

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

**Seventy-Sixth Session  
February 11, 2011**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 8:02 a.m. on Friday, February 11, 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/](http://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](mailto: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  
Cyndie Carter, Committee Manager  
Cheryl Williams, Committee Secretary  
Olivia Lloyd, Committee Assistant

**OTHERS PRESENT:**

Wes Henderson, Deputy Director, Nevada Association of Counties  
John J. Slaughter, AICP, Management Services Director, Government  
Affairs Coordinator, Office of the County Manager, Washoe County  
Nancy Parent, Chief Deputy Clerk, Washoe County  
Mary C. Walker, CPA, President, Walker & Associates, Inc.,  
Minden, Nevada  
Patti Chipman, representing Nye County  
P. Michael Murphy, representing Clark County  
Margaret G. Flint, representing Chapel of the Bells and Reno Wedding  
Chapel Alliance  
Kathy Marino, Co-Owner, Arch of Reno Wedding Chapel,  
Reno, Nevada  
Robert A. Cashell, Sr., Mayor, City of Reno  
Donna M. Dreska, City Manager, City of Reno  
Geno Martini, Mayor, City of Sparks  
Shaun D. Carey, City Manager, City of Sparks  
John Breternitz, Chairman, Washoe County Commission  
Katy Simon, Washoe County Manager  
Dave Childs, ICMA-CM, Assistant County Manager and ICMA President,  
Washoe County  
Michael Haley, Sheriff, Washoe County Sheriff's Office  
Kevin Knutson, Director of Office of Management and Budget,  
City of Reno  
Stephen W. Driscoll, Assistant City Manager, City of Sparks

**Chair Kirkpatrick:**

[Roll was taken.] We have a Committee member who has a bill up in the Senate, so we will hear the bill first. We will open the hearing on Assembly Bill 22.

**Assembly Bill 22:** Removes the prospective expiration of provisions allowing a county office to deviate from its required hours of operation under certain circumstances. (BDR S-280)

**Wes Henderson, Deputy Director, Nevada Association of Counties:**

Assembly Bill No. 2 of the 26th Special Session created a mechanism for counties to deviate from the hours of operation established in the *Nevada Revised Statutes* (NRS) for county offices. Any deviation required the board of commissioners to approve a plan submitted by the office and that the plan be cost-neutral or result in savings. The provision allowed such deviations to sunset on June 30, 2011. Assembly Bill 22 proposes to remove the sunset and continue to allow county offices to deviate from the statutorily mandated hours of operation if the criteria established in A.B. No. 2 of the 26th Special Session are met.

Passage of A.B. 22 will continue to give the counties the flexibility to operate their offices and provide services to their constituents in the most efficient, cost-effective manner. We ask for your support of this measure. I would be happy to answer any questions.

**Chair Kirkpatrick:**

Thank you, Mr. Henderson. Does anyone have any questions?

**Assemblyman Ellison:**

I did talk to Amy Harvey, Washoe County Clerk, this morning. She informed me that they are already doing this as we speak. They are extending their operations to allow for weddings and other related activities. What is this bill going to do to that?

**Wes Henderson:**

This bill would not do anything. Assembly Bill 22 allows the county to deviate from the hours that are in statute. The counties have always had the opportunity to extend those hours.

**Assemblyman Ellison:**

I believe in home rule, and basically this is what it is. The problem is advertising and letting the public know ahead of time the hours of operation. I believe that could be a problem.

**Wes Henderson:**

Any deviation from the hours that are in statute are done at a regular scheduled board of county commissioners meeting and done in a public forum.

**Chair Kirkpatrick:**

Let me help the conversation. How did you go back and implement it? I know some counties did something and other counties did not. I think that might lead

to some questions on how it is currently working. Did you establish regulations?

We give the counties authority, and then we never find out how it works or what the process to notify the public of the change of hours is.

**John J. Slaughter, AICP, Management Services Director, Government Affairs Coordinator, Office of the County Manager, Washoe County:**

We have with us Nancy Parent from our county clerk's office who will speak on the process. Let me begin by saying that Washoe County is fully supportive of this A.B. 22. Assembly Bill 22 removes the sunset date. Assembly Bill No. 2 of the 26th Special Session was enacted to allow us flexibility in all of our mandated office hours.

Our particular experience has been in the clerk's office related to marriage licenses. I would like to interject that in the six months since the implementation of this particular bill we have realized a saving of \$80,000 in a very small office. So it is significant to us to be able to continue.

**Chair Kirkpatrick:**

I would like to ask another question. Was there only one office that this was implemented in, or were there others that tried? What other agencies within the counties tried this? Was it only marriage licensing? If that is the case, we do not need to give the flexibility all back to the counties.

**John Slaughter:**

I could speak for Washoe County. In A.B. No. 2 of the 26th Special Session we were seeking the flexibility in cases where we have mandated hours, which is most of our elected offices as well as other offices.

We focused on marriage licenses because that was one area we saw where we would have the most impact on our operations and the ability to save in implementing this bill. In our particular case, because of the mandated hours of 8 a.m. to 12 a.m., 365 days a year, we saw an opportunity where traffic in that office was very low at certain times. They did extensive studies on the traffic pattern and were able to show where they could close and have some savings. So in our case, it was only the marriage license bureau, but we would absolutely continue to look at other areas where this could be implemented.

**Chair Kirkpatrick:**

Mr. Henderson, since you represent all 17 counties, can you let us know if any other counties did this? In Clark County I believe they looked at animal control

deviating some of their hours. In order for us to make an informed decision we have to know what was implemented within the last six months.

**Wes Henderson:**

We can certainly compile that information for you.

**Nancy Parent, Chief Deputy Clerk, Washoe County:**

I am here today on behalf of Amy Harvey, Washoe County Clerk. As Mr. Slaughter indicated, the statutory hours of operation for our marriage bureau in Washoe County are 8 a.m. to 12 a.m., 365 days a year. We have noticed a pattern over the last 30 years that the sales are declining. People are not coming in droves anymore to our town to get married. It could be for any number of reasons, but based upon that decline we did a study and once A.B. No. 2 of the 26th Special Session was passed, we looked at every hour of the day and every day of the year. We saw where our peak hours of sales were. Based upon that information, we submitted a plan to the Board of County Commissioners to reduce our hours so we covered the peak hours and could save money by pulling back a little bit.

