

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

**Seventy-fifth Session
March 27, 2009**

The Senate Committee on Government Affairs was called to order by Chair John J. Lee at 11:07 a.m. on Friday, March 27, 2009, in Room 2144 of the Legislative Building, Carson City, 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 Randolph Townsend
Senator Mike McGinness

GUEST LEGISLATORS PRESENT:

Senator Bernice Mathews, Washoe County Senatorial District No. 1

STAFF MEMBERS PRESENT:

Heidi Chlarson, Committee Counsel
Michael Stewart, Committee Policy Analyst
Olivia Lodato, Committee Secretary

OTHERS PRESENT:

Robert F. Joiner, Government Affairs Manager, City of Sparks
Richard "Skip" Daley, Business Manager, Laborers' International Union of North America, Local 169
Ronald M. James, State Historic Preservation Officer, Office of Historic Preservation, Department of Cultural Affairs
Michael E. Fischer, Director, Department of Cultural Affairs
Michon R. Eben, Cultural Resource Manager, Planning Department, Reno-Sparks Indian Colony

Senate Committee on Government Affairs
March 27, 2009
Page 2

Sue Silver

Harold Cook, Ph.D., Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services

Mary C. Walker, Carson City; Douglas County; Lyon County; Storey County

Marvin A. Leavitt, Chairman, Committee on Local Government Finance

Terry E. Rubald, Chief, Division of Assessment Standards, Department of Taxation

Steve K. Walker, Douglas County; Douglas County Mosquito Abatement District

Jeff Fontaine, Executive Director, Nevada Association of Counties

J. David Fraser, Executive Director, Nevada League of Cities and Municipalities

Wes Henderson, Government Affairs Coordinator, Nevada Association of Counties

Doug N. Johnson, Commissioner, Board of Commissioners, Douglas County

Randy Robison, City of Mesquite

Bjorn Selinder, Churchill County; Eureka County; Elko County

Ronald P. Dreher, Government Affairs Director, Peace Officers Research Association of Nevada

Chair Lee opened the meeting of the Senate Government Affairs Committee with the introduction of Senate Bill (S.B.) 213.

SENATE BILL 213: Revises the Charter of the City of Sparks to make various changes in provisions concerning city government. (BDR S-462)

Robert F. Joiner, Government Affairs Manager, City of Sparks, said the bill was a straightforward charter bill without any controversy. He said it contained four cleanup areas in the City of Sparks Charter. The first revision in section 1 of the bill removed a comma. He said section 2 clarified the duties of the City Manager. It revised the Charter of the City of Sparks to permit the City Manager to appoint the heads of departments and various executive, administrative and professional employees with confirmation by the City Council. Mr. Joiner said under section 3, a statement was removed. In section 5 the bill explained how the Mayor pro tempore was nominated. He said it was a discrepancy in the city's policy and needed to be codified. The Mayor pro tempore occupied the position until the next general election.

Mr. Joiner said section 4 was consistent with State regulations on discrimination in the workplace. He said the language was duplicated in section 7 of the bill.

Chair Lee asked about section 5, subsection 3, line 21 of the proposed bill. He asked why the City Council did not elect the member.

Mr. Joiner said the Mayor made the nomination and the City Council confirmed the nomination. It clarified the Mayor made the first nomination.

Chair Lee said it was unclear as to who had the power to nominate the Mayor pro tempore; it appeared all the power went to the Mayor.

Mr. Joiner said it was always the Mayor's prerogative to make the nomination. He said the City Council was stricken from the bill as the nominator for the Mayor pro tempore.

Richard "Skip" Daley, Business Manager, Laborers' International Union of North America, Local 169, said he was a member of the Sparks Charter Committee appointed by Senator Mathews. He introduced the language on the Mayor pro tempore to the Charter Committee. Mr. Daley said the Mayor was given the opportunity to appoint someone he had confidence in to succeed him, but he had to have the three votes from people on the City Council.

Chair Lee closed the hearing on S.B. 213 and opened the hearing on S.B. 256.

