

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Sixth Session
February 9, 2011**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 8:02 a.m. on Wednesday, February 9, 2011, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn K. Kirkpatrick, Chair
Assemblywoman Irene Bustamante Adams, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblyman John Ellison
Assemblywoman Lucy Flores
Assemblyman Ed A. Goedhart
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblywoman Dina Neal
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Susan Scholley, Committee Policy Analyst
Cynthia Carter, Committee Manager
Jenny McMenomy, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Steve Sisolak, Vice Chair, Board of Commissioners, Clark County
Donald G. Burnette, County Manager, Clark County
Ted J. Olivas, Director of Administrative Services, City of Las Vegas
Elizabeth N. Fretwell, City Manager, City of Las Vegas
Shari Buck, Mayor, City of North Las Vegas
Maryann Ustick, Acting City Manager, City of North Las Vegas
Roger Tobler, Mayor, Boulder City
Teresa J. Thienhaus, Director, Department of Personnel
Danny L. Thompson, representing the Nevada State American Federation
of Labor-Congress of Industrial Organizations (AFL-CIO)
Romaine Gilliland, Administrator, Division of Welfare and Supportive
Services, Department of Health and Human Services
David S. Noble, Assistant General Counsel and Utilities Hearings Officer,
Public Utilities Commission of Nevada

Chair Kirkpatrick:

[Roll was called.] I would like to welcome everyone to the Committee on Government Affairs. This is my fourth session on Government Affairs, and my third session as the Chair of the Committee. We will have good policy and good discussion. We have great new members that are going to change the way we do things in this Committee. We have five returning members and seven freshmen. We also have a freshman Vice Chair. On this Committee, we have a very diverse group and a great representation of the state from rural to urban areas. We can bring a lot of discussion to our Committee. I would like everyone to introduce themselves.

Assemblyman Livermore:

I come from Assembly District 40, which is Carson City. I come from a background of local government. I served 12 years on the Carson City Board of Supervisors, and I am a 50-year resident of Carson City.

Assemblywoman Benitez-Thompson:

I am Teresa Benitez-Thompson from Reno, and I am excited to serve on the Committee.

Assemblywoman Flores:

I am Lucy Flores. I represent the northeast part of Las Vegas in District 28.

Assemblyman Anderson:

I represent District 15 in Las Vegas. It is roughly eastern unincorporated Clark County. It is above Tropicana and east of Eastern Avenue and south of Nellis Air Force Base. I am looking forward to being on the Committee. I love the subject matter and I am looking forward to meeting everyone.

Assemblyman Ellison:

I am from District 33, which is Elko and northern Humboldt. I served as a city councilman for eight years and ten years as a county commissioner. I served on the Nevada State Contractor's Board, and on both the Nevada and National Association of Counties. I look forward to working with this Committee.

Assemblywoman Pierce:

I am from Las Vegas. This is my fifth term. My district is Arizona Charlie's on Decatur onto Rampart and over to Sahara. I live in a house that is 50 years old, which is very unusual for Las Vegas. I am happy to be here.

Assemblywoman Bustamante Adams:

I represent District 42, which is the Spring Valley area in Las Vegas. I am just retired from the gaming industry after about 20 years. My last major project with them was City Center. I was a director of construction diversity. I have a background in that. I am the immediate past chair of the Latin Chamber of Commerce. I am an advocate for small business.

Assemblyman Stewart:

I represent District 22, sometimes called the Double Deuce. It is most of Henderson. This is my third time on Government Affairs. Chair Kirkpatrick is my favorite Chair, and I am much honored to sit by my friend Assemblyman Munford.

Assemblyman Munford:

I represent District 6, which consists of old west Las Vegas. I look out into the group, and I see a lot of my old local government associates. It is so good to work with them again. My district needs the help and assistance and the involvement of local government. We have got to work together. I am here working with my friend Assemblyman Stewart. I am looking forward to this session. We all have a lot of work to do. We will need your help to work together.

[Assemblyman Goedhart, Assemblywomen Neal and Woodbury were absent at the time the Committee introduced themselves.]

Chair Kirkpatrick:

You will notice in this Committee we try to make light because we are pressed with so many different issues. We have heard everything from Taser guns to planning issues. It is a lot of chapters to learn in one session, and we try to have a little bit of fun because this is the People's House. Otherwise, city charters and county statutes all run together. This makes it easier for us. I am now going to introduce my staff.

[Chair introduces the Committee Staff.]

I go out of my way to protect my staff, and if you talk bad about them it is a problem. They are a key to making this Committee work. We are going to adopt our Committee rules at this time. They are located in the "Committee Brief" ([Exhibit C](#)). They are contained in Assembly Concurrent Resolution 1.

ASSEMBLYMAN ELLISON MOVED TO ADOPT THE RULES.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN WOODBURY WAS ABSENT FOR THE VOTE.)

The standing rules that were given here apply to all committees. At this time we are going to have Susan Scholley present our "Committee Brief."

Susan Scholley, Committee Policy Analyst:

This will be my sixth session with the Legislature and my fourth as staff to the Committee on Government Affairs. I have been here in 2003, 2005, 2009, and now in 2011. I would like to reiterate to the Committee and members of the public that the Legislative Counsel Bureau is a nonpartisan agency and as such I neither oppose nor advocate for legislation. My job is to help the Committee process the many bills that you will have and to provide the policy and research assistance that you will need to make informed decisions.

Turn to your "Committee Brief" ([Exhibit C](#)). These are prepared each session, and I am sure that if you had a committee meeting yesterday you saw committee brief presentations made by those policy analysts. This brief gives you a quick overview of what happened last session and, to some degree, what will be coming before you this session.

Starting on page 2 is a listing of the staff and session deadline dates. I know that you went through these yesterday in the Committee on Taxation so I will not go over them again. Page 4 has some statistics on committee activity during the 2009 Session. I would like to draw your attention to the summary of legislation from 2009, which talks about the bills that were passed last session. If anyone is interested in a copy of the full book we can get that for you. It is arranged by topic and is indexed. If you are looking for what happened last session on a particular subject, it will be a very useful reference. You will see the bills that went through the Committee on Government Affairs last session and, out of the 48 bills that were vetoed last session, Government Affairs processed twelve of those bills. There is a listing of those bills at the bottom of page 4.

Page 5 lists several reports that were required by legislation last session. During the interim there were several studies that relate to legislation that will be coming before Government Affairs and those are listed here: group homes, local government powers, and the Western Regional Water Commission. There are bulletins which were prepared at the end of those interims which are reports summarizing the activities of those interim committees. Those are available online and in hard copy. The hot topics for this session are hard to predict, but I have a good list of possible hot topics.

Page 6 is for those of you who are looking for background on particular topics relating to the bills that come before Government Affairs. I have provided a list of our policy and program reports that we prepare which are general overviews of these topics. The topics listed are the ones that most directly relate to Government Affairs. You will find them fairly short, but they will provide some useful context for the bills that you will be seeing.

We have also provided the city and county tables. This is the secret code for translating the population caps that you will see in the bills. These will all be updated, as they are every ten years, because of the census. For the time being, these may be useful.

On pages 8 through 11 we have provided key contacts and websites. Of course, this is not everyone that is involved in Government Affairs. I do not mean to exclude anyone, but the full list would be something of a telephone directory size. This may be useful. On the bottom of page 9 there are online directories for the Nevada Association of Counties and the Nevada League of Cities and Municipalities. Those provide the names of all the city council and county commissioners as well as city and county officials.

Pages 12 through 15 are a list of the bills that were prefiled with both Assembly and Senate Government Affairs. As far as committee jurisdiction goes, although Assembly Government Affairs and Senate Government Affairs share 90 percent of their jurisdictions, there are some differences between the Assembly and the Senate. For example: cultural affairs and libraries is going to the Senate Committee on Education, whereas you will see those bills in Assembly Government Affairs. The other big difference is matters relating to public employees, such as retirement, health benefits, and collective bargaining. These issues typically go to Assembly Government Affairs whereas in the Senate they will be going to the Senate Committee on Legislative Operations and Elections. May I just remind you, while I am staff to the Committee I am also still working for the Research Division and I am happy to take any research requests you have. I may not be able to answer the question, but I will get it to the right person in our division and even, quite possibly, to the right person in the fiscal or legal divisions as well if it is not something that is within our purview.

Chair Kirkpatrick:

Does anyone have any questions? Just a reminder, this session, because we are going from five days to three days we are going to have to work harder to get all of our work done. Those that have been on the Committee before know that I will do everything in my power to make sure that we are not here on deadline day. If we are efficient and move along, we do not have the stress of having to get bills out at 8 p.m. on the last deadline. As long as everyone is on time we will make sure that happens. Mr. Stewart can probably attest that the last couple of days before deadlines when people are meeting around the clock we have done our work, and it is a good feeling.

There will be times when we will have to take some time from the Committee on Taxation in order to get some work done in Government Affairs. We do have a lot of presentations due over the next two weeks. We have specifically asked local governments to focus on a few different issues: their services, responsibilities, and statutes that they are affected by. Each session we focus on something different. Last session we focused on redevelopment issues because there were a lot of bill drafts on that subject. We will see what the conversation is going to be to give the Committee members the most information possible. This will be helpful information. When we have all of the briefs in the binder, you can use it as a reference book if you choose.

I am promoting the new Nevada Electronic Legislative Information System (NELIS). I am not very technically savvy, but I am promoting the NELIS system where you can actually see these files in Portable Document Format (PDF). Those who are listening at home on the Internet can follow along as we follow

along here today. That information will be available. This is on the Nevada Legislature website and makes it easier for those following along with us at home. I would like to thank the governmental entities that ensured that the first PDF files were up and running. It was very successful. You still have to bring twenty hard copies to the Committee Secretary the day prior to your presentation if you are testifying.

I am now going to invite Clark County to testify first.

Steve Sisolak, Vice Chair, Board of Commissioners, Clark County:

I appreciate the introductory comments that were made by Mr. Munford. They hit close to home. What you do on this Committee is immensely important. Not only to the citizens of Clark County but also to the entire State of Nevada. Counties are the single most important partner to the State of Nevada in providing services that residents use. Sometimes the partnership that we have gets lost in the shuffle. It is important that we take proactive steps to nurture the partnership that the state has with Clark County.

The issues you face as legislators are the same issues we struggle with as county commissioners. As I said previously, they are not state issues or county issues; they are people issues. Our county is suffering an enormous situation. Our unemployment rate is well over 15 percent in the construction industry. We have trades that are at 67 percent and 80 percent unemployment. Social Services have been cut to the bone already.

The Governor has asked that everyone's county expenditures be rolled back. In the current fiscal year the county's expenditures have already been rolled back to fiscal year (FY) 2007. Clark County's tax revenues are consolidated. Consolidated tax revenues are back to 2004 levels. Property tax revenues are back to 2006 levels.

