is there a provision allowing them to continue until their successor is named?

MR. KALLAS:

This is not in statute.

SENATOR RAGGIO:

Does our Legal Counsel know this? I do not want a gap.

MR. KALLAS:

This has not been a problem in the past, but you have brought forth a valid point.

SENATOR RAGGIO:

The situation creating the problem has not existed as it has always been "at the pleasure of the governing body." If this makes it two years, and the two years

expires and a gap occurs, what happens? Is there a general law that says the person continues until their successor is appointed?

MR. KALLAS:

This does not exist in the provisions of NRS 280. There is a board that can make decisions, but I understand it would be the appointing body's decision to fill that vacancy.

SENATOR RAGGIO:

Can Legal tell me what happens at the end of two years with those appointed members?

HEIDI CHLARSON (Committee Counsel):

I read the amendment as not having that provision. I would ask the sponsor for clarification on how we would want that covered if this amendment was adopted by this Committee. In regard to the vacancy, would you want the person to serve until the vacancy is filled?

SENATOR RAGGIO:

Ordinarily, there is a savings line saying the member will serve until a replacement is appointed.

MR. KALLAS:

This would be appropriate. Language addressing until another appointment is made by the governing body or they lose the qualifications, meaning they did not win their election in the middle of that two-year term.

TOM ROBERTS (Director, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department):

We are in favor of the bill in its current form as presented without the amendment, [Exhibit C](#). The Sheriff testified before this Committee on another bill regarding the Fiscal Affairs Committee. He testified the Fiscal Affairs Committee functions well and no change is needed. Despite that, he is fine with these minor changes.

SENATOR RAGGIO:

Does the Metro Sheriff support the bill with the amendment?

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MR. ROBERTS:
He is neutral.

SENATOR RAGGIO:
What does this mean?

MR. ROBERTS:
The Sheriff's concern is any matter involved with the fiscal responsibilities of the Department return to the Fiscal Affairs Committee for ultimate approval. He wants this intact and does not want it undermined.

SENATOR RAGGIO:
Does this bill and the amendment leave this intact?

MR. ROBERTS:
Yes. If the Fiscal Affairs Committee gets final approval, the Sheriff is fine with it.

TED OLIVAS (Director, Government and Community Affairs, City of Las Vegas):
I am joined by Claudette Enus, our Human Resources Director. She is the representative from the City of Las Vegas in these deliberations. We are neutral on this bill as sent to this Committee. We worked this out on the Assembly side. We are in opposition to the bill as presented with the amendment, [Exhibit C](#).

Mr. Kallas mentioned that in 1981, the change was made in the composition of the Fiscal Affairs Committee as well as how the labor negotiations were going to work. This process has been working for 28 years. Sheriff Gillespie has said, "If it ain't broke, don't fix it."

The Metro's fiscal year (FY) 2010 budget is over \$549 million. Of that budget, 87 percent or \$479 million is for salaries and benefits. Of that portion, 70 percent relates to the contracts we are discussing. This amounts to \$335 million, so we are talking about a \$335 million decision. We know most local government jurisdictions, once contracts are negotiated, must come back to the governing body. Similar to the Legislature, when the committees make recommendations on bills, they must go before the full Senate and the full Assembly. Our position is that the negotiation process has been working and there is no indication in our legislative history of intent to delegate authority

to staff members. Our City Council people and our County Commissioners are not going to sit in on labor negotiations. It does not work that way. The Legislature defined the process for which we use. We have delegates who negotiate terms on our behalf, and they come back and present the reached agreement to the Fiscal Affairs Committee. As Mr. Kallas mentioned, if a statute is not clear, it must come before the governing body. We can add a provision to this bill saying, "any tentative agreement resulting from the negotiations must be reviewed and approved by the Committee in an open meeting."

We have no problem with section 1, subsection 3 of the amendment, [Exhibit C](#); however, we do have issue with section 2, subsection 2, paragraph (a). It removes a City of Las Vegas representative and a Clark County representative from the deliberations. We do not agree. The elected officials from the City of Las Vegas, including the Mayor Pro Tem Gary Reese and Councilman Steve Wolfson, support City representation in the process.

SABRA SMITH-NEWBY (Director, Department of Administrative Services, Clark County):

I echo many of the comments made by my colleague from the City of Las Vegas. The Metro budget involves over \$500 million, most of which funds salaries and benefits. These are those negotiated contracts.

There are two other points. First, much has been made about the negotiations between the employees and the employer. In most cases, the employer is also the funder. For example, when the Culinary Workers Union Local 226 negotiates with MGM Mirage, MGM Mirage is the employer and funder of those wages. This is not the case with the Metro.

The Las Vegas Metropolitan Police Department as the employer is not the entity that funds the negotiated wages. They have a principal-agent problem. The negotiator does not have to pay the bill.

It has been said that the proposal would expedite the negotiation process. I disagree because when a funder is involved with the negotiation process, they get an idea of what is coming at them. Instead, the proposed amendment says the deal gets worked out between the Sheriff and the union, it moves to the Fiscal Affairs Committee, and they approve or disapprove the contract. Maybe when it gets approved, the process becomes expedited, but what happens if they do not approve the contract? Does it get renegotiated and returned to the

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Fiscal Affairs Committee? What happens if the Fiscal Affairs Committee denies the second negotiation? This could be an ongoing and repetitive process creating a lengthier process.

We are fine with section 1, subsection 3 of the amendment, [Exhibit C](#). Our issue is the principal-agent problem and the negotiations in section 2.

SENATOR RAGGIO:

For clarification, do you support or object to section 1, subsection 3?

Ms. SMITH-NEWBY:

We are supportive of that change, but we are neutral overall. In this section, our issue is that there is a Fiscal Affairs Committee that has ...

CHAIR LEE:

Are you speaking to section 2?

SENATOR RAGGIO:

No, we are addressing section 1.

Ms. SMITH-NEWBY:

In section 1, subsection 3, where it says, "except as otherwise provided in subsection 4, the term of each member of the committee is 2 years." The amendatory language as proposed by the Las Vegas Police Protective Association removes the language "The committee, by a majority vote of the other members, may remove a Member ..." and replaced by "may be removed by the governing body." Originally, the person would be removed by the five-member committee consisting of two city Council people, two County Commissioners and one citizen member. We had an issue based on the electoral implications. We had a problem with a person at the City or two people at the City and a citizen who do not answer to the voters removing a sitting County Commissioner. If one is going to be removed for cause, we want them to be removed by their own governing body.

SENATOR RAGGIO:

You are supportive of the change in subsection 3 of section 1.

Ms. SMITH-NEWBY:

Yes.

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SENATOR RAGGIO:
How about the other changes?

MS. SMITH-NEWBY:
We do not support section 2, subsection 2, paragraph (b).

SENATOR RAGGIO:
This is also the position of the City? What about the language in section 2, subsection 2? The County objects to the deletion of paragraph (a)? Is this correct?

MS. SMITH-NEWBY:
Correct.

SENATOR RAGGIO:
How about the new language in section 2, subsection 2, paragraph (b)? Is this what you are addressing?

MS. SMITH-NEWBY:
On that portion of the amendment, [Exhibit C](#), we are neutral. Our main concern is with the deletion of section 2, subsection 2, paragraph (a).

SENATOR RAGGIO:
I initially raised the issue of the role of the Fiscal Affairs Committee and who ultimately funds the decision. How does this bill change that? You say you are neutral, but you are telling us you do not want to be confined by the decisions as the funders. Can you clarify for me?

MR. OLIVAS:
Getting back to the basics, the City and the County are supportive of section 1 of the amendment, [Exhibit C](#). We oppose section 2, subsection 2, paragraph (a) as this removes our representation. Finally, because we agree negotiations need to come back to the Fiscal Affairs Committee, we support section 2, subsection 2, paragraph (b).

CLAUDETTE ENUS (Director, Human Resources Department, City of Las Vegas):
I support the testimony by the City of Las Vegas and Clark County. I do not believe the participants from Clark County or the City of Las Vegas who have participated in the labor negotiations have been impediments to the process. We

place ourselves in a neutral position for operations and have made valuable contributions as it relates to the fiscal aspects of collective bargaining. I have participated in the last two sessions of collective bargaining.

CHAIR LEE:

The hearing on A.B. 130 is closed, but we will take a vote on this bill later in this meeting. We will now move into work session. Our first bill is A.B. 60.

ASSEMBLY BILL 60 (1st Reprint): Revises provisions concerning the administration and investment of public money. (BDR 31-453)

MICHAEL STEWART (Committee Policy Analyst):

The first bill located in the work session document (Exhibit E, original is on file in the Research Library) is A.B. 60. Assembly Bill 60 provides that money under the control of the State Treasurer can be deposited in out-of-state financial institutions if the State Board of Finance gives its approval. Further, the measure authorizes State and local governments to issue certain tax credit bonds on or before June 30, 2011. This will allow them to take advantage of certain programs of the federal American Recovery and Reinvestment Act.

Amendments were proposed, and we combined them into a mock-up amendment which is attached to the work session document, Exhibit E. The mock-up proposes to delete sections 1 through 3 of the measure which proposed to eliminate the existing requirement that certain investment-rated securities purchased with State or local government money must be sold as soon as possible if their investment rating is subsequently reduced below the rating required for their purchase. Testimony indicated that the State Treasurer can, by law, exercise prudence, discretion and intelligence in her actions concerning the State's investments. It was proposed by Chair Lee and agreed to by the Office of the State Treasurer to remove sections 1 through 3.

The second amendment found in the mock-up would amend section 7 to provide language clarifying a need of Nevada's school districts to improve the efficacy of rollover bonds which are currently authorized for use by school districts in eight northern Nevada counties. I added an explanation from Marty Johnson from JNA Consulting Group, and financial advisor to several Nevada school districts, providing a rationale for this amendment. One of the conditions of issuance of rollover bonds is that the revenues are sufficient to pay the debt service. If the gross debt service is used for this coverage test, a

lower amount of bonds might be issued; however, if the net debt service is used, a bigger bond can be issued. This same type of problem might also exist on the Qualified School Construction Bonds under the American Recovery and Reinvestment Act. This was also proposed in section 7.

SENATOR MCGINNESS MOVED TO AMEND AND DO PASS AS AMENDED A.B. 60.

SENATOR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE WAS ABSENT FOR THE VOTE.)

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CHAIR LEE:

We will address A.B. 80. This is an excavation bill.

[ASSEMBLY BILL 80 \(1st Reprint\)](#): Revises provisions relating to excavations.
(BDR 40-483)

MR. STEWART:

Assembly Bill 80 establishes the duties and rights of an operator of a sewer main relating to sewer service laterals connected to that main. It requires the operator to maintain certain information regarding the locations of sewer lateral connections and clarifies the duties of a person who connects to a sewer service lateral main which includes providing the operator with information relating to the location of the lateral.

The Chair requested an amendment, [Exhibit E](#), to add a new section 15.5, which amends section 4 of the measure beginning on January 1, 2011. The mock-up of proposed Amendment 4889 is attached, [Exhibit E](#).