The bottom line is we were open 8 a.m. to 12 a.m. Through our studies, we determined our peak hours were actually 10 a.m. to 6 p.m. on weekdays. We expanded that time frame. We now are open from 8 a.m. to 8 p.m. on weekdays. Fifty percent of our licenses are issued on Fridays and Saturdays. We are still open 8 a.m. to 12 a.m. on Fridays and Saturdays. Not so much on Sundays, but it is still the weekend and we are open 10 a.m. to 6 p.m. Holidays, we determined, were still pretty busy and, instead of being open 16 hours, we asked to be open just 8 hours, from 10 a.m. to 6 p.m. This seems to be working out very well.

We did ask to be closed two days of the year: Thanksgiving and Christmas. This past year we did remain closed on Thanksgiving. At the request of the chapel industry the board did allow us to be open four hours on Christmas Day. There were two of us who worked that day, and I was one of them. We issued six licenses and five of those six were used that day for a marriage ceremony. We were trying to accommodate the chapel industry and their concerns about the office being closed that day. Part of the concern was that Christmas fell over a weekend, and they thought people might be coming here to get married. The issue went before our Board of County Commissioners. The industry had many opportunities to come before the board, not only to request changes to the hours that we wanted but also to request special hours on special days like 10/10/10 (October 10, 2010) and 1/1/11 (January 1, 2011). We felt that as a community we were able to address the concerns, save money, give the people affected by the changes plenty of opportunities to voice their concerns, and

then work with those people to come up with the best solution for the industry and for our regular tax-paying citizens, who are paying for us to be open just because.

**Chair Kirkpatrick:**

Does anyone have any questions?

**Assemblyman Ellison:**

I agree. You should be able to adjust your hours of operation, especially if you have five employees not being utilized and just standing around. What if the library wanted to close from 4 p.m. and open at 12 a.m.? Are we going to create that kind of problem with this bill because it is kind of a broad, open bill the way it is written now? I do agree that we do need to adjust this to help the counties.

**John Slaughter:**

The bill addresses only those hours that are mandated in statute. For example, libraries are not. One piece of information that we need to get to the Committee is what offices have mandated hours and what those hours are. We do not have this with us. Again, it only addresses those mandated in statute. Regarding your example of the libraries, their hours are not mandated; they are set by the library board.

**Chair Kirkpatrick:**

Mr. Henderson.

**Wes Henderson:**

The list is in *Nevada Revised Statutes* (NRS) 122.061 and it deals with the marriage license office. *Nevada Revised Statutes* 245.040 deals with your elected positions, your county clerk, treasurer, assessor, sheriff, et cetera. *Nevada Revised Statutes* 252.050 deals with your district attorney.

**Chair Kirkpatrick:**

I think we need a lot more information for Committee members who are new. It would be nice if we had all of the agencies in the counties that the statute applies to and the time frames of other counties and what other things the other counties may have done. If I remember correctly, I believe the recorder's office was one of them. We need more information because anytime you take a sunset off of anything it is hard to put it back.

**Assemblyman Anderson:**

If you could, just make the Committee a list of what offices are covered. This would be really helpful to us.

**Chair Kirkpatrick:**

If there are no other questions, we will now start with those who wish to testify in support of A.B. 22.

**Mary C. Walker, CPA, President, Walker & Associates, Inc.,  
Minden, Nevada:**

Thank you very much for allowing the children to speak before the Committee yesterday. We really appreciate it. A lot of times children do not get heard.

We are in support of A.B. 22. Our counties—Carson City and Douglas, Lyon, and Storey Counties—did not flex their hours on those elected officials offices; however, we will still go through severe budget cuts next year. This is something we must look for. We would request the opportunity to have control over our own operations and how best to operate those offices. We appreciate your consideration.

**Chair Kirkpatrick:**

Are there any questions?

**Patti Chipman, representing Nye County:**

We support this bill. We did not change any of our hours when we were allowed to, but we are still looking into it. We have the north-south in Nye County and we have to keep the office in Pahrump and the office in our county seat in Tonopah. We keep dual offices that are 175 miles apart, and we are looking into all areas of time because we are crunching the numbers this year.

**Chair Kirkpatrick:**

Are there any questions? Is there anyone who would like to testify in support of A.B. 22?

**P. Michael Murphy, representing Clark County:**

I will make this quick. We are in support of A.B. 22.

**Chair Kirkpatrick:**

Is there anyone who would like to testify in support of A.B. 22? Is there anyone in opposition who would like to testify?

**Margaret G. Flint, representing Chapel of the Bells and Reno Wedding Chapel Alliance:**

Good morning, Madam Chair and members of Government Affairs. This is a little out of my element, and I have not spoken to this Committee before. I represent Chapel of the Bells in Reno, and I also represent the Reno Wedding

Chapel Alliance. This alliance consists of five independently owned wedding chapels: Chapel of the Bells, Arch of Reno Wedding Chapel, Silver Bells Wedding Chapel, Antique Angel Wedding Chapel, and the Agape Love Wedding Chapel.

We are here to speak in opposition to A.B. 22. I would first like to start with a little history. When Assembly Bill No. 2 of the 26th Special Session came about we knew this would have no effect on Clark County. We also knew it would not have any effect on the rural counties. Assembly Bill 22 affects Washoe County. Under statute the marriage license bureau has to make licenses available from 8 a.m. until 12 a.m. This has been traditional for nearly 50 years. A large portion of our tourism is based on wedding license issuance. I have a Reno-Sparks Convention and Visitors Authority (RSCVA) study ([Exhibit C](#)) that indicates that as much as 11 percent of our tourist base in the Reno/Sparks/Tahoe area is involved in some type of wedding or anniversary activity. We can even go into per capita spending on the study that I have.

This has a huge negative impact on private businesses. We are sensitive to the fact that the county does need to look at some deviation of hours. Out of the \$60 received from a marriage license, the bureau receives only \$21. Ten dollars of the fee does go to the county recorder's office. Basically the county is not making any money right now.

I did not want to bombard you with too much paperwork, so I put together some points that I felt were rather important. One of them has to do with the timeline. I am going to walk you through a few points on this. The County Commission met on April 13, 2010, to discuss the deviation of hours. The wedding chapels received an email from Amy Harvey, County Clerk, on March 30, 2010, inviting us to attend the meeting and participate. A copy of this email is attached to my exhibit.

When we arrived at the County Commission meeting, the five independently owned wedding chapels were all present. We were not allowed to participate in the discussion. We were not allowed any more than two minutes of public comment.

The other wedding chapels tried to defer their two minutes over to me to give me ten minutes to speak on this issue. We were denied. All we were allowed was two minutes of public comment. We were not allowed to interject. We were not allowed to participate in the discussion on what hours may or may not work.