The concern that we have in Clark County is that the safety net we have provided through the facilities at University Medical Center of Southern Nevada (UMC) and social services are stretched beyond the limits. They are at the breaking point. University Medical Center is bleeding red ink. The county can only subsidize it to a certain extent. The hospital has a trauma unit; it is the hospital of first and last resort for most of our citizens. The individual social services that are provided to homes, such as homemaker services, food services, rent, and utilities have been stretched beyond belief. Every day my office has to say no to the people that call in. We just do not have the resources to provide these services.

I fully understand the task that you are facing and the difficult situation that you will undergo in the next 118 days you have ahead of you. I pledge the cooperation of Clark County, me, and my colleagues on the commission to do whatever we can to assist you in making this as smooth a task as possible and spreading the pain equally. I would now like to introduce our Clark County Manager.

Donald G. Burnette, County Manager, Clark County:

You all have copies of the handouts that have been prepared ([Exhibit D](#)). For those of you who do not know about Clark County, I will give you a little bit of background information regarding the county and its organization. We are one of the biggest counties in the country. In fact, we were most recently rated as the fifteenth-largest county in the nation. We have a population of just over 2 million people. A good portion of our residents live in unincorporated Clark County. It has a little over 891,000 people as of July 1, 2010. Those people receive their municipal services from the county, and, in that regard, the county acts much like the other cities. We have city responsibilities. In fact, if we were a city, we would be the biggest city in the state of Nevada. We operate under the commission-manager form of governance where we have seven elected county commissioners who function as the governing board of the county. These commissioners establish the policy of the county. The board in turn appoints a county manager. I am the county manager, and my job is to administer the day-to-day activities of the county under the direction of the board.

We are a very large and complicated organization. We have 38 departments and over 13,000 employees including the people at UMC and the Clark County Department of Aviation. We have a general fund budget of just over \$1.2 billion. It was noticeably bigger a few years ago. We have been dealing with reduced revenues over the last couple of years.

We provide an array of services across our 38 departments. They are generally categorized in two areas: regional services and municipal services. We are both a regional and a municipal provider of services for the residents of unincorporated Clark County. We provide regional services to all residents of the county regardless of where they live. This is represented on the organizational chart which is on page 4. We have categorized our services in three areas: regional services, support services, and municipal services. Support services keep our organization running on a day-to-day basis. Municipal services are the same services that you will hear about later on today from the city representatives; we provide these services to the residents of unincorporated Clark County. In that regard we operate like a city. The largest and the least familiar array of services we provide are regional services. These

services cover many different areas. The services that are indicated in bold text are funded from the general fund. We also have a number of services that are provided by our local elected officials, including the assessor, the county clerk, the district attorney, the district court, the public administrator, and the recorder.

The Clark County Detention Center and UMC are heavily reliant on the general fund. The detention center has an annual budget of roughly \$170 million which is a major portion of our general fund resources. University Medical Center is heavily reliant on general fund subsidies as well.

A few things that Clark County is not: the Southern Nevada Health District, the Regional Transportation Commission of Southern Nevada, the Clark County Regional Flood Control District. However, we do have some representation on the governing board; but the board is made up of elected officials from other jurisdictions and, in the case of the health district, other appointed members as well. We are not the Clark County Library District, the Clark County School District, or the Southern Nevada Regional Housing Authority. Each one of those entities is treated as a separate legal entity and they have different governing boards. Many of these entities have Clark County in their title. However, that does not mean that it is a function of Clark County.

Chair Kirkpatrick:

Are there any questions? You bring up a good point. One of the things I have noticed is that there are over 2,000 public agencies. Those last ones that you just went through are some of them. I think that this session I would like to have some discussion on where the oversight and budgets are for these agencies. It is very hard to get that information, and it could be an unintended consequence of consolidation. We have lost some oversight of these agencies. You will probably be back in this Committee because we are going to have that discussion. What would be helpful for the Committee members to know is, although they have representation from each locality in Nevada, who is the watchdog? I have seen them come before this Committee before, and I watch the news, and it seems like you have to pull teeth to get information out of some of these people. They run their programs very differently in northern Nevada. Would you please elaborate a little more on this issue?

Donald Burnette:

Given the financial stress that most local governments and public entities in southern Nevada are under, I feel that this is a good time to address some of those issues. Obviously there are opportunities to talk about this as well, if it is something that the Legislature is interested in addressing.

The next page is fiscal framework. I fully recognize that the Committee is not looking for a financial presentation. However, I would outline that we generate revenue from a handful of different sources, including our two largest sources: property tax and consolidation tax. Those two sources of revenue are under a great deal of stress in southern Nevada. The common denominator is that the Legislature establishes the taxing authority. The taxing authority is the exclusive province of the Legislature, not Clark County.

With respect to general fund revenues, you can see how it breaks down. I mentioned the two biggest sources of revenue, now and historically, are property tax and intergovernmental or consolidating tax. Property tax is now back at 2006 revenue levels. If you translate that to dollars, it is a reduction of over \$110 million from where we were in FY 2009. That is an enormous reduction in revenue, and it has translated to reductions in services.

Consolidating tax is nearly 32 percent of our general fund revenue. We are even further back in that area than we are in property tax revenue. We are nearing revenue levels last seen in FY 2004. Just over the last several years we are down nearly \$100 million from where we were in FY 2007.

In terms of where we spend our money, the graph on page 8 ([Exhibit D](#)) gives you a fairly good illustration of how we spend our tax dollars. The three biggest areas that we focus most of our energy and resources on are the Las Vegas Metropolitan Police Department (LVMPD)—which we fund in partnership with the City of Las Vegas, and the Detention Center— which we fund 100 percent of in our budget, which is roughly \$170 million a year. Public safety takes up 19.4 percent of our budget, and our judicial function, including all of our courts, district attorney's office, and public defender's office is 13.5 percent of our budget. These three functions together represent over 65 percent of our general fund budget, and, as you might imagine, the demand for services is really significant, and it is not letting up at all even though our revenues have decreased.

Chair Kirkpatrick:

Most people do not realize that the judges are actually a part of the state and then the counties have to fund the staff. Would you talk about that a little bit?

Donald Burnette:

The Legislature has the authority to create district court departments. I will estimate that we have approximately 50 district court departments in the Eighth Judicial District. The Legislature funds the salaries of the judges, and the county funds everything else. The least costly element of that is the salary of the judge, and the most costly element is everything else. Just to put this in

perspective: for every district court criminal department that the Legislature creates, it translates to roughly \$1 million that the county now has to bear. That is in the form of all the requisite district attorneys and public defenders. They each have attorneys that are tied to that department. Also, the clerks, bailiffs, judicial executive assistants, et cetera are a cost. The Legislature creates the department and the county funds everything else. That is substantially more expensive than the salary of the judge. With regard to the justice courts, we fund the salary of the judge and all of the support staff. That is a 100 percent funding obligation on the county.

Chair Kirkpatrick:

When I first got here I was confused as to why there was such an uproar about giving more judges to the district court and why the county opposed it. I understood really quickly. I think that there are a lot of people who do not know this.

Assemblyman Stewart:

Is there room in the regional justice department to expand any further, or is it pretty filled up?

Donald Burnette:

We are getting pretty well filled up. We have the capacity to accommodate the departments that were created in the last legislative session. There is a funding arrangement with the Legislature that was put in place. We currently have the ability to accommodate those judges. We have intermediate plans that are not nearly as flexible, should there be additional departments created over the next couple of sessions. Beyond that, we would have a difficult time coming up with an arrangement.

Chair Kirkpatrick:

Are there any other questions? May I ask you to elaborate on whether the municipal and district courts are already in the same building? They do have two separate functions?

Donald Burnette:

The Las Vegas Township Justice Court and the Eighth Judicial District Court are both housed in the Regional Justice Center.

Chair Kirkpatrick:

I just want to make sure the Committee is aware of all the things that we are doing together but which are still separate functions. There is a very nice courthouse in Mr. Ellison's district that was named after Mr. Carpenter.

Assemblyman Munford:

I recall reading something in the press about the county jail facilities and the conditions that existed there. Overcrowding and the prisoners' inability to receive proper medication and treatment were some of the conditions brought to light. I do not know if it goes as far as physical abuse or anything of that nature. In my district, some of the prisoners' families are my constituents. They have called me on several occasions about the conditions that their family members are experiencing. How are things going at the jail? Have those conditions been rectified to some degree? I have not heard anything lately.

Donald Burnette:

I have not heard anything recently either. Obviously the Clark County Detention Center is a facility that has been at capacity for a number of years. Over the years the county, with the cooperation and support of the sheriff who provides the operations, has outgrown the capacity of the facility. We have utilized other facilities. This is another area where a good deal of coordination and cooperation goes on without public knowledge. Several years ago, at the request of the sheriff, we invested in a low-level offender facility to help relieve some of the conditions at the jail. It is not running currently. Not opening that facility was one of the difficult decisions that the board had to make a couple of years ago. We saved roughly \$16 million in the process. We are finding a way to make it work, and I have not heard of any issue regarding the operation of the jail. The only reports that I receive indicate that things are going very well, and we are continuing to make improvements. The sheriff and the LVMPD are doing an excellent job of running the facility.

Assemblyman Munford:

There were just some overcrowding concerns. Have you been able to handle that and bring it down to a reasonable situation?

Donald Burnette:

Yes, we have.

Steve Sisolak:

We are also undergoing a renovation of the north tower of the Detention Center. There are three phases; the first is \$30 million, which we are in the process of negotiating right now. We are hoping to use local workers to construct that renovation and put some of our local people back to work, specifically in the building trades. We are making progress in those areas. We just do not have the money to open a low-level offender facility at this time.

Assemblyman Goedhart:

Clark County has been doing a good job trying to raise revenue. I have a piece of commercial property and was quite surprised to see that in the middle of a recession the assessment had increased by about 44 percent. I told the assessor's office that they could buy the property. I was a day late to file the appeal process. I was a day late and several thousand dollars poorer because of my own inaction. You are doing a good job. I asked why the assessment had gone up and the response was that the county had changed valuation methods and the property was valued through a different process.

Donald Burnette:

The last two pages tell the story of where Clark County has been over the last several years. Our story about cutting costs began prior to the beginning of the last session. We went into cost containment in 2008 and have been in it since then. Back in 2008, we began with a whole series of cost containment measures and areas where we had discretion. We are talking about areas like restricting travel, publications, extending out capital purchases, and deferring capital projects. We have moved toward more aggressive measures like instituting a hiring freeze in late 2008 and cutting back on overtime. We have also established a voluntary furlough program.

We have achieved a 53 percent reduction in overtime between FY 2009 and FY 2010 which is an extraordinary reduction, especially when you take into consideration that we are a very lean organization to begin with. As you can see on page 9, we have one of the lowest staff-to-resident ratios in the country. I believe the same is true of all local governments in Nevada. When you reduce your staff and cut back on overtime it speaks a lot to the employees of Clark County. Through the first six months of this year we are on track to reduce our overtime by an additional 9 percent. You will note that we went from a 53 percent reduction to a 9 percent reduction. When we get into the next fiscal year, I would not expect those reductions to be as significant, if they exist at all.