This amendment provides that in a county whose population is 40,000 or more, a government agency or political subdivision that operates a sewer main in that county may not charge a person responsible for the excavation or demolition in a public right-of-way for complying with provisions concerning the marking of a sewer lateral. The operator may charge the person responsible for excavation in an amount that does not exceed the actual costs of the operation for such

compliance if two conditions are met: One, the operator's sewer system services not more than 260 accounts and two, there is no natural gas pipeline located within the service area of the sewer main operator.

It also provides that in a county whose population is less than 40,000, a governmental agency or political subdivision that operates a sewer main in that county may charge a person responsible for the excavation or demolition in a public right-of-way in an amount not to exceed the actual costs for the operator to comply with provisions requiring the marking of a sewer lateral.

JEFF FONTAINE (Executive Director, Nevada Association of Counties):

The mock-up of the proposed Amendment 4889 allows sewer operators with less than 260 service accounts to continue charging to recover the costs for excavators. After January 1, 2011, those sewer operators in larger counties with populations over 40,000 will have to bear those excavation costs. In the larger counties, we have remote sewer operators, such as in Jarbidge, Elko County, and in Gerlach, Washoe County. Natural gas service is not provided, so the risk is minimal, but the cost would be significant to spread across a small rate base of 20 customers. The amendment's intent is to allow small utilities to continue recovering excavation costs.

SENATOR RAGGIO:

What exactly is the charge for? Where is the charge permissible under this proposal?

MR. FONTAINE:

The charge would be based on what the sewer operator decides for the excavator. The charge would be for information regarding sewer lateral locations. It would not be for excavation.

SENATOR RAGGIO:

Since this will affect my county, are representatives from Washoe County, the Truckee Meadows Water Authority (TMWA), Southwest Gas and NV Energy aware of this legislation, and if so, have they signed off?

MR. FONTAINE:

This process has been taking place for several months. Washoe County is aware of this legislation, and I am certain the utility companies such as Southwest Gas and NV Energy are also informed.

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SENATOR RAGGIO:

I am concerned about the area I represent. Are any of the entities present, and do they have a concern with this proposal?

LISA A. GIANOLI (Washoe County):

Yes, TMWA as well as the Department of Water Resources have been involved in these discussions, and we support the amendment.

SENATOR RAGGIO:

The amendment proposed by the Chair?

MS. GIANOLI:

Correct.

SENATOR MCGINNESS:

Is the improvement district at Lake Tahoe in support of this proposal?

JANET MURPHY (Tahoe-Douglas District):

Yes. I would like to see the number at 2,500 or 2,000, but I can live with 260.

CHAIR LEE:

This issue has escalated. The local governments and major utilities involved with this bill have agreed to accept the proposed amendment to A.B. 80, including the additional provisions that allow government and sewer operators who are located in counties with a population with 40,000 or more and have a system of 260 sewer accounts or less to recover actual and reasonable costs to comply with the bill after 2011. This exception will not apply to sewer systems where natural gas becomes present in those smaller sewer areas. The parties have set aside differences and agreed to this bill to resolve a major public safety issue. We have never had an excavation accident related to an unmarked sewer lateral, but it is important to be proactive to ensure an accident will not likely occur. This bill addresses an important safety issue by guaranteeing sewer laterals be located, while including provisions providing the flexibility local governments need to undertake this new responsibility. This bill ensures that larger sewer operators are responsible for the costs related to the compliance of this legislation beginning in 2011.

The costs that larger sewer operators are expected to absorb are in the required method of marking as provided in this bill. The intent of the flexibility provided to the sewer operators is to prevent this issue resurfacing as they take the responsibility to locate sewer laterals and transition to their cost responsibility. They can go to the public, discuss the issue and establish rates. Every utility underground from this point will be marked. There will be understanding where these sewer lines are located.

SENATOR MCGINNESS MOVED TO AMEND AND DO PASS AS AMENDED A.B. 80.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR LEE:

I open the hearing on A.B. 147. This bill grants preference to local bidders bidding on certain contracts for goods or services.

[ASSEMBLY BILL 147 \(1st Reprint\)](#): Requires local governments, under certain circumstances, to grant preference to local bidders bidding on certain contracts for goods or services. (BDR 27-753)

MR. STEWART:

Assembly Bill 147 grants a 5-percent preference to local businesses and businesses owned by women, minorities or service-disabled veterans. When awarding certain local government purchasing contracts that are not adapted to competitive bidding, the bill provides that the local government must give consideration to the number of local employees and other relevant local contracts of the person or business seeking the contract.

The bill also requires annual reporting by the local governments to the Legislature on the number of contracts awarded to local businesses or businesses owned by women, minorities or service-disabled veterans.

The mock-up of the proposed Amendment 4923, [Exhibit E](#), represents a compromise among numerous interested parties. The amendment also incorporates a proposal addressing the use of biodiesel fuel.

The amendment proposes the following: It amends section 1, subsection 1 to raise the applicability of the bidding preference set forth in the bill from contracts over \$25,000 to contracts over \$50,000.

The amendment also amends section 1, subsection 4 to provide that in the event a contract is awarded using a bidder's preference for the purchase of biodiesel blend fuel, the bidder must, in order to qualify as a local bidder, provide to the governing body or authorized representative a biodiesel fuel that is made from biodiesel produced in Nevada. A definition of biodiesel is also set forth in section 1, subsection 8 of the amendment.

There is an amendment to section 2, subsection 1, paragraph (a) to specify that a bidder's status as a local bidder must be considered when awarding a contract for greater than \$50,000.

The mock-up also includes a deletion in section 3, subsection 6 that would have required a governing body or its authorized representative awarding certain purchasing contracts not subject to competitive bidding to consider the amount of taxes and fees paid by the business, contractor or vendor to the State and local governmental entities.

There is clarifying language in section 5 that the annual reports submitted to the Nevada Legislature must include details of contracts awarded in the amount of \$25,000 or more and clarifies the form and content of this required report as set forth by the Committee on Local Government Finance.

Finally, this amendment sets forth a sunset provision for the measure of July 31, 2013. These amendments were proposed primarily by Assemblywoman Ellen B. Spiegel, and the biodiesel amendment was proposed by Russell M. Rowe on behalf of Biodiesel of Las Vegas and was agreed to by the sponsor.

MR. OLIVAS:

The amendment, [Exhibit E](#), reflects the input from many jurisdictions so that it may be properly implemented within the local governments. There were a number of concerns with the bill, and these changes address those concerns. We are in support of the bill with the amendment.

SENATOR MCGINNESS:

I am looking at the fiscal notes. They vary. Churchill County goes from \$50,000 in FY 2008 to \$1 million in future biennia. Clark County's FY 2010-2011 is \$763,507, the future biennia for City of Henderson is \$2.9 million and for Clark County School District, it is \$1.9 million. Are these fiscal notes in the ballpark?

MR. OLIVAS:

The difficult part about this bill is when to change our decision because of the 5-percent preference. In public works, bidders' preference costs more on occasion. The local governments had a difficult time in defining the fiscal impact. Those impacts you see are an estimate. Further information is needed, such as who is submitting the bid, who meets the requirement and so forth. We cannot determine if those fiscal impacts are accurate. Will there be a fiscal impact? Absolutely, but the amount is unknown.

SENATOR MCGINNESS:

The City of Las Vegas has had plenty of fiscal impact this Session, so I am not sure if we need to add another one to your list.

SENATOR RAGGIO:

Clark County's fiscal note is over \$720,000, and the potential fiscal impact is excessive. This is a time when local governments are under fiscal distress. The Clark County School District has an impact of \$1.75 million in 2009 and \$1.9 million each year thereafter. I am mindful we are adding a 5-percent cost to these public projects with no return. We will be extensively impacting the local governments. A former purchasing agent from Douglas County testified he did not support this policy. I need a reason why this is in the best interest of our State at this particular time.

CHAIR LEE:

The sponsor of the bill intended to give preferences to local bidders. There is also a two-year sunset on this legislation.

SENATOR RAGGIO:

What is the reason for the July 31, 2013, date?

ASSEMBLYWOMAN ELLEN B. SPIEGEL (Assembly District No. 21):

First, the fiscal notes were prepared when the bill originated and no threshold existed. The bill has a threshold of \$50,000, and the bill does not apply to every purchase made. I anticipate the numbers would be recalculated. Second, numerous studies on local bidding preferences across jurisdictions have determined local businesses keep existing employees, hire new employees, pay local wages and keep money in those local economies. These monies are cycled through the economy a number of times. This is called the multiplier effect. The multiplier effect varies by industry and by city size. Data shows municipal governments using local preferences are not harmed.

SENATOR RAGGIO:

What is the reason behind changing the sunset provision?

ASSEMBLYWOMAN SPIEGEL:

We put in a sunset of four years to evaluate the data and determine if local preference is working, how it is working and if it needs to be changed in two years. It also pushes the implementation date by one month.

SENATOR RAGGIO:

I prefer local companies doing work, but I do not want local governments coming back and saying the Legislature caused this project to cost the taxpayers 5-percent more. I want to ensure that is not the mentality of those who would be impacted by this legislation. If they are, I want to hear from them now. Carole Vilardo of the Nevada Tax Association, I see you. Is this good law?

ASSEMBLYWOMAN SPIEGEL:

Two separate provisions in this bill say the local governments do not need to apply this if it is not in the public interest. For example, on the Assembly side, we heard about a book on Nevada tourism that was put together for the film industry. The original bid came down to a difference between a local Nevada company and a printer in Colorado. The difference between these two lowest bidders was less than \$130. The Colorado company's bid came in under the Nevada company, and so they were awarded the job. Soon after, the Colorado company came back to the Division of Tourism and said they needed to amend their bid. It was less expensive to pay the Colorado company several thousand

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dollars more than to rebid the job. Our Nevada company lost out on a multithousand dollar bid because of approximately \$130. This bill is designed to rectify those kinds of situations. We are in an economic downturn, and we want to keep our Nevada businesses strong and stable. We want to keep our local dollars local, and we want to do what we can to revitalize our economy.

SENATOR RAGGIO:

In section 1, subsection 6 of the amendments says,

The provisions of this section do not require a local government or its authorized representative to award a contract to a bidder whose quality of services, supplies, materials, equipment or labor does not conform to the requirements of the local government or if the public interest would be served by rejection of the bid.

Are you saying this provision is a savings clause? If a bidders' preference caused a 5-percent increase, this provision could be considered?

ASSEMBLYWOMAN SPIEGEL:
Correct.

CHAIR LEE:
Do you want Carole Vilardo to testify?

SENATOR RAGGIO:

When legislation with public money is involved and I see her in the room, I look her way to see if she is violently shaking her head one way or another. If Ms. Vilardo had a concern, she would come forward.