We have run into some areas because of holidays. Again, let me state to you that in Washoe County somewhere close to 75 percent of marriage licenses are tourist weddings. Kathy Marino, sitting next to me, is a representative for the Arch of Reno Wedding Chapel. I can testify to you that between my chapel and Kathy's wedding chapel we represent 50 to 65 percent of the marriage license issuance in Washoe County weekly.

This bill will have an extremely negative impact on our businesses. We are unique in this industry, and we are completely dependent on the availability of the county clerk's office for our ability to do business. We do have a bill draft in the Senate that would allow for licensing . . .

**Chair Kirkpatrick:**

Ms. Flint, please stay to this bill.

**Margaret Flint:**

This is part of the bill. What I want . . .

**Chair Kirkpatrick:**

It is not. This is a completely separate issue. With all due respect, since the Committee has no idea what we even did during special session it is just cleaner if we talk about A.B. 22.

**Margaret Flint:**

Okay. Kathy and I have both attempted to work with the County Commission. We both met with Commissioner Jung, Commissioner Weber, and Commissioner Breternitz. Commissioner Jung and Commissioner Weber have both been very cordial. However, in the hearings we have been basically told by other commissioners they are tired of hearing this. They are tired of us coming before them and asking for extended hours for dates like 10/10/10 (October 10, 2010) and for 1/1/11 (January 1, 2011). These are both no-brainers. We got those dates. We had some issues during the Thanksgiving weekend. The Friday after Thanksgiving is what they consider Family Day, which I guess is a county holiday. We do not know county holidays because we are not county employees. The Friday after Thanksgiving is an extremely lucrative day for us. The clerk's office was only open 10 a.m. to 6 p.m. The office was also closed on Thanksgiving Day so we had a period where marriage licenses were available for only eight hours during that three-day weekend.

We went to the County Commission because of the Christmas holiday and it turned into a disaster. It was not lucrative for the Marriage License Bureau. However, the rationale behind that was, again, Christmas Eve fell on a Friday this year. Christmas Day was a Saturday. Again, we did not know that

Christmas Eve is a county-observed holiday. So the office was only open 10 a.m. to 6 p.m. on that day, which only gave tourist weddings an opportunity to get to Reno before 6 p.m. on a Friday evening. Then the office was completely closed again on Christmas Day. They did not reopen until the day after Christmas because it was a Sunday and they were only open from 10 a.m. to 6 p.m. So for a big three-day weekend holiday we had 16 hours. I do stand corrected on that. They did give us the four hours on Friday, but it was not the Commission that granted that. It was the Marriage License Bureau representatives, Nancy Parent and Amy Harvey. They did allow us four hours on Christmas Day.

We are running into a lot of issues. We cannot keep going back to the Commission and going through this. We are trying to work on some ways that we can work with the county clerk and possibly find some alternatives to be able to issue marriage licenses through the independent wedding chapels when the clerk's office is not available. Until then we do ask that you do not take any action on this A.B. 22. Perhaps we could discuss some amendments.

**Chair Kirkpatrick:**

Good morning. Please introduce yourself and testify.

**Kathy Marino, Co-Owner, Arch of Reno Wedding Chapel, Reno, Nevada:**

I agree with Margaret Flint, and I also ask that you hold off until we can find some other alternative. Our biggest concern right now is we have been told there are more cuts to come from the county. Basically, when do these cuts stop? Our feeling is that there is no consideration to the fact that ten people come with one wedding. The Reno-Sparks Convention and Visitors Authority indicates that there is a \$900-per-person impact on our economy, which is about \$9,000 per wedding. It is more than just the \$21 that the county gets. There is \$9,000 for hotels, casinos, gaming tax, room tax, gas tax, and sales tax. All these other things are impacted when we keep cutting and cutting.

Many of the cuts were not that bad for us. Our chapel requested time and time again, "Please be open extra hours on holidays and weekends." Please be open extra hours. Weekdays and holidays do not affect us that much, but weekends are so critical. They have cut 24 hours per week out of this whole thing. The county clerk's personnel still get their 40 hours a week, but they lose a little bit of holiday pay. These are the clerk's direct employees, not the security that is involved.

We feel there should be other alternatives, like finding a less expensive place to issue these licenses where they do not have to have two security officers, or

private licensing agents. There are other alternatives before we give the counties the permanent power to do this. There should be other alternatives so that we can stay in business. I understand from their perspective they need to look at the bottom line of how far they need to cut. I personally had to lay off two employees. We ask that you hold off on this bill until we can find some alternatives.

**Chair Kirkpatrick:**

Any questions? Mr. Stewart.

**Assemblyman Stewart:**

It seems that one of the problems is that you do not know what the hours are going to be. Is that correct?

**Kathy Marino:**

They voted on April 13, 2010, on what the hours would be up until this June. After that we do not know what is coming, but we have been told that the commissioners are looking at more drastic cuts to these hours. We are very concerned that at some point it is just going to keep going and going.

**Assemblyman Stewart:**

Has your business dropped off drastically because of the change in hours?

**Kathy Marino:**

The weekdays—not so much, but the holidays and Sundays I feel have drastically changed. I do not have any statistics, but I would say that one has hurt us quite a bit.

**Assemblyman Stewart:**

If it were my business, I would have statistics.

**Chair Kirkpatrick:**

Ms. Flores.

**Assemblywoman Flores:**

Thank you so much for coming and testifying. I am certainly sympathetic to the entire issue, but I wonder how much of the decline in business is directly related to these hours and how much of it is because of the decline of tourism and perhaps the decline in marriages in general. We have also seen a decline in divorce because people just cannot afford to do it anymore. I do not want to seem unsympathetic, but I also wonder how much of it is a direct correlation to these hours.

**Kathy Marino:**

I can tell you that Clark County was reduced by 1 percent last year. Washoe County went down 7 percent. Clark County did not change their hours. I think that is a pretty decent percentage, but I still think there are alternatives. We could still issue licenses in a different manner. Like I said, security at the courthouse is the biggest cost savings that they have right now. It seems to me that there should be some place around town where the commissioners could get a less expensive lease or something. They could issue licenses after-hours elsewhere since the only savings to the clerk's office is \$5,000 per year, not per month. If there was a less expensive place, the chances are that more licenses issued out of there will not cost as much.

**Chair Kirkpatrick:**

Are there any other questions? Mr. Livermore, Mr. Goedhart, and Mr. Ellison.