[SENATE BILL 256](#): Designates an area on the grounds of Northern Nevada Adult Mental Health Services as a historic cemetery. (BDR S-922)

Senator Bernice Mathews, Washoe County Senatorial District No. 1, introduced the bill. She said S.B. 256 dealt with the grounds at the Nevada Adult Mental Health Services site. It designated an area on the grounds as a historical cemetery site. She said the Mental Health institute buried people on the grounds, but they did not have an official cemetery and people were buried in a variety of areas. She said the graves under discussion faced 21st Street in Sparks. The bill allowed all bodies found to be entombed in one cemetery site. Part of the site identified for the cemetery was used by the City of Sparks as a park. She said the City of Sparks agreed to lease the site to the State so it could be used as a cemetery.

Chair Lee said some of the people buried in the area were not patients of the Mental Health facility, but were prominent members of the early Sparks community.

Ronald M. James, State Historic Preservation Officer, Office of Historic Preservation, Department of Cultural Affairs, said he had never heard of other people buried on the grounds. He said the facility had worked with its records in an attempt to identify the remains on the grounds. He said many of the graves were unmarked. The Office of Historic Preservation proposed an amendment to the bill ([Exhibit C](#)). He said the bill had language placing the management of the cemetery with the Office of Historic Preservation. The office did not manage properties. He said it was an old cemetery, but it could not be listed in the National Register of Historic Places. Mr. James recommended language which changed management to oversight, which he said was the original intent of the bill.

Chair Lee asked who would maintain the cemetery.

Senator Mathews said the people at the Mental Health Services maintained the grounds at this time. She said the State would periodically check the site but not maintain the site.

Michael E. Fischer, Director, Department of Cultural Affairs, said they proposed language correcting the intent. He said his department was seen as providing third-party oversight to ensure the remains were dealt with in a sensitive, respectful manner.

Senator Raggio endorsed the concept of the measure and the preservation of the remains. He said the new location was not managed by the State. He asked who actually maintained and managed the cemetery. He did not want to create a situation where a cemetery was authorized and then went into disrepair and neglect. He needed assurance that there was continual maintenance of the cemetery.

Mr. Fischer said the intent of the bill was to use funds within Public Works allowing for the disinterment and reburial in the location. The cemetery would be maintained by the groundskeepers at the Mental Health facility.

Senator Mathews said the intent was the cemetery would be maintained by the crew at the Mental Health facility.

Chair Lee said there was a \$71,000 fiscal note on the bill. He asked if the hospital was maintaining the property.

Senator Mathews replied yes, it was part of the hospital grounds.

Senator Raggio inquired who was responsible for payment for the disinterment, removal and reinterment of the graves.

Senator Mathews said the cemetery on 21st Street was maintained by the mental institution. As the institution found bodies on other part of the grounds, they accepted responsibility for reburial of the bodies.

Senator Raggio said there were a number of graves not yet discovered.

Senator Mathews said they had indentified all they thought were on the grounds.

Mr. James said Public Works used ground-penetrating radar to locate interments and during construction projects avoided the interments wherever possible. When accidental discoveries occurred, the cost for disinterment and reinterment was built into the construction costs.

Senator Lee referred to the map of the grounds and the proposed cemetery ([Exhibit D](#)). He referred to an area above the cemetery and asked if it was a park and did it have graves located in it. He asked who would pay to move the graves shown on the map.

Senator Mathews said it was a park, but it would become part of the cemetery and there was no need to move the existing graves located in the park.

Mr. Fischer said the bill incorporated what was now a City of Sparks park. He said the lease would be rescinded and the park would become a part of the cemetery. The Office of Cultural Affairs would ensure the respect of the interment. He said the bill spoke to "within available funds." The State Public Works Board had money to move and reinter some bodies.

Senator Mathews reiterated the park would no longer be a place where people played or congregated, it would become a cemetery. She said there were some Native Americans buried on the grounds.