SENATOR CARE:

In section 1, subsection 7 of the bill, we have "as used in this section" and then we have "minority group" and then below that "service-disabled veteran." Minority group is a matter of circumstances of birth and demographics, and a long history in our county led to the public policy that provides for this. Service-disabled veteran is quite a different matter. You may or may not know that in Nevada at any rate, there is a property tax abatement, for example, on a disabled veteran's primary residence, but it is not abatable to all disabled veterans. There is a certain amount for 100-percent disabled and 80 percent to 99 percent. I think it stops at 60 percent. This reads "disability of 0 percent or greater." My concern as a veteran myself is that number may be difficult to

compute in this State. Do you have any thoughts about, instead of 0 percent, saying something like 40 percent? Benefits vary widely depending on a disability rating.

ASSEMBLYWOMAN SPIEGEL:

This was discussed. The additional benefit given to minority-owned businesses, women-owned businesses and service-disabled, veteran-owned businesses is the time period in which it takes them to qualify as a local bidder. Businesses made of one of these groups qualify in one year as a local bidder, easing the process and helping them to get their businesses off the ground and stabilized. The qualifying process for most companies takes two years.

My understanding is when service-disabled veterans apply for their disability ratings, they are initially assigned 0 percent. It can take time for an actual rating to be assigned. The 0 percent was put into the bill to allow service-disabled veterans to qualify when they have not yet received their actual disability ratings.

SENATOR CARE:

I checked with staff after our Committee's hearing, and there is 0 percent rating in statute.

SENATOR CARE MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 147.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MCGINNESS VOTED NO.)

* * * * *

CHAIR LEE:

We will move to A.B. 304. Senator Horsford has worked diligently on this bill. There are two amendments.

ASSEMBLY BILL 304 (1st Reprint): Makes various changes relating to the preservation of existing neighborhoods. (BDR 22-641)

MR. STEWART:

Assembly Bill 304 requires the Southern Nevada Regional Planning Coalition and the master plans of Clark County and the cities within Clark County to include an element relating to the preservation of historic neighborhoods. Historic neighborhoods are defined as a residential development with 10 more units, of which at least two-thirds are 40 years of age or older and have a distinctive character.

The bill also authorizes but does not require local governments in counties with a population of less than 400,000 to address the preservation of historic neighborhoods in their master plans and zoning regulations.

The first amendment proposed by the City of Henderson is attached in the work session document, [Exhibit E](#). It amends section 7, subsection 1, paragraph (d), subparagraph (1) to provide that a master plan may include "a plan to inventory" historic neighborhoods, rather than just an "inventory" of historic neighborhoods.

Senator Horsford has also brought forth an amendment. During the hearing on A.B. 304, he presented an amendment concerning the reopening of F Street in west Las Vegas. He has modified this amendment.

SENATOR STEVEN A. HORSFORD (Clark County Senatorial District No. 4):

I bring forth the clarifying mock-up of proposed Amendment 5045 to Assembly Bill 304 ([Exhibit F](#), original is on file in the Research Library). This amendment addresses the closure of F Street in Las Vegas based on the expansion of Interstate 15 (I-15).

I will start by explaining what is proposed in section 1.7. The original amendment talked about the Southern Nevada Enterprise Board established last Legislative Session to address development issues within this boundary in west Las Vegas. Section 1.7 allows for the establishment of an Enterprise Community Projects Fund within the Treasurer's Office and allows any funds identified for the purpose of development to be deposited into that account in the Treasurer's Office.

Beginning on page 16 and continuing on page 17, the amendment discusses the Southern Nevada Enterprise Community Projects Fund Board in regard to its structure explaining its membership. The Board has nine members with

adjustments from original law. The board members would include one member from the Nevada Congressional Delegation; two community representatives selected from the Legislative Commission consisting of one Assembly member and one Senate member; one member from the Clark County Board of County Commissioners selected from among its membership; one member of the Las Vegas City Council selected from its membership, one member from the North Las Vegas City Council; two community residents recommended and selected by the Stop the F Street Closure, LLC; and a representative from the private sector appointed by the Chamber of Commerce.

On page 18, section 27, the amendment discusses the purpose of the Board. In addition to many of its functions, the Board is to identify projects eligible for federal funding or funding through city and county redevelopment authorities. It also may request appropriations for those projects from the Clark County Board of County Commissioners, the Las Vegas City Council and the North Las Vegas City Council or the redevelopment authority governing boards and carry out additional projects directed by the Legislature.

The primary purpose of the bill and the amendment is to mitigate the closure of F Street and to get F Street reopened. The broader focus of the bill in regard to the Enterprise Board is to identify ways to bring development to the area.

On page 19, section 31 spells out the funding sources for the opening of F Street. It indicates the City of Las Vegas shall administer a funding framework for the purpose of reopening traffic on F Street under I-15.

Section 31 states the Nevada Department of Transportation (NDOT) will pay the cost of clearing the Project to reopen F Street through the National Environmental Policy Act. This process is federally required and uses existing funds available for this purpose. It authorizes the expenditures of those funds for NDOT.

Section 31 also indicates that the City of Las Vegas shall contract to design the construction of the Project to reopen F Street and will provide up to \$2.5 million from the City of Las Vegas Redevelopment Agency. The Department of Transportation will assist in funding any portion of the design costs that exceed the \$2.5 million amount.

Under section 31, the City of Las Vegas and NDOT shall work collaboratively to fund the construction of the Project to reopen F Street as follows. First, the City of Las Vegas will provide \$20 million of the funding for the project to reopen F Street by leveraging its share of the County's special 5-cent ad valorem capital project tax to issue medium-term obligations after July 1, 2011, once the environmental process is complete.

Second, to reopen F Street, NDOT will work with the City of Las Vegas to seek other sources for the remaining portion of the construction cost based on bridge design documents. This includes federal funding or additional NDOT revenue enhancements. This Project would be eligible for federal funding under the Intermodal Surface Transportation Efficiency Act (ISTEA) and other federal U.S. Department of Transportation funds earmarked for regional transportation projects, including transit. The U.S. Department of Transportation with the City of Las Vegas would identify, work collaboratively and pursue the funding for the Project beyond the amount dedicated by the City of Las Vegas. Any remaining balance will be made up by NDOT.

The mock-up proposed Amendment 5045 is a collaborated effort and a solution for the reopening of F Street in west Las Vegas.

CHAIR LEE:

If this bill passed with your amendment, [Exhibit F](#), when would this project start and end?

SENATOR HORSFORD:

The first step is NDOT would immediately commence the environmental process by making adjustments to the existing environmental plan approved federally to reopen F Street. The second step involves the service contract for the project design to reopen F Street. That will require design and engineering costs, and that amount will be available from the City of Las Vegas Redevelopment Agency. Both steps allow us to immediately commence.

Following the environmental phase, which can take up to 18 months, and with the secured funding sources secured, they can issue a contract and begin the construction on reopening F Street and the underpass below I-15.

It will take two to three years to complete the project, but the process will begin immediately upon passage of [A.B. 304](#) with Amendment 5045.

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RICKI Y. BARLOW (Las Vegas City Council, Ward 5):

Today is a proud day for me and for the residents whom Senator Horsford and I represent in west Las Vegas. The City is committed to stand behind the amendment Senator Horsford eloquently stated.

The City of Las Vegas is committed to fund the \$22.5 million to reopening F Street. The City's \$20 million share of the special 5-cent ad valorem capital project tax and \$2.5 million from the City of Las Vegas Redevelopment Agency bring NDOT to the table and ensure this collaboration is a financially shared effort. The NDOT has committed to fund half of the remaining portion of the project in the area of \$20 million to \$30 million.

With Senator Horsford, I am looking forward to hosting a neighborhood meeting to share this information with the community and let them know we have struck a deal in reopening F Street. We can have an opportunity to redevelop and develop a community that has gone undeveloped for some time. I am happy to work with the State through Senator Horsford, NDOT, the City of Las Vegas and the Redevelopment Agency to open F Street and preserve the quality of life of the residents who have been inconvenienced. I request you approve Assembly Bill 304 on behalf of Ward 5 and the residents of the west Las Vegas community.

SENATOR RAGGIO:

This is a departure from the amendment we were provided in the bill's hearing. We were looking at money from the Redevelopment fund? Will this fund continue to be used?

SENATOR HORSFORD:

Yes. On page 19, lines 27 through 30 of the amendment, [Exhibit F](#), it states the Las Vegas Redevelopment Agency will provide the \$2.5 million for the design cost for the construction and NDOT shall assist in funding any portion of the design cost exceeding \$2.5 million. The City of Las Vegas shall provide \$20 million by leveraging its share of the County special 5-cent ad valorem capital project tax they receive.

SENATOR RAGGIO:

What is the estimate of the redesign cost?

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SENATOR HORSFORD:
Early estimates indicated \$25 million to \$40 million.

SENATOR RAGGIO:
This estimate is for the redesign?

SENATOR HORSFORD:
No. I misunderstood.

SENATOR RAGGIO:
I want to know how much it will cost for redesigning. I understand \$2.5 million would come from the Las Vegas Redevelopment Agency, and it says the NDOT shall fund any portion exceeding \$2.5 million for the design.

SENATOR HORSFORD:
Correct.

SENATOR RAGGIO:
My question is what is the estimated cost of the design?

SENATOR HORSFORD:
The initial estimate I was provided was \$500,000 for the cost-estimating portion. I assume they would issue a request for proposal (RFP) for the design costs, and based on the results of the RFP, the costs would be identified. The City Redevelopment Agency would pay up to \$2.5 million, and any amount over that amount would be paid for by NDOT.

SENATOR RAGGIO:
I wanted to know if there was an estimate of the cost of the design to better understand NDOT's obligation. The City of Las Vegas will provide \$20 million toward the construction? Is this in addition to the \$2.5 million?

SENATOR HORSFORD:
Yes.

SENATOR RAGGIO:
The total project cost is estimated at \$15 million to \$60 million? Or is it higher?

SENATOR HORSFORD:

The estimate from NDOT projections without outside consultation is \$40 million to \$70 million. There is a current project underway, so there might be an ability to modify that current contract to reduce the cost.

SENATOR RAGGIO:

The excess over the \$20 million would be \$20 million to \$50 million?

SENATOR HORSFORD.

Correct.

SENATOR RAGGIO:

You mentioned there would be some ISTEA funding available in addition to what is available through NDOT?

SENATOR HORSFORD:

The ISTEA is under reauthorization this year, and because this project would meet the criteria, we hope that working through the Enterprise Community Board and the representation of the Nevada Congressional Delegation on the Boards, would prioritize this request for federal funding. There is also transit funding. To the extent we secure those dollars, they will be matched.

SENATOR RAGGIO:

The project is going to be designated as a high-priority project, and my concern is the certain number of projects already designated as high-priority. I would like assurance from NDOT that this designation is not going to take necessary funding away from other designated high-priority projects. This is a major concern. We had five projects designated as high-priority. This would be an added project. I am willing to support this unless it will take money away from these other high-priority projects.

SENATOR HORSFORD:

I will work with Susan Martinovich, an NDOT Director responsible for project planning, development and implementation. She indicated this project would get in line based on committed funds for projects. As funds are identified, the commitment from NDOT highway funding would be secured.