We are currently operating with a 16.8 percent vacancy rate. There are over 1,500 positions that are vacant. They have become vacant through various means, but the biggest contributor is the hiring freeze in place. As we move through cost containment and those discretionary measures to control the cost the only option that is left is dealing with personnel. We are first and foremost a service organization. Roughly 65 percent of our general fund expenditures are for people, specifically salaries and benefits. For the first couple of years we have managed to squeeze our supplies and services expenditures to the point where there is little left to be done in that area.

Obviously, our attention is on the big cost component—salaries and benefits. Unfortunately, in the last year we have had to move into involuntary measures in the form of layoffs. They began in those areas where the staff was tied to funds that were self-generating, like in our development services department where they are tied to development related areas. Development, as you know, is virtually nonexistent. We have reduced our development staff approximately 50 percent compared to where we were at the height of the construction boom in southern Nevada.

In the last year we have begun the process of reducing our workforce in the general fund through involuntary measures. We have made some fairly significant cuts in areas that we felt would not greatly impact services. Internal support departments and comprehensive planning are what we are cutting, which is, in some ways, tied to the development process.

With our vacancy rate, coupled with the fact that we have gone through a series of layoffs, we have driven down our staff-to-resident ratios even lower at a time when demand for services has never been greater, particularly in the areas of health and welfare. There are a lot of proposals that are part of the Governor's budget which propose to make further cuts in those areas. We have some grave concerns about what the impacts of those cuts will be. We are talking about county and regional services that we provide to all residents. These services are provided to people that need help just to get by right now.

The last bullet on the last page sums up where we have been in the last year. We have been able to reduce our general fund expenditures by \$120 million in the last year alone, and that represents a 10 percent reduction in expenditures. Even though our revenues have dropped significantly, the county has done what it needs to do to reduce our expenditures to keep in line. However, we are getting close to breaking.

Assemblyman Munford:

On page 9 it says, "excluding CCFD." That is the Clark County Fire Department, correct?

Don Burnette:

Yes.

Assemblyman Munford:

I would like to commend Commissioner Sisolak for his efforts on the issue related to the firefighters. A lot of people are following that issue very closely.

Susan Scholley:

There is a program inventory that the county submitted that has a detailed listing of all the programs, whether locally mandated or in citations, on NELIS if anyone would like additional detail.

Assemblyman Stewart:

I would like to officially welcome Commissioner Sisolak. I appreciate the work that you do on the commission. I think it is important to mention for people from the North that Clark County has a wide diversity of communities. We have everything from Las Vegas to Henderson. We also have Indian Springs, Goodsprings, and Sandy Valley. I feel the Clark County Commission does a good job handling these diverse areas.

Steve Sisolak:

One of the difficult things to explain to my constituents is the different situations and areas that we represent. For example: I might have one resident that lives on the west side of Eastern Avenue, and I am their representative. They do not have a city council representative. But if they lived on the east side of Eastern Avenue, they have a Henderson City Council representative and a Clark County Commissioner. The same is true with Sahara. If you are on the south side you only have a county commissioner; if you are on the north side you have both. There are a lot of people asking me if I was interested in running for mayor. I already have two colleagues running for mayor so we do not want any more commissioners running for mayor. There is a misconception. The 900,000 people that live in unincorporated Clark County are basically a city unto themselves. When there is a shortfall in the regional services we provide it has to come out of those monies, and there is an impact on the services that are delivered to people based on their geographic location. We serve common constituents, and we are all in this for the same reason.

Assemblywoman Pierce:

I would like to expound upon the bullet point about the low staff-to-resident ratio. You also mentioned that the other counties have similar ratios. This did not just start with the recent cutting. If Nevada had the size of government that it had in 1978, we would have to hire 44,000 government workers.

Assemblyman Anderson:

I would like to congratulate you on your new position. It is a hard time to come in, but we are wishing you the best, and I am looking forward to working with you.

Assemblyman Ellison:

According to the Governor's budget some of these areas are going to be pushed down to the counties. They seem to me to be unfunded mandates. I know that the National Association of Counties (NACO) is working on this with the National League of Cities. Have you looked at these numbers and seen the impact that they will have on Clark County?

Donald Burnette:

We are very concerned. We have had an opportunity to go through the Governor's budget proposal, and I think that the way you have characterized it is accurate. It is a combination of shifting responsibilities down to the county where there are not funds attached to those responsibilities. Clark County in particular is affected, shifting revenue from the county to fund state obligations. In each area we are talking about services that are provided exclusively by the county for all residents. They cover mainly health and human service areas. These are obligations that the county has that you do not find elsewhere. We have preliminarily estimated the impact of the budget, not including the measures that were instituted two years ago, such as the redirection of the 5 cents in the Indigent Accident Fund. It is roughly \$75 million a year, \$150 million over the biennium. We are obviously very concerned about that. We simply do not have the ability to absorb those responsibilities within our current revenue structure.

Assemblyman Livermore:

Will you go back over UMC? Will you enlighten me as to what the cost of your subsidy is and what the future holds for that operation?

Steve Sisolak:

UMC is in a desperate situation. It is the safety net for all of Clark County and basically all of Nevada. It is the only Level I trauma center in the state. We simply cannot afford not to have a trauma center available for our constituents. At the same time, we are bleeding red ink so fast at UMC that we simply cannot maintain the same subsidies that we currently have. The employees that we have at UMC have done an incredible job, given the confines of what we have provided them. Our payer mix changed at UMC. We used to have a lot of paying patients. What has happened with the advent of suburban hospitals all over Clark County is that they are getting the patients that are paying and UMC is getting the patients that are not paying. We no longer have that revenue stream to offset some of the cost. The decrease in the Medicaid payments that are coming to UMC has also contributed to our financial woes. We have appointed an advisory committee to help us with the expertise necessary to run a hospital of UMC's magnitude. We are working with the University of Nevada School of Medicine in Reno to develop a more cooperative

relationship in providing services and providing the ability to have residencies and training for doctors coming out of the medical school.

We had a consulting group that UMC hired to do a study of the hospital. The picture that was painted was bleak. If we do not have some relief in the next two years, we are looking at \$100-million-a-year loss. The county simply cannot afford that. We were looking at two options. One is the potential closure of UMC and outsourcing all of those patients to all of the other hospitals in Clark County and providing services there.

Assemblyman Livermore:

Considering what is happening in the United States Congress right now, if the current law is implemented, by 2014 we will have to meet certain criteria. Otherwise, the subsidy may be even greater.

Steve Sisolak:

It is unknown, from the federal aspect, what new requirements will come forward. With the current requirements at the county, state, and federal level we simply do not have the resources to keep UMC functioning the way it is currently. The subsidy is necessary. Everyone in the county pays a fee to keep UMC open. The entire shortfall that is keeping UMC whole is being made up by the 891,000 residents in unincorporated Clark County. They are basically getting taxed twice to keep the hospital open. It is not just for their benefit that UMC is open. It is for all the residents of the state, in addition to the 40 million tourists a year that visit Clark County and the Las Vegas Strip who use UMC. It is a safety net. It is incumbent upon us as county commissioners to provide medical care to our residents. It is not something that should be optional. It is something that is necessary for our citizens.

Assemblyman Livermore:

Can you put together a study group to look at what the potential future looks like?

Steve Sisolak:

We have two groups put together. The first was the advisory group for UMC that would come before the County Commission with purchasing agreements to buy pacemakers, for example. I do not have any knowledge about that sort of thing. I would rather have doctors make those kinds of decisions. Those were issues that we were facing. So we put together an advisory group that was made up of a diverse group of individuals to get more of a hands-on function with the expertise of operating a hospital. That group started in December. At the same time, the hospital commissioned a study by a national group that looked at the financial aspect of the hospital in terms of being able to continue

to operate. These are operating on bifurcated functions on parallel tracks. That group came forward and said you have real problems at UMC in terms of its long-term viability. We are working with that group now. They have advised us of some of the options to try to turn it into a nonprofit organization and get private financing for the hospital, which is not as easy as it sounds. Everyone is in agreement that we simply cannot continue to fund UMC the way we are funding it currently, not because we do not want to, but because we do not have the money.

Chair Kirkpatrick:

Mr. Livermore, I realize that you serve on the Committee on Health and Human Services and Commissioner Sisolak is a good resource for you while you are on that committee as well because he is very passionate about UMC. Know that when we do have these presentations you may run into the presenters in different ways.

Assemblyman Livermore:

I would look forward to a private conversation with Commissioner Sisolak on some of these issues.

Assemblywoman Neal:

What was the 2004 revenue in Clark County?

Chair Kirkpatrick:

We are going to have a discussion about consolidated tax in the Committee on Taxation.

Donald Burnette:

I think our point is that we are down \$100 million in tax collection. We are back down to 2007 levels, and we are projecting that this fiscal year we will be down \$247 million. It is a major part of our general fund budget.

Assemblyman Goedhart:

I would like to thank Commissioner Sisolak for his efforts on behalf of Clark County and all of the citizens of Nevada. Several years ago my wife graduated with a master of science degree as a nurse practitioner from the University of Nevada, Las Vegas (UNLV). She was looking for some practical experience to match in-the-classroom knowledge. At that point, she volunteered in a few of the rural medical areas. She and her classmates would have worked pretty much for free at UMC to get that experience, and it was frustrating because that opportunity was not presented with that partnership which could be more developed between UMC and UNLV. Their attitude was if you are working for free you are putting someone else out of a job. If we are looking at a choice

between providing services or putting someone out of a job, I think we should err on the side of providing services. My wife wanted to volunteer and have that practical experience, and she was not able to engage in that opportunity.

Steve Sisolak:

Before I became a commissioner, I served on the Board of Regents, and we had nursing programs at most of our community colleges and universities. The state college was instituted for education and nursing. We had nurses coming out, and we did not have enough slots to put them in from the university level to give them hands-on experience. It is a labor contractual issue that I am not qualified to speak on as it relates to our compact with Service Employees International Union (SEIU) regarding how many people we can have training and how many people we have to have on staff to do that. Ultimately, the goal should be that the county as a whole should work in the best interests of our citizens and the people that need the services.

Chair Kirkpatrick:

In the interest of time we need to move on. However, we hope you will stay around so the members can ask more questions. It is nice to be able to reach out to a colleague so that we can get a different perspective. We are going to call up the City of Las Vegas.

Ted J. Olivas, Director of Administrative Services, City of Las Vegas:

We are going to give you a short overview of the City of Las Vegas. The documents that we will present today are: the overview that Ms. Fretwell will provide ([Exhibit E](#)), the summary of our fiscal issues ([Exhibit F](#)), the *City of Las Vegas Charter* ([Exhibit G](#)), a summary of the City of Las Vegas departmental organization ([Exhibit H](#)), an executive summary of our redevelopment agency ([Exhibit I](#)), an economic impact analysis giving a fiscal-year-in-review document of our redevelopment agency ([Exhibit J](#)), and a list of those statutes that relate to cities and counties ([Exhibit K](#)). We look forward to working with you and your Committee.