Mr. Joiner said the City of Sparks supported the bill. He said the City of Sparks leased the property and developed a park in 1964. He said the neighborhood

was called Conductor Heights and was an original Sparks neighborhood. The neighborhood had transitioned and was zoned and master-planned as heavy industrial. It was a heavily traveled area with few homes left in the neighborhood and was not a desirable place to live. He said the City of Sparks had upgraded the playground equipment to better safety standards, and the City would salvage that equipment for another park. He said they were in favor of transitioning out of the area and supported the bill for the cemetery space.

Michon R. Eben, Cultural Resource Manager, Planning Department, Reno-Sparks Indian Colony, said the Colony supported S.B. 256. She said the Colony had land adjacent to the Mental Health institution. They were kept informed regarding the bill and were collaborating with the Northern Nevada Adult Mental Health Services regarding Native American remains buried in the cemeteries on the grounds. The Native American remains were being repatriated to the appropriate tribes. The Reno-Sparks Indian Colony supported the bill and said it honored the deceased.

Sue Silver said she was going to read written testimony from Carolyn Mirich. Mrs. Mirich was the president of the Friends of Northern Nevada Adult Mental Health Services Cemetery ([Exhibit E](#)).

Chair Lee said the Committee had the three pages submitted by Mrs. Mirich and the testimony would be entered into the record.

Ms. Silver said Mrs. Mirich's testimony stated prior to the parks establishment, there was a map showing the cemetery.

Ms. Silver said she was an independent researcher who assisted the Friends of the Northern Nevada Adult Mental Health Services Cemetery ([Exhibit F](#)). Ms. Silver read her testimony to the Committee. She said in her opinion people buried in the State hospital were seen as people without means or family. She said S.B. 256 provided a process of restoration and protection for the cemetery. She mentioned Civil War veterans were buried in the cemetery. Ms. Silver said the cemetery represented the worst of times for the State's Mental Health Services, [Exhibit F](#). She commended Senator Mathews for introducing S.B. 256 and urged the Committee to approve the bill.

Harold Cook, Ph.D., Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services, said S.B. 256 was the

first major legislation to address the cemetery on the grounds of the hospital since 1949 ([Exhibit G](#)). He said the cemetery had been neglected since that time. He said the Division of Mental Health and Development Services (MHDS) had initiated the process for disinterring and reintering the single row of graves into the main cemetery. He said the graves were identified on the map, [Exhibit D](#). The original intent to designate the site as an historical cemetery and provide for maintenance by another State agency was acceptable to him. The ground was not going to be used for any other purpose. He said MHDS had not had the resources to provide for the maintenance of the cemetery. If the intent was for the hospital to restore, renovate and maintain the area, they needed to provide an assessment of the required resources.

Chair Lee closed the hearing on [S.B. 256](#) opened the discussion on [S.B. 336](#).

[SENATE BILL 336](#): Removes the eligibility threshold for obtaining an exemption from certain requirements of the Local Government Budget and Finance Act. (BDR 31-1163)

Mary C. Walker, Carson City; Douglas County; Lyon County; Storey County, said the Chairman of the Committee on Local Government Finance was present today to discuss the bill.

Marvin A. Leavitt, Chairman, Committee on Local Government Finance, said the Committee was charged with developing and promulgating regulations regarding local government finance in the State. He said the Committee handled local governments in extreme financial difficulty. The Committee served as liaison between the State and local governments. The Department of Taxation served as staff for the Committee and was involved in drafting regulations. He said [S.B. 336](#) came as a consideration for small, special districts. The State had many small districts. There was language on the books for small districts to avoid some filings and audit reports. The bill changed the situation from a specific dollar amount to allow the Committee on Government Finance to establish regulations determining which small special districts were exempt from the requirements. He said the costs involved in the area of audits had increased dramatically. Costs for some small districts had become a substantial part of their total revenue. He said some small local governments had difficulty complying with the requirements.

Ms. Walker said S.B. 336 was a practical bill. The last few years had placed significant requirements on auditors in governmental auditing. The cost of the audits had doubled and tripled. She gave an example of a fire district with approximately \$18 million in revenues and expenses a year with audit fees of about \$18,000. She said the audit fees increased to \$30,000. Some small jurisdictions, with \$200,000 to \$300,000 a year in revenues and \$200,000 in expenses, were paying \$18,000 for their audit. A subcommittee looked at ranges of income and expenses. She said to establish regulations, they would have to have full public hearings and notification, then go before the Legislative Council Bureau and the Legislative Commission for approval. This process would provide checks and balances. Ms. Walker said S.B. 336 provided more latitude for the smaller districts and the Committee.