**Assemblyman Livermore:**

Correct me if I am wrong, but is it the p.m. hours that you are talking about in the reduction, and not the a.m. hours?

**Margaret Flint:**

We looked at those hours and can verify **that** there are more marriage licenses issued from 8 p.m. to 10 p.m. **than** there are in the morning. We did suggest to the Commission that they consider going from 10 a.m. to 10 p.m. rather than from 8 a.m. to 8 p.m. It is my understanding that they have to be available anyway and that was the rationalization for the 8 a.m. to 8 p.m. They did implement this on June 28, 2010, at the very beginning of our prime tourist season, and that was harmful to us.

**Assemblyman Livermore:**

My follow-up question would be, you had that information and were not allowed to present the information? I think it would be important for the clerk to decide the business of the industry. They can issue a license but the service has to be preformed by someone else including a justice of the peace. I guess somewhere along the line it would behoove someone from the clerk's office to meet with the individual who performs the function. That sounds like that did not happen.

**Margaret Flint:**

Exactly.

**Assemblyman Goedhart:**

Have you been able to enlist the help of the local tourism promotion agencies, since they would have a vested interest in participating with you and keeping that business going forward?

**Margaret Flint:**

There is no cooperation. In fact, the Reno-Sparks Convention and Visitors Authority do not return telephone calls or emails.

**Assemblyman Goedhart:**

I would like to have the opportunity to speak with you at your convenience later today.

**Chair Kirkpatrick:**

Mr. Ellison, and then Ms. Pierce.

**Assemblyman Ellison:**

Can the applications actually be made online, and then all they have to do is come in and be certified? Is that correct?

**Margaret Flint:**

Yes, a couple can apply for a marriage license online; however, they still have to appear at the clerk's office and show their identification.

**Assemblyman Ellison:**

In other words, it is still the responsibility of that individual to come in to do that. Is that correct?

**Margaret Flint:**

Yes, Mr. Ellison.

**Assemblyman Ellison:**

Here is one of my problems. We are asking the counties to work more with less. So you can understand their responsibility also. It is a two-way street. I am hoping that you will take that into consideration.

**Margaret Flint:**

Absolutely, we are very sensitive. In fact, we are sensitive to the fact this Monday is Valentine's Day. It is not necessary for the office to be open from 8 a.m. to 12 a.m. on a Monday, even though it is Valentine's Day. In Clark County, yes. Clark County is a different animal than what we are dealing with here. In Washoe County we could very easily be open 8 a.m. to 8 p.m. this Monday, Valentine's Day. We would not have any issues with that. The clerk's office could work closer with us to look at some of these hours on more of a calendar basis to see what falls on what day. These are areas that we are very sensitive to and we can share and participate in the process. Unfortunately, we do not get a lot of cooperation.

**Kathy Marino:**

What we are really looking for from you is a safety net. We do not necessarily want them to make the hours, but we want a safety net to protect us. If all of a sudden the office changes their hours to Monday through Friday, 8 a.m. to 5 p.m., our business is gone.

In South Lake Tahoe you can get a marriage license 24 hours a day. That is a one-hour drive away from Reno. We just want to keep conducting business without having to constantly worry about fighting over hours.

**Chair Kirkpatrick:**

Maybe it is a function that the county would want to give up altogether. Is there anyone who would like to testify in opposition to A.B. 22? With that we will close the hearing on A.B. 22.

We will now move into our presentations. We will start with the City of Reno. Just a reminder, the presentation is on the Nevada Electronic Legislative Information System (NELIS). You should have some additional documents that were handed out this morning.

**Robert A. Cashell, Sr., Mayor, City of Reno:**

Good morning, Madam Chair, and thank you for inviting us. To my right is Donna Dreska, City Manager. We are going to cover a few things. During the last couple of years we have had some things go very well such as our organizational excellence. In a support survey, 82 percent of the people were happy with the meetings they had with our professional employees and rated them excellent or good. Regarding regional collaboration, we are working with the City of Sparks and Washoe County to see if we can combine or do some shared services to save us money.

We have gotten some national and international recognition: "Best Places to Live 2010," *Men's Journal*; "Best Towns 2010," *Outside Magazine*; "The Best Neighborhoods in America: West," *Men's Journal*; named Reno one of the Natural Resources Defense Council's "2010 Smarter Cities for Energy"; and it was ranked number 4 in a listing of the "World's Leading Geothermal Cities" by the Geothermal Energy Association.

I really want to thank all of you for helping us with the homeless shelter that we started building a couple of years ago. The money that you appropriated when things were good made it possible to build the homeless shelter, which includes a triage center, a clothes closet, and a family shelter. Working with Washoe County and the City of Sparks, we were able to put it together, and it is working really well. We still have a few bugs to work out. I thank you all very,

very much because without your assistance we would not have been able to do this as well as take care of our people. I am now going to turn the presentation over to our City Manager, Donna Dreska.

**Donna M. Dreska, City Manager, City of Reno:**

I would like to provide you an overview of the City of Reno and what we do for a living. Regarding the document in front of you ([Exhibit D](#)), I will not go through the whole document, but rather just cover some facts.

We are city of 106 square miles. We were incorporated in 1903. We have a population of 218,000. Over 50 percent of the population in Washoe County lives in the City of Reno, which is less than 5 percent of the land mass. We operate under a city charter with a council-manager form of government, so I always defer to the mayor. As you are well aware, every city in Nevada has had significant decreases in its budget. The 2010/2011 budget is down about 17 percent overall from the 2009/2010 budget. Last night we had a hearing on the current budget. Before last night we were down 24 percent of our staff. After today we will be down over 30 percent of our staff because of the declining revenues.

We have a meeting later on this afternoon with the Department of Taxation to discuss our reserves and revenues and bring them back to being happy with us.

Our overall organizational chart is on page 9. Right now, with our continuing decline in staff, we are in a constant state of flux. We have several departments where we have combined or have replaced the manager with one individual. Community Development and Redevelopment are now under the Assistant City Manager over Development and Community Services. There is no manager or director over that area. As we are cutting at the bottom, we are also cutting at the top to flatten the organization.

This upcoming year we expect our Communications and Technology Director to retire and we do not plan to replace that position. We have combined our Finance Director with our Assistant City Manager over Human and Financial Services. We are flattening and cutting across the organization to make that balance and still meet the needs.