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SENATOR RAGGIO:

I do not want to learn funding has been curtailed on existing, designated high-priority projects and put into this project.

SENATOR HORSFORD:

Yes. I will get this in writing.

SENATOR RAGGIO:

We need to have that on the record.

SENATOR HORSFORD:

In regard to the federal money, states were given a first-round allocation from the stimulus. Funds had to be committed by May or June and they had to be obligated; otherwise, they would be recaptured and reallocated to states in need. Other states might forfeit portions of their federal stimulus dollars and NDOT will pursue those dollars. These dollars do not automatically go to those high-priority projects.

SENATOR RAGGIO:

We have been fortunate having NDOT active in obtaining extra funds not allocated to other states. They have used their Washington, D.C., office to accomplish this, but I understand the Assembly Ways and Means Committee voted to abolish that office. This closure will not advance these types of projects.

CHAIR LEE:

For the record, this project would be in the queue and not replace other high-priority projects. Are you in agreement?

SENATOR HORSFORD:

You are correct. I will get this in writing from NDOT.

ASSEMBLYMAN HARVEY J. MUNFORD (Assembly District No. 6)

The opening of F Street is important. I have contacted several of you concerning my position. We were working with Senator Horsford on this legislation, and I appreciate your understanding, openness and willingness to give this legislation a fair hearing. As Councilman Barlow said, this is a proud day. It is a great day.

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CHAIR LEE:

This bill has two amendments, the amendment from the City of Henderson providing that a master plan include a plan to inventory historic neighborhoods and the much-discussed amendment brought forth by Senator Horsford.

SENATOR HORSFORD MOVED TO AMEND AND DO PASS AS AMENDED A.B. 304 WITH THE AMENDMENT FROM THE CITY OF HENDERSON AND WITH PROPOSED MOCK-UP AMENDMENT 5045.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE WAS ABSENT FOR THE VOTE.)

* * * * *

CHAIR LEE:

We will address Assembly Bill 397.

[ASSEMBLY BILL 397 \(1st Reprint\)](#): Authorizes redevelopment agencies to expend money to improve schools located within certain areas under certain circumstances. (BDR 22-130)

MR. STEWART:

Assembly Bill 397 requires a redevelopment agency to file a report with its governing agency and with the Director of the Legislative Council Bureau. In the work session document, [Exhibit E](#), the bill sets forth several contents of the report. In addition, the bill expands the permissible purposes for which money may be expended from a redevelopment revolving fund to include use by a redevelopment agency for the improvement, with certain limitations, of schools in a city or county with a redevelopment area within its boundaries. No amendments were offered.

SENATOR HORSFORD:

I have an amendment, but I have not received it back from Legal Counsel. Can we move this bill to the end of our meeting so I may get the amendment?

CHAIR LEE:

Yes. We will hold A.B. 397 and move to A.B. 443. Assembly Bill 443 revises provisions concerning the election of Councilmen in the Cities of Reno and Sparks.

ASSEMBLY BILL 443 (First Reprint): Revises provisions concerning the election of Councilmen in the cities of Reno and Sparks contingent upon voter approval. (BDR S-811)

MR. STEWART:

Assembly Bill 443 amends the city charters of Reno and Sparks to require that City Council members be chosen by the registered voters in their respective wards. The bill creates a sixth ward in the City of Reno and provides that the Council member representing the new ward will replace the at-large Council seat. There are two amendments. One conceptually amends section 9, which deletes the language to be placed on the general election ballot of November 2, 2010, for the City of Reno to clarify the ballot question. The question as proposed to be amended would read,

Shall the Charter of the City of Reno be amended to (1) modify provisions relating to the ward system by creating six (6) wards instead of five (5) wards; (2) eliminate the Councilman elected at large position; and (3) require that each Councilman be elected in a general election by only the registered voters of the ward that he seeks to represent?

This amendment was proposed by the City of Reno and is attached to the work session document, Exhibit E. The other amendment would remove the City of Sparks from the requirements set forth in the measure.

SENATOR RAGGIO:

I am opposed to this measure as is Senator Townsend. I do not want to see politics played with voting. I was instrumental working with the cities on the structure of their elections and how people are selected for city council. In the Cities of Reno and Sparks, the system is fair. It guarantees that a person from each ward will be represented in the City Council. People are nominated in a primary election from each ward to stand for election in the general election. In this general election, the people are elected citywide. That ensures a representative of a ward will be represented on the City Council. In the end, these City Council people become accountable to the City as a whole. Their

decisions will not be entirely parochial to an issue with respect to a ward. There is provision in this legislation putting this to the voters, but the majority of the Council in the City of Reno do not support this change.

Historically, measures affecting cities and their structure go through a charter. The City of Reno is a charter city. Changes are referred to the charter committee, and the charter committee comes forward to the Legislature and suggests changes. This legislation is a severe departure from that procedure.

I heard comment that a charter committee is too controlled. In my service, the Legislature has supported changes charter committees have brought forth.

I helped to structure the method by which we elected people in the City of Reno and in the City of Sparks. This is a Washoe County issue, and I ask the Committee's support in opposing this bill.

CHAIR LEE:

This measure will go to the vote of the people, and this gives some people satisfaction. The City of Sparks had an issue with this bill, and I want to hear their position.

ROB JOINER (Manager, Government Affairs, City of Sparks):

In both Houses, I have testified that our Charter Committee follows the intent of a charter committee. We have an independent board consisting of five members from each House of the Legislature, six members appointed by our City Council and our Mayor. That body is only replicated in Carson City in that type of appointment.

There are charter communities around the State, but there is no consistency or requirement in legislation for consistency in how to appoint charter committees. There are instances of a city council acting as a charter committee. There are cities with no committees and items are put on their ballots. Our City Council supports the Charter Committee because they do a good job and they have independent voices. They go through the Charter every biennium and come to the Legislature with their recommendations for amendments as the community sees fit. This is a model. We did request to be taken off the bill, and if our community wants this change concerning the election of Councilmen, it would come through our Charter Committee.

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CHAIR LEE:

We have two amendments. I want to address the amendment by the City of Sparks. The City of Sparks wants removal. I entertain a motion to accept the City of Sparks amendment.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED A.B. 443 BY REMOVING THE CITY OF SPARKS FROM THE REQUIREMENTS IN THE MEASURE.

SENATOR MCGINNESS SECONDED THE MOTION.

SENATOR CARE:

Is there precedence as to the Nevada Legislature becoming involved in the process of amending city charters?

Ms. CHLARSON:

The Legislature does have the authority to amend a city charter.

SENATOR CARE:

When was the last time the Legislature made this type of change?

Ms. CHLARSON:

In 2005, this type of changed occurred with the City of North Las Vegas.

THE MOTION CARRIED. (SENATOR CARE VOTED NO.)

CHAIR LEE:

We will take a motion on A.B. 443 with the amendment by the City of Reno.

SENATOR RAGGIO MOVED TO INDEFINITELY POSTPONE A.B. 443.

SENATOR MCGINNESS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE VOTED NO.)

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CHAIR LEE:

We will address a bill brought forth by Assemblywoman Peggy Pierce concerning international trade agreements.

[ASSEMBLY BILL 159 \(1st Reprint\)](#): Prohibits the Governor or any other state officer or employee, without authorization by the Legislature, from binding the State to the requirements of an international trade agreement or otherwise committing the State to comply with the nontariff terms of an international trade agreement. (BDR 52-386)

MR. STEWART:

Assembly Bill 159 prohibits the Governor or other State officer from approving the terms of an international trade agreement, including any nontariff terms, unless the Legislature has enacted legislation authorizing the Governor to act. The measure also invalidates any existing consents to international trade agreements. There were no amendments offered.

SENATOR RAGGIO:

I did not hear this bill or its arguments, so I will abstain from the vote.

CHAIR LEE:

This bill dies for a lack of a motion.

We will address A.B. 478 which revises provisions relating to certain housing authorities.

[ASSEMBLY BILL 478 \(1st Reprint\)](#): Revises provisions relating to certain housing authorities. (BDR 25-1237)

MR. STEWART:

Assembly Bill 478 revises the Housing Authorities Law of 1947 by allowing certain counties to form regional housing authorities. Existing law allows each county, city or town to form a housing authority which is a municipal corporation. This measure allows Clark County to form a single regional housing authority. There are details how this regional housing authority would be formed. The regional housing authority shall have the power to repeal local laws, ordinances and regulations that conflict with each other. This will be a subject of an amendment. The bill precludes the regional authority from requesting a reservation of land from the Bureau of Land Management unless

the governing body whose jurisdiction includes the applicable land adopts a resolution of approval.

The bill also allows for nine commissioners of the regional authority and sets forth the criteria for their selection. The county and the three largest cities therein are allowed to appoint two commissioners each. The local governments shall seek recommendations for appointments from diverse backgrounds, including gender, ethnicity and experience. One commissioner must be selected from eligible nominees receiving housing authority assistance to serve on behalf of tenants. The commissioners may select an executive director to manage the regional authority.

The amendments are in the work session document, [Exhibit E](#). The first source of amendments is from Doug Lyon of the Southern Nevada Regional Planning Coalition in conjunction with Clark County Commissioner Chris Giunchigliani. We also heard from Father Dave Casaleggio, who is the Chair of the Board of Commissioners of the Housing Authority of the City of Las Vegas.

Amendments No. 1 and No. 2 are mutually exclusive and concern the dissolution of individual housing authorities when the regional authority is created.

The first amendment proposed by Doug Lyon and Clark County Commissioner Chris Giunchigliani would amend section 3, subsection 2 by deleting subparagraph (d). Upon the formation of a regional authority, any individual authorities of local governments that form regional authorities are dissolved. This deletes the provision that would automatically dissolve the individual authorities upon the formation of the regional authority. This is carried though in new section 3.5. This replaces that language to say "upon the adoption of a resolution pursuant to section 3 of this act forming a regional authority, the dissolution of any individual authorities of the local governments who form the regional authority must be begun."

In new section 15.5, the language says that if those governing bodies adopt a resolution to create the regional housing authority, the dissolution required of the individual ones must be completed not later than January 1, 2010.

SENATOR RAGGIO:

What happens if they do not complete the formation of the regional housing authority before January 1, 2010?

MR. STEWART:

The amendment does not contemplate that possibility.

The mutually exclusive part of this amendment is Father Casaleggio's amendment that says within six months following the formation of a regional housing authority, the individual authority shall be dissolved unless an extension of time is deemed necessary and has been granted by the commissioners of the regional authority.

The remaining amendments are from the Southern Nevada Regional Planning Coalition. They are presented in a mock-up amendment attached to the work session document, [Exhibit E](#).

The third amendment would change section 3, subsection 3 to provide consultation with the United States Department of Housing and Urban Development in resolving any fiscal matters, ownership of real property or consolidation functions when forming a regional housing authority.

The fourth amendment would delete the provisions in section 4 prohibiting elected officials from governmental entities from serving as a commissioner of the regional housing authority. This was proposed by Father Dave Casaleggio.