Elizabeth N. Fretwell, City Manager, City of Las Vegas:

We would like to go over fast facts about the City of Las Vegas. If you will look at the second page ([Exhibit E](#)) it indicates the outline of our jurisdiction and the overlapping boundaries of your districts with the city districts for our council people. They are not elected at large. They are elected by ward. The mayor is elected at large, as well as the 18 city councilmen vying for that position. We are formatted similarly to Clark County. We are a council-manager form of government. That is outlined further on in the slides, as it relates to what we are obligated to provide in the way of services through the *City Charter*.

Regarding the size and breadth of the City of Las Vegas, we have a population of over 600,000 people which means we have a lot of responsibility. We have about 130 square miles. We manage 16 departments with 2,600 employees, down from 3,300. We have a \$475 million general fund budget and a \$1.4 billion budget overall. We also provide public safety, culture and recreational services, and a myriad of economic and building development services.

On page 4, note that if you look at the revenue side you can see that our revenues for this current budget are about \$443 million. For the City of Las Vegas, the last time we were at those levels were the 2004 and 2005 budgets. It is a significant drop. The lighter colors presented in the pie chart are state controlled revenues that the city benefits from. On the expenditure side, the same thing applies. The expenditure colors are lighter. Those are public safety and judicial functions, which are often the highest priority services that we deliver.

You can see an imbalance when you look at these numbers at a high level. We have less revenue coming in than we are spending. We have been drawing down our fund balance. We have also been very conservative in our approach. We have been trying not to be too heavily dependent on those reserves; however, we also felt that we needed to take things in a deliberate approach. We did not want to cut too much too fast. We also knew that we needed to drastically address our revenue shortfalls in reevaluating all of our services.

One thing that did happen this year was that we did have a bond downgrade. That was very frustrating because I felt that we had been very conservative. We are going to try to build that back up. We are still at a very good level. We are at an AA rating. I would like to see that back up at the AA+ where we were. We are working very hard to make that happen.

We have a little bit of a discrepancy due to the fact that we have had a deficit budget for the last couple of years, and we have one this year. You can see there is a difference between our revenues and our expenditures. We anticipate that this condition will last for at least another year. Later on I will share with you some of the things that we have done to get back in line with our revenues. As we all are aware, we do not have very much control over our revenues. Most of the revenues are controlled through state funding formulas and a variety of other things. We recognize that as a condition that we have to work under. Therefore, we have tried to get down to what our revenues will support. That has been our strategy from the beginning. We have been working on a variety of cost control measures as well as outright program eliminations. We have also negotiated savings in our labor costs since 2008 and earlier.

As a reminder, you have a document in your packet that outlines our charter responsibilities ([Exhibit G](#)). These are the things that we are charged by the State of Nevada to do. We have a variety of responsibilities that we deploy. On page 5 ([Exhibit E](#)) you can see that the City of Las Vegas is responsible for everything: fire protection, zoning and planning, affordable housing, licensing, et cetera. I describe it to our citizens as providing services from A to Z. We provide animal control all the way to zoning and everything in between. There are also some additional responsibilities that are afforded to us by the state. These include court functions, our ability to organize the way we need to, managing our own municipal elections, and managing our own money. There are defined mechanisms in state law about how all that works. We also have the ability to do sharing agreements to work cooperatively with other agencies.

On page 7 is the organizational chart. Basically, I report to seven elected officials. I have two cohorts in that regard. They are the city attorney and the city auditor. They are independent functions of the city manager and the administrative functions of the city. They report directly to the mayor and the council. In addition to that, the municipal court judges manage the municipal court. Obviously there is an affiliation and we work very well with our municipal court. It is charged with the administration of justice in our community, and it also manages the administration of that court function. We do that in a great partnership that we have been able to develop.

We have had a 19 percent reduction in our staff. The county provides municipal and regional services. If you take a snapshot of the city's municipal services that we provide to the 600,000-plus residents in our jurisdiction, we have had a 19 percent reduction in staff from 2008. They were strategic cuts. They were not across the board. We cut public safety about 8.5 percent. When you look at things like general government and public works, we are between 37 and 50 percent in cuts. We have been able to cut our costs in labor and benefits from 2008, as a result of a lot of the work that I will describe to you, by 20 percent going into next year's budget. It is not a small amount. It is a significant amount. With our most recently negotiated agreements we are seeing a tremendous impact on our fiscal stability in the City of Las Vegas. It is not without a lot of hardship.

I would like to highlight a few things that we have been doing to stay focused on the right things. We focus on our charter and what we have been mandated to do on behalf of our citizens to provide the utmost service to our constituents. We are trying to live up to that by focusing on core services. We have been engaging our community to do that. We have conducted surveys, town halls with the public and our employees, focus groups et cetera. I have met with

over 2,000 of our employees personally over the fall to hear their ideas, frustrations, and fears. This was to try to continue to make our services stay strong during a very difficult economic time.

We have just recently completed an organization where we consolidated departments and divisions. We have eliminated 25 percent of all of our management and administration positions in the City of Las Vegas since 2008. That has netted us an annual impact of over \$7 million in savings by keeping those costs flat and eliminating those positions. That is part of that 20 percent reduction that I mentioned earlier.

We have been working to create a more sustainable employment relationship with our employees by changing the salary and benefit structure at every level of the organization. By reorganizing, rebalancing, trying to streamline, and by changing our bargaining unit contracts we will be able to save over \$36 million over the next three years. We have gotten commitments from all four of our bargaining units to do that. All of our employees, 2,400 people, came to the table recognizing the city's dilemma and helped us address the structural shortfall.

We have also been collaborating with our community partners. I will not go into that right now because we have been asked to go into more detail about that later. Just know that the City of Las Vegas and Clark County are working diligently with each other to think outside of the box, to do service sharing where it will be beneficial to both agencies, and to do our very best to economize where it is appropriate. We will continue to do that and focus on regional approaches that work.

I will highlight some of the challenges that we are facing. We are landlocked. Therefore, the city cannot grow anymore unless there is federal legislation. That means that we focus on downtown. We can focus more on our older communities and a little less on suburban growth. We also are older. We are over 100 years old now. Our infrastructure is aging. That creates issues for us. Things like street conditions, medians, sidewalks, sewer collector systems, and a variety of other public infrastructures are in need of replacement and repair. We have 50-year-old drains, for instance, at our sewer plants that need to be replaced. They are just not efficient anymore, and we certainly would not want them to break.

We have had very similar problems to what Clark County described earlier. We have a 42 percent drop in our assessed value over the last three years, a 19 percent drop in our property tax, a 21 percent drop in our consolidated tax, and we have cut our staff close to 20 percent.

We have been able to reduce our structural deficit. At our high we were forecasting a \$400 million five-year deficit. We have been able to cut that by 84 percent. We are still facing a \$66 million five-year deficit. We are continuing to work to address that by the prudent use of reserves and by continuing to work to keep positions frozen or eliminating them completely. We have eliminated 600 positions. They are not just frozen and vacant. They are gone and unfunded. We do have some vacant positions, but not many. There are probably around 40 in the general fund and a few more in public safety. That is our little bit of cushion for critical service restoration.

Despite the fiscal distress that the largest city in this state has been facing and wrestling to the ground, we have had successful union negotiations. Our downtown development, redevelopment, and diversification efforts have been very successful. Last year alone we created 9,000 permanent and temporary jobs through downtown redevelopment. We have been very conservative. We have been consolidating departments and reorganizing to streamline, and we have been performing community outreach.

We have done some great things and things that we know are important despite all of these cuts. We have improved our neurologically-intact survival rates for people who have cardiac problems. We have gone from the national average of 5 percent up to 37 percent. That is substantial. We have reduced our response times for the most critical emergencies that we respond to with our fire department. Our fire department employees are highly trained and highly professional and have been doing a fantastic job to make sure that they are there when people need them. We have also continued to focus on the future, like by reducing our greenhouse gas emissions by 5 percent. Even though it has been difficult, we have been trying to keep our eye on the ball by focusing on those things that are the most important and will most prepare us for the future.

Chair Kirkpatrick:

Does anyone have any questions?

Assemblywoman Pierce:

I did not quite understand the statistic you gave about survival rates. Could you elaborate on that?

Elizabeth Fretwell:

We have deployed a new process. Basically what happens is when an individual goes into cardiac arrest 5 percent of the time they walk out of a hospital neurologically intact, which means they can go back to their life the way it was before the heart attack. When we respond to those individuals that

meet that criterion, 37 percent of the time they are now walking out of the hospital neurologically intact. We are talking about small numbers, but it is significant. It is because we are focusing our limited resources in the right areas with the biggest impact. We have to continue to do that. It is the responsible thing for us to be doing as local governments. My point in sharing this with you is to demonstrate that we have been focusing on public safety as a priority and on maintaining our assets as a priority. We have been shedding a lot of the other things that were nice to do, such as a community event, but that we can no longer afford to do. That has been a struggle for our community. We have got a lot to learn and a lot more to do. We have been trying very diligently to stay focused on the right things.

Assemblywoman Bustamante Adams:

Can you repeat the information regarding the reduction and response time?

Elizabeth Fretwell:

We have a standard response time that we try to hit in regards to our emergency procedures. It is about 5 minutes 12 seconds. We want to be at that number about 90 percent of the time, particularly in fire emergencies and for the worst emergency medical cases. We have been able to improve our score in this area. We were at about 77 percent last year. We were able to move that up to 80 percent. We are not at the 90 percent target yet, but we are working that way.

Assemblywoman Neal:

Why was the bond rating adjusted? Were there specific projects or developments that affected that change?

Elizabeth Fretwell:

When you read the bond rater's report it says that the city was doing great things and that there are good things on the horizon. In fact they move our outlook to stable from negative, which is what it was in the prior bond rating. It reflected, based on my reading of that report, the general economic condition of Las Vegas. We got kudos for trying to preserve our reserves. One thing we did get chastised for was that we dropped our reserve levels to 10 percent. Our policy is 12 percent. We asked the council to relax that a couple years ago to help us get through this recession, and we were chastised for that in the report. Other than that, the report was glowing, except for the local economic health of the City of Las Vegas and the surrounding metro area.

Chair Kirkpatrick:

I feel that it is important for the Committee to understand the charter. Could you give us a short version of how you work within the charter and the importance of working within that charter and what kind of flexibility you have?