Terry E. Rubald, Chief, Division of Assessment Standards, Department of Taxation, said her division supported the comments made earlier and the bill. She said the bill provided flexibility for exemptions as time changed for different local entities. She said there were approximately 266 taxing entities in the State and 34 already received exemptions. She said if the regulations proposed in the statute were approved, approximately 70 entities would be eligible for exemptions.

Chair Lee asked about petitioning the Department of Taxation. He said Ms. Walker referred to the Legislative Commission and asked for an explanation.

Ms. Walker said the local governments petitioned the Department of Taxation and that Department made a determination whether the local government met the requirements. She said the regulations and criteria required a full-blown hearing and approval by the Legislative Commission.

Senator Raggio said he assumed the desire was to exempt more small entities under the amount. He said the \$200,000 expenditure was a substantial amount of money over a year. He said the law allowed the Board of County Commissioners to request a filing even if they were exempt. He was concerned that they were saying an audit would not be required of the smaller districts. He said it was still public money and they needed to continue to do audits. He asked what the intent was concerning audits and a budget.

Ms. Walker said they intended to look at a compilation of the problems. She said under \$200,000 was exempted. She said if the amount was increased to

\$500,000 and had a certain threshold requiring an auditor to come in and compile the accounting records; it would satisfy the audit needs without requiring a full-blown audit.

Ms. Rubald said the small districts were required to submit to a compilation which would provide some oversight, but was less expensive than a full audit.

Senator Raggio said approximately every month somebody embezzled money in various districts. He said the ability to look at the books was necessary. If it was not a full-blown audit, somebody still needed to look at the expenditures. He said it left a potential for problems.

Chair Lee asked about the cash-basis accounting mentioned in section 1, subsection 6 of the bill. He asked if there were regulations concerning that type of accounting.

Mr. Leavitt said some local governments did not have a staff. He said someone may be keeping books on a cash basis. It was a relatively simple procedure of recording the income coming in and expenses going out. He said larger local governments used the accrual basis for keeping books. It was a much more sophisticated method of accounting. He said some small government entities had only \$10,000 in income. He said hiring an accounting firm to make the transition from cash to accrual basis was a considerable expense. They were trying to avoid expensive requirements that may not apply to the smaller local governments.

Steve K. Walker, Douglas County; Douglas County Mosquito Abatement District, said the budget for the Mosquito Abatement District last year was \$283,455. He said their audit costs were \$15,148, which represented 5.3 percent of the total revenues. The Mosquito Abatement District books were kept by Douglas County and an accountant provided a budget report at each of the District's five meetings per year. He said 5 percent of the budget went to audit requirements. It was too much.

Jeff Fontaine, Executive Director, Nevada Association of Counties (NACO), said county governments were not included in S.B. 336. He said NACO appointed three members to the Committee on Local Government Finance. He said NACO thought the bill provided flexibility. He said the law already authorized the Board of County Commissioners to request the Department of Taxation conduct an

audit of any of the special districts receiving exemptions. Mr. Fontaine said NACO supported S.B. 336.

J. David Fraser, Executive Director, Nevada League of Cities and Municipalities, said his organization also appointed three members to the Committee on Local Government Finance. He said the cities were not part of the bill, but they supported the bill and it provided flexibility. He said sufficient oversight was contained in the bill.

Chair Lee closed the hearing on S.B. 336 and opened the hearing on S.B. 375.

[SENATE BILL 375](#): Establishes the Nevada Advisory Commission on Intergovernmental Relations. (BDR 19-1160)

Mr. Fontaine opened the discussion of S.B. 375. He provided a brief history of the bill. In 1953 Congress created an Advisory Committee for Intergovernmental Relations (ACIR). The purpose of the Committee was to bring together representatives from different levels of government to discuss common problems. He said it was a bipartisan body of 26 members. The Committee recommended various allocations of functions regarding responsibilities and revenues. The ACIR was closed in 1996, but during that time states formed state intergovernmental relations commissions. He said the NACO tried to restore the federal ACIR. The intent of S.B. 375 was to establish a forum fostering the communication and cooperation between state and local governments. He said the benefits would be huge.