SENATOR RAGGIO:

I have heard concern about the restriction of public elected officials serving as a commissioner of the regional housing authority. Can the Committee explain this problem?

CHAIR LEE:

Is your concern with the elected officials serving as a commissioner of the regional housing authority? Tim O'Callaghan, Chair of the Clark County Housing Authority, thought the regional housing authority should not have an elected official on its commission. Father Casaleggio stated good people would like to serve who are also elected officials. The Southern Nevada Regional Planning Coalition did not have an issue with elected officials serving on the authority.

Limiting elected officials from the authority might be detrimental because it is difficult to get people to serve, elected or not.

SENATOR RAGGIO:

I wanted to understand the argument.

CHAIR LEE:

The argument about elected officials on the authority boiled down to personal preference between two people.

MR. STEWART:

The fifth amendment, [Exhibit E](#), concerns section 5, subsection 1 and would remove the authority of the regional housing authority to repeal conflicting local laws, ordinances and regulations. Testimony from Clark County Commissioner Chris Giunchigliani indicated they wanted to ensure the regional housing authority would not have the power to repeal laws.

The sixth amendment, [Exhibit E](#), adds a technical reference in section 6 of the bill to land nominated by the Bureau of Land Management (BLM) for the purposes of affordable housing. The BLM nominates land for sale, auction or disposal. The proposal adds the word "nominate" to correct a technicality.

The seventh amendment, [Exhibit E](#), would amend section 12, subsection 2 to provide that the initial selection of an executive director of the regional housing authority be done using competitive recruitment and that any subsequent selections be made as determined by the housing authority's commissioners. The proposal by Father Casaleggio is attached.

The eighth amendment, which is the last amendment, would adjust the effective date of the bill from July 1 to "upon passage and approval" for all portions of the bill except for the section providing for the selection of an executive director of the authority, which remains effective on January 1, 2010.

The mutually exclusive piece would be between the first amendment set forth by the Southern Nevada Regional Planning Coalition and Clark County Commissioner Chris Giunchigliani and the second amendment. Both amendments relate to the dissolution of the individual housing authorities upon the creation of the regional housing authority.

CHAIR LEE:

The dissolution is not a major issue. The legislation says the new regional authority will be in place in July and the dissolution of the individual authorities must be completed no later than January 1, 2010. This gives ample time to transfer assets.

The issue at hand is whether a commissioner is elected. I am fine with elected officers serving on the commission. This is the time to discuss this issue if someone is in disagreement.

Having no discussion, will we allow Father Dave Casaleggio's amendment, [Exhibit E](#), to stand?

SENATOR HORSFORD:

I support the bill be passed as the Housing Authority of the City of Las Vegas recommended. This would allow the appointment of an individual not necessarily an elected official.

SENATOR RAGGIO:

I want to support Clark County because this is their bill. Is the suggestion an elected official could be on the board or a designee?

SENATOR HORSFORD:

Correct. Yes it could either be an elected official or a designee based on that jurisdiction's ...

SENATOR RAGGIO:

If that is the motion, I will support it.

MR. STEWART:

Will Senator Horsford clarify this approved amendment which was the fourth amendment, [Exhibit E](#)?

SENATOR HORSFORD:

The fourth amendment deletes the provision prohibiting elected officials from governmental entities from serving as a commissioner of the regional housing authority. This would allow an elected official or a designee to serve on the regional housing authority.

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SENATOR CARE:

I did not understand it that way, but I will go along with it.

SENATOR CARE MOVED TO AMEND AND DO PASS AS AMENDED A.B. 478 WITH THE AMENDMENTS PRESENTED IN THE WORK SESSION DOCUMENT, [EXHIBIT E](#), EXCEPTING AMENDMENT TWO. THE FOURTH AMENDMENT WAS MODIFIED TO SAY THAT AN ELECTED OFFICIAL'S DESIGNEE COULD ALSO SERVE ON THE COMMISSION OF THE REGIONAL HOUSING AUTHORITY.

SENATOR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR LEE:

We are finished with our work session. We will open the hearing on A.B. 225 which revises the provisions relating to county fire departments.

[ASSEMBLY BILL 225 \(1st Reprint\)](#): Revises certain provisions relating to county fire departments. (BDR 20-908)

ASSEMBLYWOMAN PEGGY PIERCE (Assembly District No. 3):

Assembly Bill 225 would allow the Clark County Fire Department to get their expenses paid when they make transports to a hospital. The fire departments in the Cities of Las Vegas, North Las Vegas, Mesquite, Henderson and Boulder City can already do this. The bill has been amended on the Assembly side and narrowed to get consensus.

RUSTY McALLISTER (President, Professional Fire Fighters of Nevada):

A brief history about this bill will explain why we are bringing this bill forth.

In 2001, legislation was passed to allow the fire departments in southern Nevada to provide transport capabilities for emergency medical services and to bill for those services as private ambulance companies do. Former Clark County Manager Dale Askew presented a letter to former Senator Raymond D. Rawson that stated we did not have intent to do ambulance transport. This was negotiated between him and the private ambulance companies. In our recent

discussions regarding ambulance transport, the private ambulance companies break out that letter by the former Clark County Manager and say it is legislative intent.

Times have changed since 2001. There are two private ambulance companies in southern Nevada owned by one parent company. One is union and one is not. The union company threatened to strike the day after Thanksgiving. This would have left the local government having to do transports but with no ability to recover costs. The Clark County Fire Department is the only department that does not have this capability.

This legislation would provide Clark County the ability to set up a fee structure to recover costs for emergency medical services transports. The Clark County Fire Department does about 350 to 400 transports a year. These mostly occur when private ambulance companies are delayed or cannot get to a call. In this situation, the Clark County Fire Department will transport, but because those costs cannot be collected, those costs must be absorbed using the Department's budget. It is not supplemented.

In setting up a billing structure, the Clark County Fire Department needs to apply for a Medicare identification number. This process takes six months. Once they receive a number, a billing service can be hired.

The private ambulance companies on the Assembly side expressed that Clark County Fire Department was attempting to take over emergency medical services transport which would infringe upon private business. Members of the Clark County Fire Department on the Assembly side testified this is not the bill's intent. An agreement was reached that our transports would be limited to 1,000 calls per year, unless an emergency situation occurs. For example, we would take calls if the private ambulance companies went on strike, and we would be able to recover costs.

This bill allows cost recovery for up to 1,000 transports per year. The Department would also have to report all transports in a year to the Legislature for tracking purposes and to ensure they are not infringing upon the private companies. Lastly, this legislation only applies to those counties having populations over 400,000. An amendment contained in section 1, subsection 6 says this legislation does not apply to counties for which a nonprofit corporation

has been granted an exclusive franchise agreement for ambulance service in that county, which is Regional Emergency Medical Services Authority, better known as REMSA. Washoe County has an exclusive franchise agreement to provide ambulance transport. They are excluded from this bill. This bill is intended for Clark County to set up a billing structure for their fire department, get a Medicare identification number and be prepared in an event an emergency occurs.

SENATOR RAGGIO:

How are these calls referred? You testified the Department would be limited to 1,000 transports. How does an ambulance get called out to a scene? Who responds to the initial call, and how is it allocated?

MR. McALLISTER:

In Clark County, there is a dual response emergency medical system. When a 9-1-1 call comes in, it comes into the Las Vegas Metropolitan Police Department, Clark County Fire Department or a private ambulance company. If the call goes into Metro, they find out if the call should be referred to police, fire or medical, and it is referred accordingly. It is a dual response system because when a call comes into the Department, it is simultaneously shipped to the private ambulance company dispatch; if the call comes to them, they send it over to the fire department, and the appropriate fire department in the jurisdiction will be notified. This dual response service has been in place for over 25 years. It provides the best service for the residents. All fire stations are centrally located, and we have the ability to get to calls quicker than the private ambulance companies. They staff and locate ambulances on a rotating basis based on a computer program that estimates where a call might come in and at what time. They locate their ambulances based on a computer statistic. The dual response system provides optimal coverage as the call comes into both, we both respond and the private ambulance company transports.

SENATOR RAGGIO:

Is there more than one private ambulance company in Clark County?

MR. McALLISTER:

There are two private ambulance companies owned by the same parent company. One is American Medical Response (AMR) and the other is MedicWest. They have divided the City into two. Anything on one side of I-15 is MedicWest and anything on the other side of I-15 goes to AMR.

SENATOR RAGGIO:

I do not want to set up a system where there is a tug-of-war over who is going to transport someone to a hospital because of involved fees. When I was the District Attorney of Washoe County, people fought over who was going to transport bodies to the mortuary. I witnessed literal tugs-of-war with the bodies. I want the system to be responsible. Also, we want the closest emergency vehicle to transport people who are in critical need.

MR. McALLISTER:

In Clark County's jurisdiction during 2008, there were 61,764 transports completed for emergency medical services. The American Medical Response did 37,058 transports and MedicWest did 24,706 based on geographical location. The Department did 350 to 400 transports based on the delayed response from the privates.

SENATOR BREEDEN:

Do you have data available tracking what hospitals patients go to based on if they have insurance or not?

MR. McALLISTER:

We do a report on every patient. The report shows what hospital we take them to, and we do know if they have insurance because we would bill their insurance.

SENATOR BREEDEN:

Could you bring this information back to our Legislative Committee on Health Care?

MR. McALLISTER:

During the processing of this bill on the Assembly side, the private ambulance companies sent e-mails to all members of the Assembly. I have copies of these e-mails. They accused fire departments of picking and choosing patients based on insurance and what they considered cool calls. I cannot explain what a cool call would be in a medical situation, but we were accused of cherry-picking insurance patients. This is not the case. The Las Vegas Fire Department transports all auto accidents, so we do not pick and choose. All the fire departments in southern Nevada collect data, and we can provide that information. This would also clarify whether we cherry-pick, so we would be happy to provide that data.

SENATOR BREEDEN:

I asked the question as I have also received e-mails. I ask that this information be provided to the Legislative Committee on Health Care. Can we amend this language into this bill?

CHAIR LEE:

We do not have time to add an amendment without worked-out language. We can get this information for the interim study if it is available. You want information concerning transports, the hospitals patients are sent to and whether they have insurance, correct?

SENATOR BREEDEN:

Yes, but I want this information reported.

CHAIR LEE:

You will need to get a commitment from Mr. McAllister that he will do it.

SENATOR HORSFORD:

Is there a way to put on the record that those transport reports in the bill, by request of Senator Breeden, be submitted to the Legislative Committee on Health Care? The transport issue has been ongoing with the interim study.

CHAIR LEE:

Who would be responsible?

SENATOR HORSFORD:

Under section 1, subsection 3, paragraph (b) says "Require the fire department to report to the board the total number of transports of sick or injured persons to a medical facility that are made by the fire department." Add the insurance information to this section and have it also submitted to the Legislative Committee on Health Care.

CHAIR LEE:

When the bill says fire department, is it referring to every fire department in Clark County or throughout the State?