Elizabeth Fretwell:

Charter governments can take a few different forms but what a charter does is create a framework for the local government to provide certain kinds of services. It allows us to do work in those areas if the state law does not address it. We have to look at all those relevant statutes ([Exhibit K](#)) as they relate to our charter. It gives us a little more flexibility, as the mayor and council design their ordinances, in order to address things like affordable housing or other issues. We have a little more latitude than we would have without the charter. It also gives us a little more autonomy to structure things without having to come back to the state Legislature and ask for specific legislation. Clark County has struggled with that for many years. They do not have any flexibility. They have to bring minor amendments to the Legislature for consideration. We do not have to do that quite as often. As a result, we have fewer bills that we ask for and have a need for. There could still be some enhancements in authorization and flexibility. But we have been fairly successful in working through the legislative process, and we needed that.

Chair Kirkpatrick:

The reason that I had asked all the local governments to do this was for the Committee's benefit. You are going to hear catch phrases that have different meanings as we go through the session. I asked that question to help the Committee understand some of the things we are going to talk about. You are going to hear "home rule", "charter cities", and that some of the smaller counties do things even more differently than some of the larger counties. That is why you will have copies of different charters. The first two sessions that I was here I did not even know where to find them, so I am trying to give you as many resources as possible so that you can directly ask questions. Sparks has a completely different way of doing things than Las Vegas. Because they still have to serve their constituent bases, it allows them to still be unique in some forms. I just wanted to make sure that the Committee knows that these are tools for them.

Elizabeth Fretwell:

That concludes my report. I would like you all to know that we are a resource to you as you go through your time at the Legislature. We would be happy to share with you the strategies that we have used and to work with you in partnership as you work through some very difficult issues these next four months.

Assemblyman Goedhart:

You are still anticipating a \$13 million operating deficit in 2012. What percent of your overall budget is that \$13 million, and what type of funds are you using to bridge the gap between expenditures and revenues?

Elizabeth Fretwell:

We are using our reserves, our ending fund balance. We have been drawing those down over the last little bit. Obviously, we continue to cut the cost of delivering services as well. We have been trying to use a blended approach. Our total general fund budget is around \$450 million. So that \$13 million represents about 3 percent.

Assemblyman Goedhart:

How much do you have left in your end balances that you are using to bridge the gap? What are your reserves at currently?

Elizabeth Fretwell:

Our current reserve level in our ending fund balance is approximately 12 to 13 percent in our budget for FY 2011. We are hoping to sustain it at about that level. We will see. We still have a deficit this year. We budgeted an \$18 million deficit for this year. I am hoping that when we close the books it will not be that substantial. I am hoping when we go into the FY 2012 budget that we will be able to address that shortfall with less reliance on the reserves.

Assemblyman Goedhart:

So what is the dollar amount on the reserves that you are drawing from?

Elizabeth Fretwell:

They are around \$69 to \$70 million.

Assemblyman Stewart:

I would like to commend Ms. Fretwell and Mr. Olivas for keeping in touch with the legislators in the Clark County area. I know they have a regular session where we meet with them.

Chair Kirkpatrick:

At this time we will invite North Las Vegas to testify.

Shari Buck, Mayor, City of North Las Vegas:

We have a great city. Over the last couple of years we have attempted to reach out to the legislators from North Las Vegas to help be a part of the solutions

and conversations. We appreciate your friendship and help through our difficult times.

We have 100 square miles. We recently annexed Apex and Kapex, which are areas zoned for industrial usage. This brought in a large amount of available land. When you hear Oscar Goodman saying that he wants to consolidate, it is because he wants our land. We have our challenges. We have the highest unemployment in the state. We are at about 17 percent. A lot of our citizens were construction and casino workers. It has hit us very hard. Also, foreclosures are some of the highest in the nation. We have struggled with that as well. We are working very hard with our citizens to find solutions to help them solve their problems and to help them stay in their homes, as well as helping them find jobs. We have a lot of respect for the state and their help.

Because of that available land, we have had a lot of interest in the city and new companies coming in. We have a solar farm coming in at Kapex. We have a shrimp farm which was just recently featured on CNN. We will be growing shrimp in the desert. We have a company called Amonix which just opened in January. They are creating and building solar panels. This will create 278 jobs.

Our crime rate is down about 14 percent. In the midst of this turmoil we have a great police department, and public safety is one of our top priorities. We have seen the crime rate go down in our city. Good things are happening and bad things are happening. We are pushing very hard to bring in this economic development to keep our city going and to keep our residents functioning. We would also like our residents to know that they have an optimistic council that is working very hard for them.

Maryann Ustick, Acting City Manager, City of North Las Vegas:

Our mayor has done a great job in painting the positive aspects of our city. If you will look at the first page of our presentation, ([Exhibit L](#)) we have tried to get to some of the issues that you wanted us to cover. A picture is worth 10,000 words, on the first page of our presentation you see a number of photos of things that are going on in our great city. They summarize what we are doing in providing opportunities for residents to come together to build community, to provide sound infrastructure, and to provide public facilities for our citizens. We are ensuring the safety of both our residents and the businesses in our community. We are also doing our utmost to provide the amenities to the best of our ability in these tough times so that we can make our city a place where people want to live, work, and play. I think these pictures demonstrate what we are doing in our city in terms of services and amenities.

Our population is at about 223,000 people. Our city is only about 43 percent developed. We have a lot of potential for future development, both residential and industrial. In actuality, we have over 11,000 acres of undeveloped industrially-zoned land, which gives us great potential for our city.

On page 3 of the handout we have provided a map of the city with the city wards outlined and a key at the bottom that shows the representatives of those wards. On page 4 are our charter facts. We have an elected mayor and four city council members that represent the wards on the map. We also have two elected judges. The city also operates under the council-manager form of government. We have provided you with a copy of our charter, starting on page 5.

We have also provided an organizational chart of our city. I would like to mention that the mayor and our elected council members are at the top along with the two judges. Judge VanLandschoot is retiring at the end of this year so we do have an election coming up for a municipal court judge. In our case, the council only has two direct employees. The municipal court is separate. I, as the acting city director, and the acting city attorney are the only two employees that report directly to the city council. All the other employees report to the city manager in our form of government. We have only one assistant city manager left. I am currently serving in two roles. I oversee the police, fire, library, and parks and recreation departments. I have one assistant that does everything. We eliminated our communications department. We have one public relations person. Our assistant to the city manager handles that, which encompasses community relations, intergovernmental issues, and special projects. We have consolidated our general services and information technology departments into administrative services. We have an acting director who is overseeing not only that new consolidated department but also the finance department. Our city clerk is also our legislative affairs person. Most people in our city are doing multiple jobs because we have consolidated a number of departments and eliminated a number of executive and managerial positions.

We do still have some industrial development happening in our city. We consolidated our planning department, our housing and neighborhood services department, and our economic development department. They are all in one large community department now. We have eliminated two department heads in that process. Our public works department not only does traditional public works such as road maintenance, infrastructure, project manager, and transportation, but also oversees the development review process and building safety. We have also moved code enforcement into that department as well. Therefore, that director has an enormous number of responsibilities. We also have a utilities department and a utilities enterprise fund. Our utilities director

has left the city, and we have an acting utilities director. That should give you a good feel for North Las Vegas and how we are structured. We have changed dramatically in the last few years.

We have provided you a copy of the mission statement of our city ([Exhibit L](#)) and have listed the mission statements and purposes of each of our departments. It is very similar to the kind of functions that Las Vegas provides. We have given you a one-page summary of the entire city services including all of the departments and services that are provided. This gives an at-a-glance summary of the functions that each department provides. We have 12 departments, and the municipal court and our city clerk and manager's offices, which are listed separately, are actually now merged under our new organization.

We were asked to look at the challenges and positive aspects of local government. We have highlighted some of the key projects that we have going on at this point ([Exhibit L](#)). You cannot miss our new city hall. It is nine stories and it is going to be an icon and catalyst for our downtown revitalization. It is a place where our citizens can come together. We have a civic plaza that was funded by federal grant funds. We also have a development services center in the new city hall where developers have a one-stop shop. It is a place where every possible aspect of a developer's plan review will be in one place. Many services can be provided to those developers over the counter. We are looking forward to that opening in October. We also have a state-of-the-art water reclamation facility.

Our key challenge is that while city revenues have declined, as in every other municipality across the state, our population and need for services have increased dramatically. Our area has increased by about 20 square miles since 2005. We have increased the number of facilities that the city owns and operates in response to the increased population. The master-planned communities that have been added have been a part of this increased population. We have increased our park acreage. We will also be increasing the Craig Ranch Regional Park by about 150 acres, which we will have to maintain and provide to our citizens. In response to the number of residents that have been added to our city we have had to increase the number of fire stations and police facilities that have to be staffed and operated. This is a huge challenge for us, but it is a top priority for our city.

Population growth from 2005 to 2011 is listed on page 10. What is not listed as part of this chart is that in the year 2000 we had roughly 115,000 residents. We have doubled in a decade, and that is pretty rapid growth. We have had to

maintain the infrastructure, facilities, and staff to keep up with that. That is the good news, and those are our challenges.

Our consolidated tax revenue is down dramatically from FY 2005-06. Another really stunning figure is that our assessed valuation in FY 2005-06 was \$4.7 billion. Despite all the growth, master-planned communities, and all the commercial and retail businesses that have opened in our city, our assessed valuation is exactly the same as it was in FY 2005-06. You know what that means for us in terms of property tax revenue. It is our largest challenge. We have fewer employees now than we did in FY 2005-06. From our peak number of 2,200 in FY 2007-08 we are down about 25 percent. Our struggle is to provide these services to a growing population with drastically fewer staff and revenues. We are all struggling with that.

Assemblyman Goedhart:

I think you are doing a great job diversifying the economy and being development friendly. The shrimp farm originally looked in southern Nye County and Pahrump. You gave them a better package. Congratulations to you. A friend of mine has a recycling business that he is looking forward to relocating to North Las Vegas. Your idea of the one-stop shop for developers and businesspeople is truly turning a new page in being friendly with people who have dollars to invest. You are making it easy to understand different rules and regulations and to do business. We applaud your efforts.

Assemblywoman Neal:

In the information you provided, the 2011 community report ([Exhibit M](#)). Between 2005, 2006, and 2007 assessed values went fairly high. It went to about \$8 billion. What happened in 2006 and 2007? The population was somewhere around 215,000 people, and in 2010 you had 223,000 people. That is 8,000 in growth, so what is the assessed value for those years? I am asking because I would like to know what money or revenue you got in 2005, 2006, and 2007.

Chair Kirkpatrick:

That may be something that you have to provide at a later date if you do not have that information. I can speak as a North Las Vegas resident. North Las Vegas grew with the master-planned communities really quickly. It was very expensive to buy out in this area as they were going up. Now Aliante is one of the biggest foreclosure areas in North Las Vegas. So we hit that peak and went all the way back down. As a North Las Vegas resident who has actually witnessed it, it was the most beautiful thing we ever saw, and then you are sad to see all the for sale, for rent, and foreclosure signs.