Wes Henderson, Government Affairs Coordinator, Nevada Association of Counties, said the basic purpose of government was providing the services needed by the citizens that they cannot provide for themselves ([Exhibit H](#)). He said S.B. 375 provided for the creation of a commission to review how government worked in Nevada. He said they envisioned the commission as a tool to review how the parts of government worked together or did not work together. The bill suggested a commission comprised of members of both parties and Houses of the Legislature, elected county commissioners and members of the Executive branch of State government, [Exhibit H](#). NACO believed all elected officials had the best interest of their constituents at heart. He said the commission allowed for an understanding of how the various levels of government fit together and interacted, [Exhibit H](#). He reiterated NACO supported S.B. 375.

Doug N. Johnson, Commissioner, Board of Commissioners, Douglas County, said he was representing NACO today. It was a good idea to have communication and cooperation in the interim period. He said the benefits outweighed anything else in the program. He saw no fiscal costs to the counties or the State with the exception of providing a room on occasion. He said he supported S.B. 375.

Chair Lee said S.B. 375 was a committee bill requesting a form of political tapestry interwoven together. The issues were discussed before being presented to the Legislature.

Randy Robison, City of Mesquite, said Mesquite supported S.B. 375. He said it reflected ongoing discussions among the Mayor, Council and Manager of the City as well as reflecting benefits received from similar efforts in the past.

Bjorn Selinder, Churchill County; Eureka County; Elko County, said S.B. 375 created a unique opportunity for dialogue between State legislators and administrators of local governments. The proposed commission would serve as a forum to foster such a dialogue. The commission was advisory in nature. He urged the Committee's support of S.B. 375.

Ronald P. Dreher, Government Affairs Director, Peace Officers Research Association of Nevada, said he signed in as neutral on the bill. He said it was a good opportunity. He said his concerns were in section 5 and section 10 of the bill. He said those sections discussed the makeup of the group sitting on the advisory commission. He said employees of labor were missing on the commission. The Legislative branch, the Executive branch, the League of Cities and NACO were represented, but people affected by the actions of the commission were not represented. He said he assumed the commission would bring up the issue of consolidation of various agencies in Washoe County. He said law enforcement and labor were missing on the commission. He said S.B. 375 needed the inclusion of all the people impacted by it.

Chair Lee said the commission was for people to talk about bigger issues. The idea of the commission was to solve problems at an executive level. He said labor would always have opportunities to testify and a police officer was not going to be placed on the commission. The commission would not have any bill draft requests.

Mr. Dreher said he saw a potential for problems in the bill.

Mr. Fraser with the Nevada League of Cities and Municipalities spoke in support of S.B. 375. He said the bill provided a good opportunity for discussion.

Senator Townsend asked about lines 31 and 32 of page 2 of S.B. 375. He asked about the three members, each of whom was the director of an agency appointed by the Governor. He asked which agencies they came from because once they were on the commission they would not be removed.

Mr. Fontaine said the membership was left open because who the Governor appointed to serve on the commission could depend on the issues. As an example, Health and Human Resources was a huge issue for everyone. He said the goal was someone who provided a benefit to the commission.

Senator Townsend said it might be beneficial to leave out the language stating "each of who[m] was a director of an agency," because a lot of people might not be the head of an agency. Some people in State government do not have the title of head of an agency, but would be beneficial to the commission.

Mr. Fontaine said it was a good suggestion.

Senate Committee on Government Affairs
March 27, 2009
Page 13

Chair Lee closed the hearing on S.B. 375. He asked if there was any further discussion. Seeing none, he adjourned the meeting at 12:28 p.m.

RESPECTFULLY SUBMITTED:

Olivia Lodato,
Committee Secretary

APPROVED BY:

Senator John J. Lee, Chair

DATE: _____