SENATOR HORSFORD:

This would be only in Clark County, as this is where there are issues with transport. In addition to the existing report, a report would be submitted to the Legislative Committee on Health Care on request by Senator Breeden.

MR. McALLISTER:

You will get a minimal picture of hospitals used and their locations and whether patients had insurance if you only require the fire departments to report because we do a small number of transports. If Clark County Fire Department is doing 350 transports a year, you will not get a good picture of where they took the patients and whether they had insurance. We do only 25 percent of the transports with the City of Las Vegas Fire Department. You would need to include the private ambulance services to get a clear picture.

SENATOR BREEDEN:

We would want to have all transport reports going in Clark County and within Clark County.

GARY MILLIKEN (American Medical Response; MedicWest Ambulance):

We have Tony Greenway in Las Vegas who manages our operations. He can discuss this issue.

TONY GREENWAY (Administrative Manager, American Medical Response; MedicWest Ambulance):

We will provide insurance information on transports.

CHAIR LEE:

We will make Senator Breeden's request part of the record and part of the amendment to the bill.

JIM SPINELLO (American Medical Response; MedicWest Ambulance):

The Legislative Committee on Health Care has statutory authority for obtaining that information, so an amendment is not required.

CHAIR LEE:

We want the fire departments involved, and if the authority is in statute, we are going to add it in again. Does the bill's sponsor have a problem with that?

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ASSEMBLYWOMAN PIERCE:
Yes.

SENATOR MCGINNESS:
Will you have to hire people in order to make this reporting work?

MR. GREENWAY:
We have that information, so we would not have to hire new staff.

SENATOR HORSFORD:
This information is tracked, but it is the specificity of the information and the frequency of reporting that needs to be solidified. Getting the information from all providers would help us understand existing challenges and make transport decisions. I support Senator Breeden's request to have that information submitted, and that this information be submitted quarterly to allow us to see progress. This is consistent with the quarterly reports we receive from the hospitals and the transport based on diverts.

MR. MILLIKEN:
We will submit this information quarterly.

CHAIR LEE:
The hearing is closed on A.B. 225 and the hearing on A.B. 395 is open. We recently received this bill as it had been in the Senate Committee on Legislative Operations and Elections.

[ASSEMBLY BILL 395 \(1st Reprint\)](#): Provides for workplace relations discussions and agreements for certain state employees. (BDR 23-1020)

ASSEMBLYMAN PAUL AIZLEY (Assembly District No. 41):
Assembly Bill 395 provides for procedures for the determination of workplace units, selection of exclusive representatives and for negotiations between the workplace units and the Executive Branch regarding one, the hours and working conditions; two, grievances; and three, discipline and discharge—it does not involve negotiating salaries or benefits. These terms are defined in sections 2 through 16.

In section 44.3, the personnel commission membership is redefined and responsibilities and duties are spelled out. The Governor would appoint three

members, and the Speaker of the Assembly and the Senate Majority Leader would each appoint one member.

Sections 17 through 42 spell out the Personnel Commission's role in determining and recognizing workplace units. Provisions are made for mediation, arbitration, judicial review and fair-share agreements. Deadlines for grievance and appeal procedures are also defined.

Assembly Bill 395 does not affect managerial, confidential or temporary employees, elected officials, officers and members of the Nevada National Guard, State Justices and judges, prison inmates, unclassified employees of the Nevada System of Higher Education and employees of the Legislature.

The bill recognizes Nevada is a right-to-work state. No worker is required to be a union member. If a worker requests the help of an exclusive representative, the worker would be required to pay a fair share of any costs incurred. The bill would become effective on July 1.

Assembly Bill 395 will provide fairness in the workplace, save the State money and improve productivity. With hundreds of unfilled positions and a proposed 4-percent pay cut, we are asking workers to do more work for less money. This bill does not provide collective bargaining in wages and benefits, but it does provide State employees the opportunity to negotiate an agreement about working conditions. It is fair to provide them a voice in decisions that will affect their daily working conditions. When there are no well-defined grievance and appeal procedures, expensive litigation often results. This bill will ensure that grievances and appeals will get fair hearings. This will reduce and possibly eliminate litigation, saving the State thousands of dollars. There are pending cases that could cost the State hundreds of thousands of dollars.

I worked five years as a member of the textile workers. I have also worked at the University of Nevada, Las Vegas, where there is no collective bargaining. I worked at the University for 40 years. I have seen the benefits of collective bargaining and do not see the process as confrontational. It is a better solution to problems when the workers involved with the work are able to discuss their working conditions. For example, I was assigned to a program in radiography when I was Dean of the College of Extended Studies. I had no previous knowledge of this area. I had a knowledgeable staff, and together we improved the program. It grew, we worked with the hospitals and we received an

eight-year accreditation from the national accrediting organization. This exemplifies how important it is to work with workers.

The issues of fairness, saving the State money and improving productivity are three good reasons to support A.B. 395, and I request your support.

DENNIS MALLORY (Chief of Staff, American Federation of State, County and Municipal Employees Local 4041):
I come in support of A.B. 395.

Assembly Bill 395 provides State employees the same right to bargain a contract that is currently afforded to all public employees in Nevada cities and counties without the ability to negotiate anything that requires a Legislative appropriation.

Most importantly, A.B. 395 would allow State employees to negotiate a fair and binding grievance process. Too many issues are settled in the Nevada Supreme Court because there are no mechanisms in place to deter both parties from doing so. Assembly Bill 395 would allow employees to negotiate a process with an emphasis on handling issues on the lowest level possible. This would save the State hundreds of thousands of dollars each fiscal year. We ask you to support A.B. 395. There is a mock-up Amendment 5048 ([Exhibit G](#)).

JIM RICHARDSON:

I am a pilot working for the NDOT. Last year, I made the mistake of disclosing improper governmental activity and federal safety violations to the NDOT Director. I soon found myself terminated from State service for a first-time offense.

After a multiday hearing, a State Personnel hearing officer ordered me reinstated and then clarified his decision reinstating me to my former position, but the Department has refused. Instead, they have tried to demote me 16 pay grades, which is an 80-percent cut in pay, to move 120-pound sacks of dirt around in the aggregate lab at NDOT.

I went from a highly-educated, experienced and trained professional pilot to the chain gang. I have been on a year's paid vacation courtesy of the Nevada taxpayers. My case has cost the taxpayers, with back pay and legal costs, well

over \$100,000. My retraining costs I estimate to be at \$23,000, and several attorneys have proposed suing the State on my behalf at no cost to me.

The agency is appealing the loss to the district court level and has indicated they will appeal all the way to the Nevada Supreme Court. The last employee this agency terminated and took to court prevailed and settled at the Supreme Court level for a confidential amount.

The NDOT hired a third pilot only two weeks before the decision of the hearing officer was due. Now, they have three pilots and two positions approved by the Legislature. This is a waste of taxpayer's money.

The grievance procedure for State employees is a joke, and if agencies do not have to obey the orders of the State Personnel hearing officers, why would employees want a hearing? This makes a mockery of the system. That is why we need A.B. 395.

State employees are asked to do more with less. We are getting furloughs, no cost-of-living allowance and no longevity pay. State employees need protections from vindictive administrators who terminate employees at will. When they lose, they appeal. What do they care? The process costs them nothing but rather it costs the taxpayers.

If there were an effective collective bargaining law, these abuses and waste of taxpayers' money would not happen. It will allow the settlement of disputes at the lowest level. State employees will be happier and more productive. For the good of State service, I urge you to pass A.B. 395.

ROB POTTER:

I have worked for the NDOT for 28 years. I am an American Federation of State, County and Municipal Employees (AFSCME) steward.

Session after session, when the State has a budget shortfall or fiscal crisis, State employees have stepped up to the plate and have contributed fiscally to the solution.

This Session, we are willing to give up our merit and longevity pay, take 12 days of furlough, pay additional PERS contributions, pay a portion of our health insurance premium and also, potentially the most devastating, have our

deductible automatically increased, indexed to the medical inflation trend. In 2008, it was raised 12.8 percent, and it is projected to raise another 10.9 percent in 2009. This will cause the deductible to rise astronomically and turn a decent medical plan into a catastrophic medical plan.

We State employees have willingly stepped up to do our part. Now, we are asking you to step up and support this noneconomic legislation to authorize the discussion of workplace relations. I am a supervisor and a steward who thoroughly believes in addressing workplace issues at the lowest level. Your support of A.B. 395 will provide State employers and State employees a process to achieve early resolution and avoid litigation. This Committee has a historic opportunity to create a fair working environment that will encourage everyone to reach an agreement and get back to productive work. I urge you to support A.B. 395 for the people in Nevada.

KEVIN RANFT (American Federation of State, County and Municipal Employees Local 4041):

I am the regional vice president of AFSCME. We do have a problem as State employees. On a daily basis, I deal with employees who need representation. We do not have a fair process. We have many employees throughout the State on administrative leave at the taxpayers' expense. It needs to stop. It needs to stop going to the Supreme Court. This is costing the taxpayers a large amount of money. We could resolve these issues at the lowest possible level through the A.B. 395 agreement.

The Department of Personnel has the ability today, without expenses, to resolve these issues and they choose not to. They have the Attorney General's Office and 20 analysts. Various entities within the Department of Personnel can deal with A.B. 395 without further expense to the taxpayers. Let us get a fair process in place. I urge you to pass A.B. 395.

RONALD P. DREHER, Director, Government Affairs, Peace Officers Research Association of Nevada):

I am asking for your support of A.B. 395 for a number of reasons. I have been doing collective bargaining for over the past 25 years for law enforcement and other employees in local government. I have seen quality results from collective bargaining. This bill addresses the issues that will provide equity to State employees who do not have the same rights as local government employees. In

collective bargaining, both sides have to agree. Nothing in the bill says something will happen or something has to be set in stone just as in NRS 288.

There is a portion of this bill creating concern. This is the portion concerning fair share. In previous hearings, it was testified that the fair-share agreement will force nonunion people to pay. I have provided previous testimony under the annotated section of NRS 288.027 concerning the Supreme Court case *Cone v. Nevada Service Employees Union*, 116 Nev. 473, 998 P.2d 1178 (2000). It says unions will take cases for you if you ask, but you must pay your fair share. For instance, if a union negotiates a collective bargaining agreement and there are about 17,000 State employees and 16,000 of those 17,000 are members, when costs are divided, it could cost \$5,000 to \$6,000 dollars to take the initial step. Divide the 16,000 employees by that amount and the other employees would have to pay pennies. It is their portion. The annotated provision of NRS 288 explains under what circumstances that occurs. From a homicide perspective, if I had an officer involved in a shooting who was not a union member but asked for representation, we would ask that person to pay their fair share of that callout because he is using the association's attorney. They could use any attorney they wished, but if they want to use one of our attorneys, there is the charge under the *Cone v. Nevada Service Employees Union* decision. The officer would be responsible for payment. There are provisions of fair share that get confusing when people do not understand.