We provide what typical cities do, police and fire. Under an agreement with Washoe County we provide for the Truckee Meadows Fire Protection District. We work with the county with over 60 services. We have four services we are looking at for ways of assisting one another and possibly cutting costs further and reducing overhead. We are also working with the sheriff's office on a couple of possible opportunities as well.

With that, we have the *City Charter* ([Exhibit D](#)), pages 31 to 67. We have the *Nevada Revised Statutes* (NRS) that affect the city, as well as the specifics on the different departments.

**Chair Kirkpatrick:**

Does anyone have any questions?

**Assemblyman Stewart:**

With all the layoffs, especially with the high-ranking directors and so forth, do you have any follow-up as to what happens to them? Are they leaving the community? Are they getting similar jobs elsewhere?

**Donna Dreska:**

Some of them are retiring. Some have come to us and then gone back to Clark County. Some retired into the community. The person retiring this year will stay in the community and be available to us. Our deputy clerk is going to retire here and still be available to us. The majority of them are staying. There was one, I believe, who went back to California.

**Assemblyman Stewart:**

So the majority of them are retirees rather than people becoming unemployed? Is that correct?

**Donna Dreska:**

Most are retiring or leaving through attrition. If they take other jobs, we are not refilling those positions.

**Chair Kirkpatrick:**

Are there any other questions? Mr. Livermore.

**Assemblyman Livermore:**

Can you explain to the Committee what the process of consolidation is? Where is the city with consolidation? What is on the table right now?

**Chair Kirkpatrick:**

We are actually going to have a whole presentation afterwards with Reno, Sparks, and Washoe County.

**Robert Cashell:**

We have been in discussions looking at things. Right now we are looking at shared services, and we are looking at how we can save money by sharing. We have done it with animal control and several other agencies. We have been working together as a unit with the homeless problem. We are open-minded.



Sometimes when territories get in the way it can cause problems, but really we are working on it. Somewhere someone is going to have to make a decision.

**Donna Dreska:**

We are currently discussing with the shared services certain aspects of human resources. The purchasing department person recently retired. We did not fill this position. We are in conversations with Washoe County on that position as well as dispatch and information technology, which is costly because we are on different systems, so it may take longer.

**Assemblywoman Bustamante Adams:**

I was wondering if you could quantify for me the total number of layoffs that have been happening over the last couple of years? I know they are really painful and hit hard on Las Vegas. Has the City of Reno been strategic about the layoffs? I did not know if I could get the actual number.

**Robert Cashell:**

I am going to let our City Manager, Donna Dreska, answer that question, but our council has been very, very concerned about laying people off. We do need some help and changes made with our bargaining groups. We are working with the groups, but it is very painful when you lay off one person. It not only affects the person laid off, but also affects four or five other people. We do not like that at all. We do need some help, and we will be coming to the Legislature seeking some help so we can do it better.

**Donna Dreska:**

The city council gave us the authority to decrease 146 positions at last night's meeting. Of those positions, over 100 are existing positions filled by individuals. The prior year there were 122 positions that were filled and we had over 1,600 full-time employees. By the time we get done with this round of layoffs we will have a little over 1,000 employees. As I said, we have cut across the board.

**Assemblywoman Neal:**

I am trying to understand your statement on your economic development/diversification when it deals with growth of industries. Are you saying you need more support to help competition?

**Donna Dreska:**

What that means is we need to grow our own. We need to assist the companies that were already here in their growth and retention, as well as making sure that those are areas that continue. It is not always importing and bringing from elsewhere; it is growing your own.

**Assemblywoman Neal:**

What strategies have you already implemented?

**Donna Dreska:**

We have implemented an awareness of what something the city council has said—that economic development is a priority for the city for next year. Many believe that we need to go out and bring in companies. Coming from Colorado, I believe we have a unique advantage in northern Nevada. Northern Nevada has a very outdoors orientation, and I think we can build on that aspect of tourism as well as gambling. We are working with the Economic Development Authority of Western Nevada (EDAWN), which represents the northern region and all the other communities, but we have not taken specific steps.

**Robert Cashell:**

We try to help the companies. If they come in and they need permits, we try to expedite the process. We try to find out where they are having difficulties. If they are being caused by government, we try to work through them and open the doors.

**Assemblyman Ellison:**

What portion of the layoffs is related to public safety? I know it affects everyone down to parks and recreation.

**Donna Dreska:**

Public safety is the largest part of our budget. Last year we tried to apply to everyone equally. This time we did not. We took 20 percent of what was remaining from the remainder of the year from all the departments except for public safety. We asked public safety for 10 percent. We have cut public safety less than the other departments.

**Chair Kirkpatrick:**

Are there any other questions?

**Assemblyman Munford:**

It is good to see you, Mayor, and I have always enjoyed our relationship and association. I recall one of the highlights when I was a freshman legislator was when the City of Reno took us on a tour of the city. I know you have budget restraints and problems, but this tour would be an experience for a lot of the freshmen, if that could happen.

**Robert Cashell:**

In my closing comments I was going to invite everyone in the springtime to come and tour Washoe County, the City of Sparks, and the City of Reno. Come

and see the fine things that we have accomplished, for example, the Legends shopping center, the Whitewater Park. Maybe we could take in a baseball game at the new AAA stadium. We think it is very important to show the legislators what we have. We do intend to get with the City of Sparks and Washoe County and put together a lunch or maybe even a little ball game.

**Chair Kirkpatrick:**

Economic development and redevelopment are two separate things, but we tend to put them as one. Redevelopment is about blighted areas and cleaning up the neighborhoods. Economic development is about creating jobs and bringing business. They are two very separate things, but a lot of times in our state we mix them together. This causes residents to get frustrated because they do not know how many jobs were created in the area that you cleaned up. I want to make sure when you say economic development—are you working with your convention authority? I think we miss our own opportunity here as far as marketing. We should be at the convention authorities hosting breakfast meetings with all of these businesses and then streamlining their permitting process. I want to make sure that when you say economic development we are really talking about economic development, and not redevelopment.

**Robert Cashell:**

When we talk about economic development we work very closely with EDAWN. We then work with the companies. When they come into town and they have a large product, we will assign certain people so that they do not have to call 20 different departments. They call one person to help them.

When it is tourism like Hot August Nights, Street Vibrations, and the Air Races we try to work with the Reno-Sparks Convention and Visitors Authority. We, as well as the council, Washoe County, and the City of Sparks, meet with these people when they get to town.

**Chair Kirkpatrick:**

I just want to know if it works up here in northern Nevada better than down South, because it sounds like it does.