Maryann Ustick:

I would like to have the opportunity to go through the community report ([Exhibit M](#)) with you. I have a lot more financial information available than I have in front of me now. We were just trying to paint the picture that because of all the growth and development that we had, particularly in the master-planned communities, our property assessed valuation rose dramatically. Then, as a result of the foreclosure crisis, we had some of the highest foreclosure rate zip codes in the country. Our assessed valuation dropped off dramatically, as did our population growth. I would like to show you some of the property tax revenues that go along with this, but I do not have them today.

Assemblyman Livermore:

I am looking at FY 2010/11. What kind of revenue do you receive from the federal government? I noticed you have some military installations within your city. Do you receive funds from the federal government?

Maryann Ustick:

We do receive federal grant funds. Is that what you are referring to?

Assemblyman Livermore:

I am speaking in terms of property tax.

Maryann Ustick:

We do not receive any federal money of that sort. We do have to acknowledge the tremendous economic impact that Nellis Air Force Base has on the City of North Las Vegas. We need to do a better job of working with them on defense contracts. It does have a major economic impact on North Las Vegas.

Assemblyman Livermore:

I was just curious if there was some additional money that was granted to you that I did not see here.

Maryann Ustick:

Unfortunately there is not. There is a little bit more information, if you will look on page 11 ([Exhibit L](#)). The council policy was to have an 18 percent ending fund balance in our general fund. Our general fund today is at about \$142 million, which is down dramatically from a peak of over \$200 million. We have reduced expenditures in our fund by about 31 percent in the past two years. Our city is at about FY 2004/05 budget numbers. We have made major cuts in services, in freezing and eliminating positions, in getting major concessions from all of our bargaining units, and in eliminating or delaying capital projects. However if you look at our ending fund balance we are still going to be all right. We had to drop our ending fund balance. We have gone

from 18 to 12.2 percent last fiscal year. We will be at about eight percent this year. In the next fiscal year, our target is six percent. We cannot go below that. You can see that the council still has a plan for next year, but we still have a deficit that we will have to deal with in our general fund of about \$25 million for FY 2012 and FY 2013. Our struggle is not over, and we appreciate what the employees and our bargaining units have done with the leadership of the council to try to keep us moving forward and focusing on our core services while dealing with a drastic financial challenge.

I wanted to end with a positive aspect. On page 12 ([Exhibit L](#)) there are a couple of economic development highlights. We have undeveloped land in our city that has industrial zoning. Because we have a very business-friendly climate we are still seeing some development, especially industrial, in our area. This benefits our city and is critical for the future of our city and it really does have an impact on the entire valley. The city has only one bill but that is going to be very important to our future as well.

Shari Buck:

We are glad to answer any questions that the Committee may have.

Assemblyman Ellison:

I did not hear you mention your increase in indigent funds. Where are you, as far as those funds are concerned?

Maryann Ustick:

The county gets funding for indigent care. We do not get that funding. The only funding that our city gets is community development block grant funds, and we do use some of those funds for services for low- and moderate-income people and for housing. We do not get funding for indigent care.

Assemblyman Anderson:

You do not receive any payment in lieu of taxes (PILT) funding. However on your chart on page 15 you list it ([Exhibit L](#)). Can you clarify that for me?

Maryann Ustick:

We do have a utility enterprise fund from Nellis Air Force Base and we do take from that fund a payment in lieu of taxes. It includes franchise fees and other things of that nature. The utility fund is where the PILT funding is coming from.

Chair Kirkpatrick:

I can get you a lot more detail on PILT funding. You will hear this issue in the Committee on Taxation because it is very important to the rural parts of our state.

Assemblywoman Flores:

You mentioned the redevelopment efforts that you have going on downtown. I grew up in that area right off of Cheyenne Avenue and Civic Center Drive. There has not traditionally been any kind of redevelopment at all in that entire area. Now that we are under these constraints, what, if anything, do you have planned for that downtown area? Do you have that area in mind at all?

Maryann Ustick:

We do have a downtown master plan. Over the last couple of years we have worked with the residents in the downtown area as well as the businesses. We have put together a business committee recently to do a visioning of the city, and we came up with a gateway. We have a lot of wonderful plans. There was a major shopping center area that was planned not too far from the new city hall called Las Flores. They owned the land. It is going to happen, but because of the decline in retail they are on hold because some of their anchor tenants are not ready to move ahead. There is a lot coming to downtown North Las Vegas. I will say that at Civic Center and Cheyenne, before the economy went down, we did have the new shopping center there. That is what we are envisioning for the downtown area. I would be happy to show you our downtown master plan and some of the things that are on the drawing board. For right now we are basically on hold because of the last two years.

Shari Buck:

We do have a developer from out of state who is looking at the island which is right off of Lake Mead Boulevard and Interstate 15. He has come in and purchased a lot of the available land there. He spent \$9 million. He is still working on a partnership with the city. He has an exclusive negotiating agreement with us currently. He is looking at redeveloping that whole area downtown into mixed use; so it would be residential, shopping, restaurants, online university space, et cetera in concert with Jerry's Nugget Casino. It would expand all the way over from Jerry's Nugget over to Lake Mead and take up that whole area. We are working with him right now on that development plan. He has his funding. It is just a matter of getting that together and working out what is best for the city. We do not want to put in low-income housing. That is a very good place to start our redevelopment. Having our city hall built has already started bringing people into the downtown area, because they see the city investing money, and they see us trying to keep construction going and people working. That has spurred some businesses to come into downtown as well. It will come along. It is taking a little bit of time but that is going to be a great project.

Maryann Ustick:

We do have a North 5th Street gateway plan which is part of the downtown master plan. We had a big grand opening for our North 5th Street roundabout and Jerry's Nugget has reinvested in their façade as part of having that infrastructure being funded by the city. These are some of the things that are happening now. It is just going to take a little longer for all of it to come together.

Assemblyman Munford:

What is the status of North Vista Hospital? You heard the report from Commissioner Sisolak about UMC. I have noticed driving through Lake Mead that you are involved in an expansion project with the hospital. How is your financial situation for treating the indigents?

Maryann Ustick:

The city does not have any type of interest in North Vista Hospital but we have worked with them and partnered with them because they are a critical anchor to our downtown area. I have recently been appointed to their board and I feel that it helps communication flow between the two entities. They are having their challenges because of uninsured patients. They closed their obstetrics and gynecology (OB/GYN) unit. They are considering reopening that department. They are working on a façade improvement and have been working in partnership with us to use some of our redevelopment funds to improve the curb appeal for that hospital. They are trying to get their financial position improved. They do have long-term expansion plans. They wanted to acquire the property where our police headquarters is and expand there. That is on hold temporarily because of their finances, but that is certainly in their long-term plan. We are working with them to try to move people out of our police command center and into our new city hall and other places. When they are ready to go, we will be ready to sell that building to them.

Chair Kirkpatrick:

Are there any other questions? We will call up Boulder City and then we will take the two bills directly after that.

Roger Tobler, Mayor, Boulder City:

I am going to follow the same type of report that the others have given you. To start off with your handout ([Exhibit N](#)), Boulder City is a special charter city that was enacted through an act of Congress. We were incorporated in 1960. We have the council-manager form of government. Boulder City does not permit gaming. We also have a controlled growth ordinance. We have about 16,000 people residing within the city limits. Geographically, the city is very large. There are over 200 square miles. All of that, except for about 30 acres,

has been set aside for conservation, solar energy development, and recreation. As you know, El Dorado Valley, through conservation easements, has allowed the county and other areas to grow.

We have been impacted by the national economy. Our ending balances have dropped. Where we were about 20 percent we are now down to just under 10 percent. We maintain about a \$2 million ending fund balance right now, and we have projected a slight increase in next year's budget. Our general operating fund is about \$24 million. Over the last couple of years we have decreased our expenses by \$3 million to help offset declining revenues. We have also taken measures with negotiations with our employees. We have been able to work with our employees without laying people off, which has been a great thing for Boulder City. We are under a little different formula when it comes to employees. Through the growth periods of Clark County, Boulder City did not grow, and because of that our government did not really grow. We did not have to tighten our belts to the same extent as Clark County.

The handout ([Exhibit N](#)) includes an organizational chart of Boulder City. You can see the different departments and services that we provide. One thing that we do have is public utilities where we offer electrical, water, and sewer services. As you continue on there is an introduction and brief history of Boulder City. There is also an explanation of the services that we provide, from public safety to public works and many other services.

We did also include some financial information. This is our total city budget. We have the general fund, which is around \$24 million in revenues, and the rest is in the utility fund, which is an enterprise fund for the city. The utility fund includes water, electrical, and sewer. There is also a list of the total city expenditures in there. We are a small town.

We have listed some of the challenges that we are facing in Boulder City. One of these is the traffic situation that we have coming through our town on U.S. Highway 93. The opening of the Hoover Dam bypass bridge has had one of the worst impacts on our community aside from the economy. We have known for many years that when that bridge opened we were going to feel the impact. The traffic problems that have existed at the dam have moved into Boulder City. We have been very vocal and worked very hard with Nevada Department of Transportation (NDOT), the Regional Transportation Commission of Southern Nevada (RTC), and our federal representatives to help bring us some solutions. It is not as if we have just started on this. We have been working on this problem for many years. In fact, they worked on it before I came on the city council in 2003. The main problem has been the resources. The money has just not been there to address the problems. We are asking that

another lane be put in to help deal with the volume of traffic that is going through there. We are also asking that during the time of construction the trucks be rerouted down U.S. Highway 95 again. That is one of our major challenges right now. The economy is another challenge that everyone is facing.

On the positive side for Boulder City, one of the things that has really helped us to lessen the impact of the economy is El Dorado Valley, which has our energy zone. We have many contracts with solar companies, that are producing lease revenues for Boulder City. Currently we have two companies, Sempra Energy and Acciona, which are currently generating over 120 megawatts (MW) of power. We have, under contract with Sempra Energy, another 200 MW photovoltaic plant. Also, another Korean company, Pohang Iron and Steel Company (POSCO), in partnership with an American company, is going to build the largest photovoltaic plant at 300 MW. We also have another company that is under contract for solar, NextLight Renewable Power, LLC, which has another 200 MW of power. We have dedicated over 8,000 acres to renewable energy and in that we are going to have close to 800 MW of power being generated.

A lot of people ask, "What is the benefit to Boulder City and to the area?" A lot of this power is sold to the California market. The first contract did go to NV Energy. One of the real benefits is from the Sempra and POSCO projects which will start next year. They will generate over 1,000 jobs during a two- to five-year period of time. That is a great benefit to southern Nevada. As we look at a lot of the transportation projects, 1,000 jobs is a large number. I believe Boulder City is doing its part in pushing renewable energy and it is a very positive thing for Boulder City.