The issue in front of you is a grievance procedure, a discipline-discharge procedure and an hours of work procedure. It is noneconomic. Every collective bargaining agreement I am involved with in the State has those three provisions along with others under NRS 288.150 which are mandatory topics of bargaining. In A.B. 395, they are asking this Committee to provide the rest of the public employees in the State the same equity and fairness as local government employees. The fiscal notes on this bill are based upon 20 predicted arbitrations per year. Arbitration resolution forces negotiations. We have federal mediation at zero cost with the exception of our side paying and the State paying whatever cost they accrue. A federal mediator is at zero cost. The cost of an arbitrator is split by the parties. The Department of Personnel has trained people. They have labor relations; they deal with these issues. They have an Employee-Management Committee, and they have a hearing officer provision. This lowers costs.

Collective bargaining is an agreement between the parties. It does not happen unless the parties agree. If they reach an impasse, there is a provision to reach a binding agreement. It is about time we do this. I ask this Committee to support A.B. 395 and the upcoming amendment.

TRAY ABNEY (Director, Government Relations, Reno-Sparks Chamber of Commerce):

We state our opposition to public-employee collective bargaining in our public policy manual called the Agenda for Economic Vitality. We fear this is a foot in the door for public-employee collective bargaining. This bill does not contain a no-strike clause, and there is no verification provision in section 28, which is a card-check provision.

CAROLE VILARDO (Nevada Taxpayers Association):

The effective date in the mock-up amendment, [Exhibit G](#), needs to be changed. The concern is there are three distinct provisions. The Governor needs to change the appointments, and that is effective July 1. A set of regulations needs to be done which would be used as the basis for bringing in and beginning the lists and the card checks. However, I do agree with the dating in the amendment.

I have concerns. I would prefer to see arbitration listed as arbitration only and not binding as we do in NRS 288. The other provision that needs to be looked at is community of interest and how you will determine what comparable entities have. I do not read in the bill where the personnel committee will have the opportunity to define that issue. The legislation is specific on how to present the lists, how the committee will operate, how they will hear procedures and what their protocol will be when doing investigations and issuing subpoenas. This will cost.

I listened to the negotiation information on the Metro bill and the discussion of how many people get involved in the negotiations from the employee side and the employer side. It is unlikely, especially during the initial year, that you could have that many people, if needed, to analyze the proposals for the numbers of contracts you might be negotiating, which at a minimum would be ten because of the way the bargaining units are set.

CHAIR LEE:

I do not have a fiscal note. If this bill is passed, the fiscal note will be picked up by the Senate Committee on Finance.

MS. VILARDO:

Nevada Revised Statute 288 provides and specifies verified lists. There is a time period involved in getting those names. That time period can vary between two weeks to seven months. Employees can and do transfer out of that unit during the time period. The reason for having the specificity of verified lists ensures the bargaining unit. This is a concern.

There is also disagreement on the issue of cost. You do have a cost to some negotiated items. It might not be a direct appropriation. These are the changing of hours and assignments of transfer. I am familiar with collective bargaining law. I was on the Local Government Employee-Management Relations Board and have taken classes through the American Arbitration Association.

TERESA J. THIENHAUS (Director, Department of Personnel):

I have testified several times on this bill and have signed in as neutral.

The bill sponsors testified that the provisions of A.B. 395 could be addressed without additional staff. This is not the case. The Department of Personnel has submitted two fiscal notes. The first note covers the additional staff for the actual negotiations and for the maintenance of the bargaining agreements. Additional staff would do research, consult with the Attorney General's Office, draft and redraft agreement language, and consult with various agencies of the Executive Branch to ensure everyone's needs are met during the negotiation process and throughout the maintenance during the life of the agreements.

There will be ten bargaining units, so I am anticipating ten bargaining agreements. There could be additional agreements because the bill's language calls for supplemental agreements for those employees who have divergent interests that go across bargaining units.

The original fiscal note on this bill was \$1.3 million, and this would cover staffing in the north and the south.

The amendment on the Assembly side added additional tasks to the Personnel Commission and made the Personnel Commission into a civil service board that

would hear and determine contract disputes, bargaining unit make-up disputes, and the like. Our Personnel Commission has no staff. They are an arm of the Department of Personnel. This Commission would have to be separate under this bill and would need its own staff. They would need someone to be the executive administrator of the Commission, an investigator for claims, and they would need administrative clerical staff.

SAMUEL P. McMULLEN (Las Vegas Chamber of Commerce):

We have a concern over collective bargaining at the State level. Assembly Bill 395 relates to workplace conditions and is problematic. It combines a grievance procedure and an agreement procedure. It confuses the idea that arbitrations are for grievances.

Our main issue with the bill is that it takes away the existing ability of government to manage itself and affects the Legislature's ability to control spending. Language in section 15, subsection 4 implies the only things in this bill's ambit would be the terms and conditions of employment that do not require an appropriation; however, in section 15, subsections 1 through 3 are not limited by the restriction on appropriation. Hours and working conditions clearly affect the State's finances and the ability of that to be a mutual, deliberative process between the Executive Branch and Legislative Branch. The bill should clearly state that the legislation only relates to those things that do not require an appropriation.

We object to the arbitration process because it is binding final-offer bargaining or, in the vernacular, last-best offer. Language in section 37 implies after arbitration, to the extent disputed issues are identified, each side presents its final offer before the arbitrator. In subsection 1, lines 5 and 6, it says "The arbitrator shall not revise or amend the final offer of either party on any issue." This section also states that on each of these issues, the arbitrator has the choice to pick the final offer of one or the other. This will produce a patchwork quilt as it takes away the ability to manage issues and people in a balanced manner. No limits are placed on the lengths of these agreements other than the negotiated term. For each workplace unit, that agreement would be in place and final and binding upon the parties until a new agreement. There could be different treatments across State government of different workplace relations units.

If there are issues with the grievance procedures, go ahead and fix those, but this bill encompasses much more than is necessary.

CHAIR LEE:

Ms. Chlarson, will you explain the mock-up Amendment 5048 to this bill, [Exhibit G](#)?

MS. CHLARSON:

The proposed amendment is adding three new sections to the bill. The first section, section 42.2, is a provision that allows the State to take actions necessary to carry out its responsibilities in emergency situations such as riot, military action, natural disaster or civil disorder. These actions may include the suspension of the workplace relations agreement. This section is modeled after a similar provision that is included in the local government collective bargaining provisions.

Section 42.4 requires that any workplace relations agreement entered into pursuant to this bill must be posted on the State of Nevada Website.

Section 42.6 provides that nothing in the chapter shall be construed to authorize the violation of NRS 288.230 to NRS 288.260 inclusive. The intent of this provision is to clarify that the provisions of NRS 288 that currently prohibit State and local government employees from striking still apply. Nothing in the bill would authorize State employees to strike.

The final section of the mock-up amendment makes a few changes to section 47 which is the effective date section of the bill. The intent is to make the provisions of the bill effective upon passage and approval for the purpose of adopting regulations and performing any other administrative tasks necessary. The provisions are effective January 1, 2010, for all other purposes. The new subsection 3 provides that section 46.7 becomes effective on July 1. This is the section that requires the Governor, the Majority Leader of the Senate and the Speaker of the Assembly to appoint members to the Personnel Commission.

CHAIR LEE:

I have a question. It concerns the verification lists. Can you address this question, Mr. Mallory?

MR. MALLORY:

The way we envision the verified list is the Personal Commission will be responsible for identifying whether an organization holds a majority of a workplace unit. They would match up the authorization cards with the list produced by the Department of Personnel, and they would determine if there is a majority.

CHAIR LEE:

There is also a question regarding final and binding arbitration. Can you also address this question?

MR. MALLORY:

In the State, we do not have anything that is binding, and this is the main reason we end up in district court or in the Supreme Court. We want a process that has a stop. We can stop at an arbitrator without having to go to court. A binding decision will also create case law or precedent where a hearing officer or an arbitrator can take those determinations and save the State money from doing unnecessary hearings. We want a process that is binding and has an end. Our system does not have an end, and Mr. Richardson's case is a prime example. We have had three cases this year that have ended at the Supreme Court level. The system is confrontational and does not work. We need binding arbitration where both sides are forced to live with a decision. It will also save the State money.

CHAIR LEE:

Nevada public employees are asked to accomplish more duties with less resources and manpower. They succeed. There are nonmonetary issues facing State employees that result in high cost to this State. This includes wasted employee hours due to countless grievances and the expense of litigation that results from disagreements between employees and their departments or their division heads over working conditions. This bill will be beneficial for the taxpayers and the workers who serve them. It will save the taxpayers money. There will be more efficient public agencies staffed with happier employees. It will also reduce friction over labor issues within the State agencies and their employees. State employees deserve the same voice in the workplace that their counterparts in cities and counties in the State enjoy; however, they are not asking for that. This is a noneconomic bill. They want to negotiate and have concrete resolutions with management that will be upheld.

SENATOR RAGGIO:

It is unfortunate we are getting this 21-page bill that was introduced on March 16 in the last hour of the last day upon which it can be discussed. It is unfortunate because it is a departure from our present situation. The bill before us is not one bill but is two bills. It is a collective bargaining bill and is a bill addressing grievances.

Collective bargaining is not new. In 1991, collective bargaining was passed by the Legislature but was vetoed by a Democrat Governor. Collective bargaining was not supported because 90 percent of our State's budget is salaries. If we allow collective bargaining on fiscal matters to occur, making these decisions binding before the Legislature meets, the Legislature might as well not meet on a budget because it is foreordained.

The cover for this bill is that it does not have any monetary impact, and this is patently false. I sense the decision of this Committee is foreordained and we are to be precluded from discussing policy, but if this bill is sent to fiscal, we need to air it and know what we are doing. This legislation is not beneficial to taxpayers, and it certainly cannot be characterized as nonmonetary.

On page 4, in section 15 says "terms and conditions of employment" These do have fiscal impact. They do not necessarily require an appropriation. I will point out, and Legal Division can join in, that under section 15, the definition of "terms and conditions of employment" is without limitation; it itemizes four things, including hours and working conditions, grievances, discipline and discharge. Hours and working conditions cannot be discussed in collective bargaining without a fiscal impact. It is subject to binding arbitration. The only reference where an appropriation is not required is in subsection 4 where it says "any other term or condition of employment that does not require an appropriation from the Legislature to be given effect." Two things: One, that restriction is not placed on subsections 1, 2 or 3. There are fiscal impacts when you negotiate collectively bargained terms and conditions of employment and when negotiation boils down to the last best offer, section 37.

We better know what we are doing and we better go in with our eyes wide open because this bill is doing something that may be unintended, even by those supporting this position. There is also no provision to the length of an agreement. That is a concern.

I passed out a letter ([Exhibit H](#)), but I am not the advocate. I understood it was sent to everybody because it is from the National Right to Work Committee and should be made part of the record. I want to do what is right for employees, I want to do what is fair.