**Robert Cashell:**

It has been working very well, even in some of the blighted areas where we built the baseball stadium. They just hired 275 people for the upcoming season and they will be employed from April until the end of October.

**Chair Kirkpatrick:**

Lastly, under your challenges I did not hear talk about water challenges. I know in the past we have talked about water. Is that something you want to save for a water day?

**Robert Cashell:**

We do have a lot of challenges coming up. We do have a bill that will be introduced and we hope the bill will give us some relief with some of the bargaining agreements. This is probably one of our biggest challenges, and we think we will be able to sit down and work with them.

**Chair Kirkpatrick:**

But is water still a challenge in this part of the state for you? In my first two sessions I learned how important water was because of the flooding and the way the river runs. I only ask because on February 21, 2011, we are having Jason King, State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, here to talk about water, and I was hoping that if you had concerns we could as a Committee ask Jason to see if water is still a challenge or if we do not need to worry about any water challenges.

**Robert Cashell:**

We can get the Committee some information from the Truckee Meadows Water Authority (TMWA). I will tell you that we have a reserve. We love the big snowpack that we got this year. We want a little more snow before the season is over. We have been in pretty good shape with water. We just won a case not too long ago. We are in a settlement where California and the Indian tribes have all come to an agreement with Donner Lake. We now have 50 percent of the water in Donner Lake reserved, whereas California said we did not have an ounce. The courts have ruled and the tribes worked with us to achieve this settlement. We did get the Truckee River Operating Agreement (TROA) signed through Senator Reid. The tribes and everyone worked together and it gives us specific rights to water out of the Truckee River.

**Chair Kirkpatrick:**

The last question will be from Assemblywoman Neal.

**Assemblywoman Neal:**

I have more of a comment than a question. Have you seen the Water Street District in Henderson? They have restructured the front of the buildings and made the old buildings fit with the new. Maybe this would work for Reno. I thought about funding and where the city would get the money. Maybe it could come through the neighborhood stabilization dollars that have been allocated. I do not know if Reno is getting any part of the Neighborhood Stabilization Program 3 (NSP3) that allows the city some level of restructuring with that money. I did not want to ask about a strategy and not offer an idea.

**Robert Cashell:**

We appreciate that because we have designed the remodeling of the fronts of all the buildings in downtown Reno. We have artwork already finished. Seventy percent of the lands are owned by individuals, and our biggest problem is that some of the owners do not want to change, even though we give them low-interest loans. They have not been excited about doing it. Some people just want to open liquor stores downtown instead of bringing new businesses in. We are working with them, and we think it is a great idea that you have upgraded the facades like they did in Henderson. I love what they did here in Carson City.

**Chair Kirkpatrick:**

At this time we will invite the City of Sparks up. The Committee members have a hard copy in their notebook and they are also available on the Nevada Electronic Legislative Information System (NELIS) on the computer.

**Geno Martini, Mayor, City of Sparks:**

I see some familiar as well as new faces. Welcome to all the new members. I really appreciate you stepping up at this particular time, especially with the way the state economy is going.

I am just going to make a few brief opening comments and then I will turn it over to our City Manager, Shaun Carey.

One thing I would like to say for the record is that Sparks is taking a new direction this year with our legislative lobbyist. We have hired a strategist instead of a lobbyist. Anytime the City of Sparks is going to speak with you it will either be me or the city council. Our lobbyists will be some staff members who will be throughout the building during the session.

We as a council and mayor want to get more involved in the process, and we want to be the ones talking with our elected representatives. An elected official talking to another elected official makes a lot of sense.

We are not going to play this up in the media. Our hope is that we will be working with you on a one-to-one basis. Anytime you have a question about the City of Sparks, or we have a question for you, we can feel free to ask. I know that you will be busy and it is going to be tough to schedule meetings, but let it be known that we will be available whenever the Committee needs to speak with us.

**Chair Kirkpatrick:**

I want to say that I appreciate what you said because I think it is important this session, and I do look forward to working directly with you. Committee members, please do not hesitate to reach out to the people because this is the time we need to work together and not against each other.

**Geno Martini:**

We have a legislative team comprised of me and Councilwoman Julia Ratti. I am a Republican and she is a Democrat, so we have all the bases covered. Our council members will be testifying in their areas of expertise whenever you need them to.

**Shaun D. Carey, City Manager, City of Sparks:**

I have been with the City of Sparks for 18 years. I am very proud of our organization and of what you do here at the Legislature and look forward to working with you. The City of Sparks is a city of some 33 square miles, located in the northeast section of the Truckee Meadows. We are a city of 92,000 residents, and we have grown by over 20,000 residents in the last ten years. From the period 1999 to 2009 we added over a billion dollars of private investment onto our assessor rolls for our community, and that was a great marketable accomplishment. The challenge we face today is how to deal with some of the worst economic and growth conditions we have ever seen in our community. It will take your leadership to solve the problems that are confronting all of the Nevada cities and counties. I particularly wish you well and offer to support you in any way we can with that mission.

We are in our fourth year of a severe downturn. It hit our city first because of our low levels of reserves, and we have made severe cuts in each of the last four years. We have lost 30 percent of our workforce in the current year. That is over 217 employees. We have seen our general fund budget fall from \$72 million to \$50 million. The challenge that begins on July 1 is to find an additional 10 percent, or an additional \$5 million, for our agency to move forward with a balanced and sustainable government.

Those are very challenging issues. We have seen our employees' percentage of our chief revenues rise from the 70 percent range to the 90 percent range. This

next round of cuts will be in the direct services that we provide to our residents. That is the challenge we face. We will do that and we will ensure the future is met with proper and appropriate measures with a stable, safe budget.

I do need you to look out for the City of Sparks because any additional cuts will mean the loss of services to our community. We have lost police officers. We have cut our fire department by over 17 percent. We have decimated our community development department, from a high of 84 employees to 16 employees today.

In the last year we completed the downturn in our staffing. I have lost one assistant city manager who will not be replaced. I laid off the public works director for Nevada's fifth largest city and merged that department with community development. We also lost our parks and recreation director in January. Thirty-one years of leadership walked out the door. The challenges continue to grow. It has been very hard on our employees. Our firefighters gave us 7.5 percent in wage concessions last year on a permanent basis in order to avoid layoffs. That would have been 11 firefighters and that would have directly impacted our ability to save lives and put out fires. Our police department stepped up to the plate with 4 percent reductions on a permanent basis to keep their officers on the street.

This is a very challenging time. You will hear later in session that the City of Sparks continues to grow, but our budget continues to fall. It is a widening gap of service demands that must be met with innovation.