Assemblyman Goedhart:

I would like to applaud Boulder City on the establishment of that energy park. You got the land from the Bureau of Land Management (BLM) at a very attractive price. You did a complete Environmental Impact Statement (EIS) and now the people that come in who have the money and want to sign the lease can start building right away. It eliminates about three years of a time horizon and you are in a great location as well to tie into the grid. You definitely have some great economic opportunities for your area. To my knowledge Boulder City was the first in the state to apply to annex that land from the BLM and to go ahead and do all the assessments and evaluations. You really cleared a way for people who want to develop green energy companies. In fact, a good friend of mine, Gary Bailey, worked for Duke Energy and started the first Concentrating Solar Power (CSP) solar project. I was also lobbying for Nye County at that point in time, and we did not have the package to compete with Boulder City. I have been encouraging Nye County to do something similar

as far as getting a piece of land with all the permits cleared, getting the money, and building.

Roger Tobler:

It is a real asset and I would love to take credit for that. I was not around in 1996 or involved at that time. Assemblywoman Woodbury's father was involved in the organization of that area. It did have a lot of vision that went along with that. The location with the grid has paved the way for Boulder City to take a lead in renewable energy.

Chair Kirkpatrick:

I feel that renewable energy is the direction where the state needs to go. Do you think it would be possible to go through the history and give us some ideas on how to do a similar process on the state level?

Roger Tobler:

It was a real learning curve for us. Our first project was in 2003. There were some things that happened at that time through labor and various things that needed to be changed. We would be happy to meet with anyone on that issue. Once again, Boulder City had some unique things that made it possible. One was the land, but also being in that area of the grid, and the transportation of the generation of power was unique to our area which was a huge benefit. One of the costs is building the transmission and we did not have that aside from the EIS that was mentioned. Boulder City would be happy to help.

Assemblyman Stewart:

I would like to welcome Mayor Tobler here. Can you tell us a little more about the impact of the traffic since the bridge has been opened? Have businesses in Boulder City been helped by the opening of the bridge? Have more people stopped, or are people just frustrated and continuing to go on through? What is the impact on Boulder City business?

Roger Tobler:

Since the bridge opened the weekends have been backed up through the town. It does bring people through, but they are not stopping. They cannot stop. It is at a standstill. They could pull in, but it is a pain to pull their cars back out. The businesses that are along that corridor that once relied on local business no longer get that on the weekends. I am speaking from experience because my business is one of those. It has made it very difficult for the town to access those businesses as well. I would say over all, especially in the Nevada Way section of town, it has had a very negative impact on businesses. In our downtown area it has probably helped a little bit because it is easier to arrive there and the mobility there is much easier. Right now we are not experiencing

the same backups, but we are not letting up because as soon as spring and summer hit we are going to have all of that lake traffic come back and it is going to be there. It shuts down our city. That is the problem with Boulder City. You have Highway 93 or Nevada Way which turns into Highway 95 and connects to Henderson. That goes through the heart of our community and when that is backed up, in our experience, it just shuts down the town. It has a very negative impact. We are going to continue to see that. In other areas when you have accidents you are able to reroute the traffic but in Boulder City there is no way to reroute it. In and out of town is one road. The main accidents that we have had have all included tractor-trailers. Even though they are not the major contributor to the backups, they definitely are a part of it. Look at what will happen with the deepwater port planned in Mexico. The tractor-trailers and the traffic increases that are going to be caused by that are going to come up Highway 93. Boulder City has to have some long term solutions and we believe that is going to be through the construction of Interstate 11.

Assemblyman Stewart:

I imagine that this problem will impact your art festivals and other events that you have had in the past. It will be difficult for people to get into town for those events. Can you also elaborate on your success in getting the tractor-trailers rerouted down through Searchlight?

Roger Tobler:

I am not very popular in Laughlin and Bullhead City right now. We believe that the federal highways can make an emergency decision on that regarding safety, and that is the direction that we have taken. The RTC has really taken the lead on this. It needs to come from someone bigger than Boulder City. We are now compiling the economic impact that these backups are creating for southern Nevada. We will be able to show not just an impact to a small community but also the impact of the overall community in southern Nevada. We will be making that presentation to the Federal Highway Administration (FHWA), and we hope we will get that. It would be just a temporary ban. We are not asking for a permanent ban. We realize that with the bridge being open that it is not logical for a permanent ban to be placed on that road. It is a temporary ban until we can get some more lanes built. Those lanes should have been built years ago. We just never got the attention that we needed.

Chair Kirkpatrick:

Please update the Committee, as well as the Committee on Transportation, as you go forward with your process.

Assemblyman Goedhart:

Do you have an estimate of how many tractor-trailers are now coming through that area? Obviously post 9/11 they were rerouted from being able to go over the dam. Now they are allowed to go back over that dam. Is it 1,000 a day or 2,000 a day?

Roger Tobler:

It is about 2,000 tractor-trailers a day. At one time we were projecting close to 3,000 or more, because some of the trucks were still going on Highway 95 but not like it was. If you drive on Highway 95 through Searchlight it is light as far as truck traffic goes. They are mostly coming through our town.

Assemblyman Goedhart:

Would you be able to do something short of an outright ban on tractor-trailers? A possible alternative might be certain hours that they would be allowed to come through or certain days. I have a few trucks go across that bridge, and I like it. It saves time and miles. We do not want to inconvenience the town, but the alternative from Laughlin is a rough patch of road.

Roger Tobler:

My request does impact the trucking industry because it is more expensive to take that route. They have also been taking that route for the past ten years. We are not in charge of that road. Whatever action we take has to go through NDOT. We have been asking for temporary measures—whatever we could get from them. They are doing their part too. They are looking at different improvements that they can make. If NDOT wanted to look at that kind of scheduling for the trucks on that road it might be something that could be considered. I do not know if that fits with what we are asking. We are open to suggestions with working with NDOT and the FHWA on this. Removing the trucks is not going to remove the problem for Boulder City, but it does give us some temporary relief, especially during the bad traffic times. Nevada Department of Transportation could consider looking at controlling traffic through timing for different periods of the day. It is a situation that needs some attention because currently it is not acceptable to our town.

Assemblywoman Pierce:

I am looking at a map and I want to be clear that I understand how this worked in a historical sense. The 33 square miles of land is the part we think of as Boulder City. The 107,400 acres from the El Dorado Valley Transfer Area, is that other part down Highways 93 and 95?

Roger Tobler:

It is down Highway 95. Highway 93 intersects and then it turns into a railroad pass and runs into Henderson.

Assemblywoman Pierce:

So the part that is in the El Dorado Valley is on Highway 95?

Roger Tobler:

Yes.

Assemblywoman Pierce:

Is that mostly the 107,400 acres and the 207 square miles which were in little pieces that got added onto the El Dorado Valley?

Roger Tobler:

Yes. The 30 acres was the original town site, and the 200 square miles came with the purchase of the El Dorado Valley. The valley is tied up in conservation easements and the energy zone. Most of it is conservation easements.

Assemblywoman Pierce:

Is part of the area connected by the little tiny piece of land? Or are they completely separate?

Roger Tobler:

Highway 95 separates those areas. If you look at Highway 95, we own both areas on the left side and that goes up into National Park Service land. A larger portion of the El Dorado Valley is on the energy zone part.

Chair Kirkpatrick:

There is also a virtual map where you can see the solar panels on the right side and left sides if you are heading toward Laughlin.

Roger Tobler:

Our dry lakes could be surrounded by photovoltaic fields in the next couple of years which will be exciting to see.

Chair Kirkpatrick:

We are going to start the hearing on Assembly Bill 37.

Assembly Bill 37: Revises provisions relating to the hours of operation of state offices. (BDR 23-422)

Teresa J. Thienhaus, Director, Department of Personnel:

I am here to speak on behalf of A.B. 37. I will be providing a brief overview of the bill and describe the flexibility that could occur due to the proposed amendments. [Read from a prepared statement ([Exhibit O](#)).] I would be happy to answer any questions.

Chair Kirkpatrick:

I am going to ask the Committee members to refer to the bill by section when asking questions because it makes everything easier for the witness and the rest of the Committee. They know specifically what question you are asking. If you have an overview question, just ask that outright. Are there any questions?

Assemblywoman Pierce:

I want to make sure that I am clear on this bill. This bill basically eliminates the requirement to stay open during lunch? Or is there more to it than that?

Teresa Thienhaus:

It does more than that. It says that the requirement to be open from the hours 8 a.m. to 12 p.m. and from 1 p.m. to 5 p.m. is eliminated.

Assemblyman Ellison:

Does this give the flexibility for marriage license and other offices? This is a minimum standard of 40 hours. Is that correct? You are not reducing the 40 hours. You are just asking for the flexibility to move those hours of operation around. Is that correct?

Chair Kirkpatrick:

We do have a similar bill on Friday which may address that particular area but this is specifically for the state's operations.

Teresa Thienhaus:

Yes, this is specific to state offices. There is another bill that would address your concerns about marriage license offices.

Chair Kirkpatrick:

There is one bill for local government and one for state government because during the special session the state was almost forced to put this into place and change hours of operation. Then the local government saw that they could also have some flexibility, so we have two separate bills that will be under our purview this time.

Assemblyman Stewart:

Under this bill do you expect to stay open more hours but move employees around? Would you be more efficient and effective?

Teresa Thienhaus:

Yes, that would allow a state agency to expand hours if they wanted to have employees that work on an extended day schedule. Their hours of business could be, for example, from 6 a.m. to 7 p.m. as long as they fulfill staffing needs within those hours. That is a greatly expanded day. That would allow for flexibility under this bill.

Assemblyman Stewart:

So you could have fewer employees on the job at a particular time, but you would be open more hours and be more serviceable to the public. Is that correct?

Teresa Thienhaus:

Whether there would be fewer employees would depend upon staffing needs in the particular office in question.

Assemblyman Ellison:

Based on this 40-hour workweek are there going to be hours in between the Monday through Friday from 8 a.m. to 5 p.m. where offices are closed other than noon?

Teresa Thienhaus:

What this bill allows is the flexibility for an agency head to decide that. Currently, they are not allowed to close during the eight-to-five hours Monday through Friday but under this bill they would be able to that. For example, if there is a particular time during the week when workload is lower than another time they could rearrange hours to meet that workload need. It might be outside of the traditional eight-to-five hours.

Assemblyman Ellison:

Would that be confusing to the public for notifications of hours?

Teresa Thienhaus:

The directors that I spoke with that talked about flexibility said that part of the work behind this bill would mean an increased outreach to the citizens to let them know what the hours of operation are for the agency. That is currently the case with some offices. For example, in Health and Human Services they do work on expanded hours and the public is notified of the hours that are currently in effect for that particular office. That is a result of furlough days.

Chair Kirkpatrick:

I have a policy as a Committee Chair that no bills move without a 24-hour waiting period so there will be no action on this bill today. We do real work session documents to see overviews of the bills. There is time for Ms. Thienhaus to get examples to us for some of the things that have already worked in the last two-year time frame.