The issue raised in the letter by the National Right to Work Committee dated May 11 focuses on the provision that we called fair share. The bill on page 3, section 10 defines a fair share agreement. It is an agreement under which employees in a workplace are required to pay a proportionate share of costs whether they want to or not and whether they are union members or not. And I understand the argument that if they get the benefit, they should pay; but it is a direct violation of the right-to-work law, particularly with the provision that required pay cannot exceed union dues. This means that if they want to participate and get the benefit, they are going to be assessed in a manner equivalent to union dues.

People of this State voted in right to work. We are a right-to-work State. I believe this legislation obviates the impact and intent of the right to work.

We need further opportunity to discuss this bill. I understand it will be re-referred to the Senate Committee on Finance, but it is here on short notice. We have little time to digest a bill of this magnitude. That is my concern.

CHAIR LEE:

This bill was first referred to the Senate Committee on Legislative Operations and Elections. The bill encompassed two committees, and I realized yesterday that the bill should be ours.

SENATOR RAGGIO:

The mock-up Amendment 5048 does not accommodate all of Ms. Vilardo's concerns.

CHAIR LEE:

Yes. We did not have enough time to work out all concerns.

SENATOR HORSFORD:

The men and women throughout the State in their capacities in State government deserve to be recognized and commended. I agree with you, Chair Lee, the sacrifices they have been asked to make, particularly for the next

biennium, require that we make attempts to improve their labor management relations to encourage them to stay in public service. Labor management relations improve the workplace. The term collective bargaining means different things to different people, but it means labor and management working together. Workers often spend more time at the workplace than with their families, so while this is a shift in policy, structuring an effective labor management partnership can improve how government works. I have seen it work in other settings, so I support this approach. There will be challenges along the way and modifications may be needed to offset unintended consequences. The benefits of having strong labor management relations outweigh potential unintended consequences.

SENATOR HORSFORD MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 395 WITH MOCK-UP AMENDMENT 5048.

SENATOR BREEDEN SECONDED THE MOTION.

SENATOR CARE:

In the 2003 Session, we had a similar bill, but it was not as sweeping. It came out of the Assembly by a large plurality and died in this Committee. Many of the arguments were the same. This bill raises many questions, and there are provisions that need to be reexamined.

We heard from the Las Vegas Chamber of Commerce and the Reno-Sparks Chamber of Commerce. They have members with at-will employees who have signed off on their employee handbook which provides a forum for discipline and discharge disputes similar to those in section 15. I support the idea of having a setting where an employee can sit down with their employer or a representative of their employer to resolve disputes. Case law in Nevada suggests that while they are at-will employees, if they sign off on the handbook, it can constitute enforceable contractual terms. I will support the motion, but I want to reexamine the bill before we are asked to address it on the floor.

THE MOTION CARRIED. (SENATORS MCGINNESS AND RAGGIO VOTED NO.)

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CHAIR LEE:

We will return to work session and A.B. 130.

MR. STEWART:

Facing our deadline, we will return to A.B. 130. I will recap what was discussed earlier in this meeting on this bill.

We did take into consideration an amendment, [Exhibit C](#), from Mr. Kallas of the Las Vegas Police Protective Association. Senator Raggio had a question concerning section 1, subsection 3 for a need to fill a vacancy should that occur in the Fiscal Affairs Committee. The amendment would also create a new section to NRS 280.320. There was testimony concerning whether this Committee would support a deletion of section 2, subsection 2, paragraph (a) — “The committee or two or more persons designated by it; and” as it relates to the Local Government Employee-Management Relations Act and the Public Employees’ Retirement Act and in arising negotiations. The amendment also adds paragraph (b) to section 2, subsection 2, saying, “The sheriff shall submit any agreement reached pursuant to the provisions NRS 288.150 to the committee for its approval in conjunction with the requirements of NRS 280.190.”

CHAIR LEE:

We will address the amendment. There was apprehension on removing two people from the Fiscal Affairs Committee, and the Cities want to continue having representation on the Committee.

SENATOR CARE:

In section 2, subsection 3 of the bill and section 1, subsection 3 of the amendment, it says the term for each committee member is two years. There is no language preventing the same member to be appointed again and again. The language “cause” is not defined. We were told that language exists elsewhere in statute; however, the governing body could still control and have who they wished at any time serving on the Committee. I am loath telling the Clark County Commissioners whom they may appoint and when they can remove somebody, so I am not smitten by the bill’s language or that in the amendment.

Speaking to the rest of the amendment, I am agreeable to the \$80 for each day of service and the language in the proposed section 2, subsection 2,

paragraph (b) regarding the sheriff's submittal, along with the deletion of section 2, subsection 2, paragraph (a). I read subsection 2 to mean the sheriff can consult with any Committee members and take as his representatives those people he needs during the negotiation process.

SENATOR HORSFORD:

I want clarification on section 2, subsection 2, paragraph (a). What is the change in that provision in regard to appointment?

MS. CHLARSON:

If adopted, the section 2, subsection 2, paragraph (a) deletion removes the Fiscal Affairs Committee out of the negotiation process. However, if section 2, subsection 2, paragraph (b) was also adopted, the Committee would have final approval of the collective bargaining agreement.

SENATOR HORSFORD:

I support the amendment as proposed knowing the history that brought it forward. The amendment proposed by Mr. Kallas helps to streamline the negotiation process.

SENATOR CARE MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 130 WITH THE PROPOSED AMENDMENT INCLUDING THE \$80 FOR
COMPENSATION AND THE CHANGES TO NRS 280.320 IN SECTION 2
BUT EXCLUDING SECTION 1, SUBSECTION 3. THE EXCLUSION WOULD
RETURN LANGUAGE BACK TO STATUTE AS STATED IN SECTION 2 OF
THE BILL.

SENATOR HORSFORD:

By deleting section 2, you are maintaining the Fiscal Affairs process as in existing law?

SENATOR CARE:

The amendment would contemplate looking at section 2 of the bill, not the amendment, leaving subsection 3 undisturbed. It states, "Each representative of a participating political subdivision must be a member of its governing body and serves at the pleasure of the governing body making the appointment."

CHAIR LEE:

The amendment is based upon the first reprint, not the original bill. This is what is causing confusion. We will use section 2, subsection 3 as stated by Senator Care. The first part of the section will remain. It reads, "Each representative of a participating political subdivision must be a member of its governing body and serves at the pleasure of the governing body making the appointment." What comes out is "Except as otherwise provided in subsection 4, the term of each member of the committee is 2 years. The committee, by a majority vote of the other members, may remove a member of the committee at any time for cause."

In regard to section 2, subsection 2, paragraph (b), Mr. Kallas's amendment stating "The sheriff shall submit any agreement reached pursuant to the provisions NRS 288.150 to the committee for its approval in conjunction with the requirements of NRS 280.190" would be added to the bill. Section 2, subsection 2, paragraph (a) which says, "The committee or two or more persons designated by it; and," would be removed. The \$80 compensation would also be added.

SENATOR HORSFORD:

The clarification is helpful. The sheriff is the elected person overseeing law enforcement at the Las Vegas Metropolitan Police Department. He is required to negotiate the terms of contracts and take them to the Fiscal Affairs Committee, which oversees the financial obligations of the Department. Once approved by the Committee, the terms of contracts are taken to the City and the County for ratification. I support Mr. Kallas's proposed amendment because once members are appointed and involved in the negotiations, if the rest of the members do not support what they are doing, they get rid of them. The amendment provides consistency in the process. Clark County needs to decide who they will appoint but not have the power to remove them.

THE MOTION FAILED FOR LACK OF A SECOND.

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CHAIR LEE:

Do we have another motion?

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SENATOR HORSFORD MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 130 WITH THE AMENDMENT AS PROPOSED BY MR. KALLAS.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LEE:

We will now return to A.B. 225 which addressed county fire departments.

MR. STEWART:

Assembly Bill 225 eliminates the options for county commissions to adopt an ordinance prohibiting the charging of fees by county fire departments for transporting people to the hospital and exempts a county which is granted an exclusive franchise to an ambulance company from an adoption of an ordinance setting fees for transport by the fire department. Transports for the Clark County Fire Department are limited to 1,000 per year except when emergency transport is needed and other ambulance services are not available.

One issue brought forth by Senator Breedon has to do with the reporting requirement in section 3. The report required to the Legislative Counsel Bureau (LCB) would also be required to be submitted to the Legislative Committee on Health Care. Senator Horsford suggested the report be submitted quarterly and that it include every emergency management service provider.

SENATOR BREEDEN MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 225 WITH HER AMENDMENT REQUIRING QUARTERLY REPORTING
TO THE LEGISLATIVE COMMITTEE ON HEALTH CARE.

SENATOR MCGINNESS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE
VOTE.)

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CHAIR LEE:

Our final bill is A.B. 397. Remember, we held this bill earlier this meeting because of an incoming amendment.

MR. STEWART:

Assembly Bill 397 requires a redevelopment agency to file a report with its governing agency and the Director of the Legislative Council Bureau. The bill sets forth the contents of the report and expands the permissible purpose for which money may be expended from a redevelopment revolving fund to include use by a redevelopment agency for the improvements, with certain limitations, of schools in a city or county with a redevelopment area within its boundaries. We have a proposed mock-up Amendment 5061 (Exhibit I) from Senator Horsford.

SENATOR HORSFORD:

My amendment, Exhibit I, requires an audit of revenues from the redevelopment agencies. I request this audit because the impact of the redevelopment agencies and the incentives and abatements they are approving have reduced the Local School Support Tax and the property taxes required to be contributed to the Distributive School Account as part of the local match. Subsequently, the State has to make up that difference. The State has to make up \$413 million for this fiscal year and the upcoming biennium. This is based on the decline in Local School Support Tax and property taxes. A portion is based on the policies within the redevelopment agencies. We need to understand the impact of these funds, how much money is in these funds, the reason the funds are issued as well as the implication at the State level for the dollars we will pay for the difference.

In the mock-up Amendment 5061, Exhibit I, section 6 would authorize the Audit Division of the LCB to conduct an audit of the redevelopment agencies. This will also help address policy concerns that have been brought forward.

CHAIR LEE:

The mock-up amendment on page 4 shows the appropriation. Is the Senate Committee on Finance going to take this on?

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SENATOR HORSFORD:

Yes. If the amendment is adopted, it will go to the Senate Committee on Finance for approval for the LCB to assign audit personnel, and that appropriation would have to be agreed to within the LCB budget.

CHAIR LEE:

The bill has had no opposition.

SENATOR MCGINNESS:

How many redevelopment agencies are in the State?

SENATOR HORSFORD:

The redevelopment agencies are a subdivision of the State. I do not know how many redevelopment agencies are in the State.

CHAIR LEE:

Mr. Stewart estimates there are approximately 13.

SENATOR HORSFORD MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 397 WITH PROPOSED AMENDMENT 5061.

SENATOR CARE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LEE:

Our business is finished. This meeting of the Senate Committee on Government Affairs is adjourned at 6:52 p.m.

RESPECTFULLY SUBMITTED:

Cynthia Ross,
Committee Secretary

APPROVED BY:

Senator John J. Lee, Chair

DATE: _____