Our mayor and council this year stepped forward and said let us do a Sparks Sustainable Services Initiative; let us look at all aspects of the tools that we can bring to bear. Gone are the days of simple across-the-board cuts and percentages. We are identifying the key services and focusing on those services.

I want to point out that we provided you ([Exhibit E](#)) with the business plans, the annual reports, our citizen's survey, and our environmental scan. I would ask you to look at these documents. They are presented in a manner which brings you the facts and figures that allow you to look deeper, to look under the cover of our community to find out exactly where the problems and challenges lie. You have roles as our state officials in helping our prosperity, and the mayor will tell you the number-one job that we have in the city council is to get our economy moving. It has come to a standstill. In 2006, we built 2,500 homes in our community. In the last fiscal year we did not create any new single family lots. That is the scale of the decline that has incurred in our community.

Vast numbers of our community are unemployed because of the downturn in the construction industry. Some of those trades are in excess of 50 percent. We have 2,300 lots in beautifully planned communities that can welcome families and that can be a home to residents that are on a scale and quality that rival any in the nation. We must find a way to get the capital moving—to get people untethered from their upside-down mortgage conditions so we can move our community forward. This problem is shared by Reno, Washoe County, and every city in the state. That is why your focus in this Legislature on economic matters is critically important to our future. With that, I would be happy to answer any questions and will always be available if you have a question from the documents we have supplied.

**Chair Kirkpatrick:**

Are there any questions?

**Assemblyman Stewart:**

I have the same question that I had for the City of Reno. Do you keep track of the employees that are laid off or let go, like your parks director? Are they getting other jobs or are they still unemployed?

**Shaun Carey:**

It is a very mixed bag. I do have employees who are in the extension of unemployment benefits—meaning they have been out of work for over 18 months.

All governments are cutting. The skills we have are transferable only to other governments and to a large degree in many of the specialties such as planning and engineering. These jobs are related to growth and development. The jobs are simply not out there. These have been very trying times. I have also seen my parks director find a job in California. He is a vastly experienced person and he moved on.

We are adding to the unemployment rolls. Last spring we laid off 85 employees. Of those 85 employees over 60 percent are not finding work in this economy. That is a troubling sign. The \$5 million that I spoke about for next year, with 90 percent of our budget going to people, is going to mean we will need to lay off more employees if we are unable to get concessions on our wage packages. Remember, in city government what we do is through employees, other than our sewer plant, which operates regionally and acts like a factory. Every transaction is delivered by an employee, be it a police officer, firefighter, planning counter, revenue counter, or be it the work that I do working with community groups serving the council as the city manager. It is a



one-on-one transaction and the only commodity that we have is the one that is under attack.

**Chair Kirkpatrick:**

Does anyone have any other questions?

**Assemblyman Livermore:**

On page 14 of your presentation ([Exhibit E](#)) you list the city's unique challenges. You list the need to control the city's escalating benefits plan costs due to shrinking revenue and expense inflation. Will you please elaborate on what you meant by that statement.

**Shaun Carey:**

We have a competitive wage and benefit package which enables us to compete with other cities and counties for the types of professionals that we need. We do have a health care plan and the plan continues to rise in the double-digit range every year. This is no different than many other organizations in the state. When things are rising in double digits and revenues are declining in double digits, you often have huge gaps. We are trying to work with our employee groups to change our health benefits plan.

It was also important and necessary this year that prudent measures be taken with the Public Employees' Retirement System of Nevada (PERS). The City of Sparks does contribute to this plan, and it is appropriate that the city makes sure the plan is properly funded. Those increases will be added into our budget next year as well.

We have very few of the unfunded liabilities and post retirement for long time use. When an employee leaves us the employee can convert his sick leave to pay premiums. That is called sick leave conversion. So we are fortunate that we do not have too many of those to burden us. We do need to address the rising costs of employees. That percentage of 90 percent of our employees compared to the three biggest revenue sources is one we think will be healthy and sustainable when that is back in the mid-70 percentages. Our financial policies will guide us there over time.

**Assemblyman Livermore:**

Are most of these benefits embedded in the collective bargaining agreement?

**Shaun Carey:**

Yes, sir, we have some 13 collective bargaining agreements in the City of Sparks. We do have to negotiate those changes. We have had very good support in this challenging economy from our firefighters, police unions, mid-managers, and executives. I look for that support to be part of the spirit that keeps our community moving forward. Layoffs are our last resort. Controlling pay and benefits is going to keep the services going to our community.

**Chair Kirkpatrick:**

Are there any other questions?

**Assemblyman Anderson:**

How is the Legends shopping center doing?

**Geno Martini:**

Legends is doing fine. It is not up to their expectations—they have not lost any businesses, but they are starting a new campaign to fill in the empty spots. The large sporting goods store, Scheels, is doing well. Some of the restaurants are doing very, very well. One local businessman, Luther Mack, who has been in the restaurant business for years, is very pleased with what we have done. It was great for us to have a local businessman step up to the plate and get some national restaurants into the shopping center. Again, they are working hard to bring new venues in. The casino is looking better as we speak. The theater should be coming soon. There is some light at the end of the tunnel.

**Chair Kirkpatrick:**

Are there any other questions?

**Assemblyman Ellison:**

On page 12 of the "Environmental Scan 2010" portion of your presentation—crimes against persons—you have data from 2002 through 2009, but there is no data on where the city is to date ([Exhibit E](#), page 17). If you look at crimes against persons in 2009 the numbers are way up. I know you had to lay off a lot of the police officers. What do you think it will be in 2010?

**Shaun Carey:**

We are seeing an increase in the number of violent crimes in our community. The number of assaults involving our police officers has risen by 100 percent in the last year. It has been the aim of the department to focus on the violence that is happening and keeping our officers safe in these dangerous encounters.

We have had six murders in the City of Sparks—something that is unheard of for the city. We are solving those murders and moving those cases through the criminal justice system.

One of the things I am most proud of is that as we have reduced our services in the police department, these men and women have refocused their efforts and we have reshuffled our priority response criteria. We are no longer responding to some of the things police officers traditionally would have come to your home for. We have re-sorted the deck to give our response time to a priority-one call. That is the most critical call for help. We have taken that time down from an average of 10 minutes to 6 minutes prior to the changes in the priorities. That is right on the goal that we set for the city, so we are changing our police delivery but not losing sight of those most critical 911 calls where we must have people protecting people from people.