There is a little bit of concern that the public is not going to know about the hours of operation. It is very different from the offices where you know that they are closed Friday, Saturday, and Sunday. For example, if I decide to go to the museum and it is closed I have disappointed a member of my family. That is devastating. If I promise something to my child I cannot make that up with anything else. That is a very basic example but that is exactly what our constituents would be facing. So I think if you could get us some examples of how this will move you forward then that would help the whole situation. The concern is that if we are going to provide services and because we are being asked to cut back, then we better have a good way for the public to know when they can use what little services we are going to provide. I do not know if that helps the rest of the Committee but I think that we need to be mindful of those circumstances. Does anyone else have any questions? Is there anyone who would like to testify in support of A.B. 37? Is there anyone who would like to testify in opposition?

Danny L. Thompson, representing the Nevada State American Federation of Labor-Congress of Industrial Organizations (AFL-CIO):

I have some concerns about this bill: specifically section 5. I think the question from Assemblyman Ellison was very pertinent. How do people know if those hours were to change what they would be? There are a multitude of industries that depend on these offices being open from eight to five. People work different hours. If they need to make a complaint they need to know, with certainty, where they can go and depend on that time. Because of the way this is written you could change the time every day, and for that reason we would be opposed to this bill.

Chair Kirkpatrick:

Does anyone have any questions? Does anyone wish to testify as neutral on the bill?

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services:

We have 15 offices throughout the state and 4,000 client contacts per day in those offices. We receive about 20,000 telephone calls per day. While we appreciate the flexibility, our organization would plan to continue to work five

days a week from eight to five for many of the reasons that have been stated, including availability for the public and adequate access. Also from a furlough perspective, which is something we have all been challenged with, one of the things that we have done as a division is to choose to run our offices at half staff two Fridays per month. We have sent out public notices so that people would be clearly aware of when our offices were open and closed. I did want to indicate that while we appreciate the flexibility, we believe that it is important for the Division of Welfare and Supportive Services to continue to operate five days a week from eight to five.

Chair Kirkpatrick:

If there is no other comment on A.B. 37, I will close the hearing. [There was none.]

I will now open the hearing on Assembly Bill 17.

Assembly Bill 17: Revises the applicability of the Nevada Administrative Procedure Act to the Public Utilities Commission of Nevada. (BDR 18-455)

David S. Noble, Assistant General Counsel and Utilities Hearings Officer, Public Utilities Commission of Nevada:

Before you today is A.B. 17 which is a proposal from the Public Utilities Commission (PUC) to clarify which revisions of the *Nevada Revised Statutes* (NRS) are applicable to judicial review for PUC decisions. In NRS 233B.039, subsection 3, paragraph (c) which states that the special provisions of NRS Chapter 703 for judicial review of decisions of the PUC prevail over the general provisions of this chapter, is deleted. It also inserts subsection 5, paragraph (d), which states that the provisions of this chapter do not apply to judicial review decisions of the PUC.

I would like to give a brief history of judicial review as it pertains to PUC decisions. For the last 92 years the commission has had its own judicial review provision, starting in 1919 with the implementation of the Public Utilities Act. In 1967, when the state adopted the Administrative Procedure Act (APA) with regards to contested cases and judicial review of administrative decisions, the predecessor of the PUC, the Public Service Commission, testified on that bill. Section 12, which states that if any provision conflicts with the judicial review provisions of the commission the judicial review provisions of the commission shall govern, was implemented. In 1977, Senate Bill No. 62 of the 59th Session came before the Legislature and that adopted the APA process for promulgation of regulations. The language that was revised in NRS 233B.039 stated that the special provisions for judicial review of Public Services

Commission (PSC) prevail over the general provisions of this chapter. In 1983, the Legislature took out Senate Bill No. 177 of the 62nd Session and that was a bill put forward by the commission to streamline and fast-track the commission's judicial review process. It conformed the venue provisions in NRS Chapter 703 to those of the APA and it also clarified the scope of review of the district court by adopting the language contained in the APA. That would not have been done if NRS 703.373 was merged with the judicial review provisions of NRS 233B.039.

What has happened is the language that now exists, that we would like to delete and replace with the new language, is left open to interpretation, and that is exactly what has happened in various district courts and with various judges within those courts. They have tried to meld NRS 233B.039 with NRS 703.373. In fact, NRS 703.373 is meant to be a stand-alone judicial review provision for the commission.

The reason for the fast-track review of commission decisions is based on two premises: money and infrastructure. All commission decisions basically touch on one of these two issues. With regards to money, there is the issue of rate stability. The commission has, in its process, general rate cases—that is a top-down review of all utilities operations, revenues, and recovery rates which are on a two- to three-year cycle. If the judicial review process of a decision takes one, two, or three years you have the potential of a spike in rates. If that happened, a commission decision would go into effect at the same time that a Supreme Court decision would go into effect. That would have the effect of spiking the rates. The other issue is carrying charges. Once commission decisions are issued they are deemed effective. Unless there is an injunction they go into effect immediately. Those binding rates are then recovered by ratepayers. If there is subsequently a refund or additional monies to be recovered from or to the ratepayers there are carrying charges—basically interest on these monies that either the PUC or the ratepayers are going to have to pay. The shorter the time frame for judicial review that we have, the less carrying charges there are.

Lastly, with regards to money there is what is called “intergenerational equities”. When a rate goes into effect there is a certain pool of ratepayers. If judicial review takes one to three years that pool of ratepayers changes over that time and there is not an equal comparison. If a refund needs to be issued, there are some people that are going to get that refund without having paid previously and others who are no longer in the area that should have gotten that refund.

With regards to utility infrastructure we have resource planning proceedings. This deals with utilities throughout the state that are regulated by us. A person does this through a construction permit or a resource planning process where they get approval to build something. They need to have certainty in a short amount of time as to whether or not they can go forward with their building. When the state was booming, it was very difficult for the PUC to even keep up with the growth. They need to have finality to know whether or not they can build that infrastructure in order to provide reliable and adequate service.

Over the last few years our judicial review has been taking longer and longer because the courts have been trying to meld NRS 233B.039 with NRS 703.373 and we have not been able to get consistency with the courts to do the fast-track process that is called for in NRS 703.373. That is why we have brought forward this bill for your consideration.

Chair Kirkpatrick:

Can you give that history to the Committee that you were discussing earlier? Are there any questions?

Assemblywoman Flores:

Under NRS 703.373 who oversees the process? Is this meant to take it out of the court system?

David Noble:

This stays within the purview of the district court and the Supreme Court. Under NRS 703.373, an aggrieved party has 90 days to appeal to the district court; either the First Judicial District court in Carson City or the district court where their primary business is located. The commission or any other party to that case has 30 days to file an answer. We are supposed to be prepared to go to trial within 20 days. For PUC, these matters take precedence over all other civil matters in district court. There is the provision that once there is a district court decision it can be appealed to the Supreme Court.

For a little more background, many states have fast-tracked judicial review. In fact, in Idaho PUC decisions go directly to the Idaho Supreme Court. We are not asking for that here. We actually think that having the district court review is a good way of weeding out issues for the Supreme Court.

Assemblywoman Flores:

This does not take away any remedies for the court? This is simply an expedited process through the court system?

David Noble:

The standards by which a PUC decision can be overturned are in NRS 703.373 and those are specific and have always trumped any provisions in NRS 233B.039, as far as the basis for overturning a PUC decision.

Chair Kirkpatrick:

We have a lot of questions.

Assemblywoman Neal:

You mentioned in your testimony that you were seeking to shorten the process and now you want to be exempt from the court doing judicial review on PUC decisions. Is that correct?

David Noble:

No, under NRS 703.373 there is a process for judicial review already. What NRS 233B.039 does on top of that is to allow for cross-petitions. It allows for extended briefing and new evidence to come in. Those were never things that were contemplated for judicial review of the PUC. It is strictly a procedural mechanism. It was a question of whether to follow NRS 703.373 or NRS 233B.039 judicial review provisions.

Assemblyman Anderson:

This is basically just for the Judicial Branch, to make sure that they are not creating confusion and going at cross-purposes?

David Noble:

This is partly for the Judicial Branch so that they are not confused about what is the appropriate process of review for appeal of a PUC decision. Given that there is always turnover with district court judges there is not that institutional knowledge of how to deal with a PUC decision. We are separate and apart from all other administrative agencies. Often these cases come in and we have to communicate with the clerk and the administrator for the judge hearing the case and go through the process described in the two statutes. It is covered in both places. The confusion lies in whether the language states that there are special provisions in NRS 703.373 which prevail. That creates, in attorneys' minds, the idea that there is some wiggle room. Attorneys will try to overlap them. When you actually diagram it out there is no overlap. They are mutually exclusive.

Assemblywoman Benitez-Thompson:

Under the status quo where the two statutes are confused by the court, how long is this process taking? Under this bill how would you see that time frame change?

Chair Kirkpatrick:

I think once you put this on paper for everyone in the Committee it is going to make a lot more sense.

David Noble:

The time frame for district court review, which is all that this affects, is currently nine months to two and a half years. The way it should work is three to six months.

Chair Kirkpatrick:

Does anyone have any other questions? I do have some opposition. Is there anyone in support that would like to come forward now? Is there anyone that is neutral? Mr. Noble, did you have any final comments?

David Noble:

I did have the American Civil Liberties Union (ACLU) contact me at the beginning of the Committee hearing this morning and say that they did have opposition but said they were not able to testify. I plan on contacting them this afternoon and seeing what their concerns are and if we can work with them on those concerns.

Chair Kirkpatrick:

I will close the hearing on A.B. 17. At this time we will go to public comment. We did run out of time on the whole consolidation of local government. We can do video conferencing at another time.

The meeting is adjourned [at 11:00 a.m.].

RESPECTFULLY SUBMITTED:

Jenny McMenomy
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: February 9, 2011

Time of Meeting: 8:02 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Susan Scholley, Committee Policy Analyst	Committee Policy Brief
	D	Steve Sisolak and Don Burnette, Clark County	PowerPoint Presentation
	E	Ted J. Olivas and Elizabeth N. Fretwell, City of Las Vegas	PowerPoint Presentation
	F	Ted J. Olivas and Elizabeth N. Fretwell, City of Las Vegas	Fiscal Overview
	G	Ted J. Olivas and Elizabeth N. Fretwell, City of Las Vegas	Las Vegas City Charter
	H	Ted J. Olivas and Elizabeth N. Fretwell, City of Las Vegas	City Government Overview
	I	Ted J. Olivas and Elizabeth N. Fretwell, City of Las Vegas	Economic Impact Analysis
	J	Ted J. Olivas and Elizabeth N. Fretwell, City of Las Vegas	Fiscal Year in Review
	K	Ted J. Olivas and Elizabeth N. Fretwell, City of Las Vegas	City Statutes
	L	Shari Buck and Maryann Ustick, City of North Las Vegas	Presentation of City of North Las Vegas
	M	Shari Buck and Maryann Ustick, City of North Las Vegas	2011 Community Report
	N	Roger Tobler, Boulder City	Presentation of Boulder City
A.B. 37	O	Teresa Thienhaus, Director, Department of Personnel	Prepared Statement