**Assemblyman Ellison:**

That is great. If you take a look at page 12 ([Exhibit E](#), page 17), I will show you what I am trying to get at. I would really be interested when you do get the statistics back from 2010. I think that will be important in some of the ways we are going to have to look at things in the future with the downturn of the economy and what we are going to have to do.

**Chair Kirkpatrick:**

Are there any other questions? On your challenges, would you elaborate on the green sustainability issues? Are there things in our Housing Division that we can help direct funds there? I am assuming as your equipment gets older there are probably infrastructure changes that are needed, with fiber optics as the newest and craziest wave. I know in the Governor's budget he has \$3 million for broadband and that covers some of the fiber optics. There are tons of grants out there for sustainability, and the Housing Division has enough money to share with some of our local governments.

**Shaun Carey:**

The City of Sparks did establish a strategic plan and five years from now we want to achieve some change in our outcomes. One of them that is so critical is sustainability, particularly in the area of energy. We are very fortunate to receive some of the stimulus money, and just this week we are completing the installation of solar panels over all police car parking areas, which will greatly reduce our electricity bills.

We are going to build a sustainable budget. We are going to maintain a constant presence to push forward a long-term slate of change that will make Sparks greener. Reno has done a wonderful job getting their sustainable

program going. We are following their lead, and we are going to continue to partner and build a successful regional program.

One area of great concern is simply the cost of energy. It continues to be challenging to attract private business and also challenging to our local budget when I have a streetlight bill in excess of \$800,000 per year in a city with a \$50 million budget. It is very challenging to have to decide whether to lay off police officers or turn off the streetlights. We would like some help in getting some innovations into those programs. A conversion program for light-emitting diode (LED) lights would take our streetlight bill down by not less than 40 percent. So we need your help in looking at sustainability issues and providing a toolbox to municipalities and counties to allow us to access low-interest loans, such as we have done successfully in our state with water and sewer issues. This would be an avenue which would promote sustainability and build for the future. If we do this over time, on a sustainable basis, we will be cost competitive in the future, and that will grow Nevada.

**Chair Kirkpatrick:**

Let me ask you about that, because I thought that is what we did last session. I was under the impression that was how Reno got some of their funding. Assembly Bill No. 192 of the 75th Session allows financing out so the cities can have some energy efficiencies. It is specifically to help local government.

**Shaun Carey:**

That is true for what we own, but a public utility, NV Energy, owns the streetlights, so we need some help dealing with what is a private asset that we pay for on a monthly basis and our desire to protect our taxpayers. I need to have those streetlights energy retrofitted so we can reduce the costs to the taxpayers.

**Chair Kirkpatrick:**

That makes sense because so many people tell me that the energy rates are so much higher in northern Nevada than in southern Nevada. I have compared the rates all around and the rates are right. So it must be the infrastructure that is the problem.

**Shaun Carey:**

Yes. For example, the City of Sparks intervened in a rate case in June of 2010. We intervened on streetlights. Our streetlight rates are going up 12 percent next year within our community. We are looking at that as an issue that will hit southern Nevada next year as the rate case for southern Nevada will come forward. I believe there is a common interest among Nevada cities to look at the dynamic of assets that we do not own but that we pay the bill on. We

need to find a path forward which is only in the interest of keeping the lights on and keeping our community safe.

**Chair Kirkpatrick:**

I will ask Ms. Thompson later because I could work with her to come up with some innovative ideas. Are there any other questions?

**Assemblyman Goedhart:**

Is that streetlight rate different than a regular residential or commercial rate? If so, is it higher or lower? Is it around a \$0.13 kilowatt-hour range?

**Shaun Carey:**

I cannot quote that for you but I would be happy to get that data to the Chairwoman.

**Chair Kirkpatrick:**

Are there any other questions? We appreciate your coming and your work in the beginning, and we will be calling and working more closely with you.

**Geno Martini:**

Thank you for the time, and I appreciate your hard work. I do not envy what you legislators are going through. We want to be part of the solution and not the problem.

**Chair Kirkpatrick:**

At this time, we will call up Washoe County for their presentation.

**John Breternitz, Chairman, Washoe County Commission:**

Just like all governments in Nevada, Washoe County is facing some significant challenges: continuing high unemployment; high foreclosure rates; declining revenue in every category; and a high demand for services, especially in the area of the safety net services we provide to the residents. This is forcing us to look at the changing role of government today.

Our Commission recently held a series of public workshops focused on the future of Washoe County government. Topics included organizational and financial sustainability, the future of public employee benefits and compensation, and the changing role of county government. These discussions are a part of our strategy for the restructuring of county government to meet the needs of our citizens in the future. We have engaged a citizens committee of volunteer community leaders, some of whom are here today to help us identify and to focus our funding on our core services that we must provide to ensure the security, safety, and health of our community.

Defining our core services is just one of a number of strategies we are exploring to help us move into the future. Katy Simon, County Manager, is here today to provide an overview of Washoe County as an organization and as a region, as well as a community. Following the presentation we will be able to answer any questions you may have.

**Katy Simon, Washoe County Manager:**

I want to echo what others have said, thanking you for your service to our state. The decisions you make affect all of our lives, and we know how seriously you take that responsibility.

We have some summary information for you ([Exhibit F](#)). We just want to cover a few things because some of you may not be familiar with Washoe County. Our population is about 416,000. We are a very large county, covering 6,600 square miles. We have about 2,700 employees, which is 6.5 employees per thousand population, to provide all the services we have. We will explain how that has changed over time.

We also have an AA bond rating, which is the highest bond rating in the history of northern Nevada government. We received that rating last year during these difficult financial times. We have a page showing our Washoe County Commissioners. The next page of our presentation gives you a list of the public services that Washoe County provides. Like Clark County, we are a full service county for the residents in our region. You see three columns on our presentation. The first column is the state-mandated regional services that the NRS requires that we provide, like assessor, treasurer, elections, recorder, district attorney, social services such as child protection and adult services, public defender, and medical examiner/coroner.

The middle column lists our regional services we provide to all 416,000 residents of Washoe County. We are the only government that provides all of those services, either by agreement or by code. These include our consolidated jail, libraries, regional parks and open space, senior services, juvenile services, et cetera. Animal services is our most recent consolidation service under the county.

In the far right column are the local services that we provide to the unincorporated area residents. These residents receive only limited services from the county: sheriff patrol, business licensing, fire protection, et cetera. The ones that are user-funded come from funding from general taxes.

On the next page are some of the current budget year highlights. We have cut our spending by \$123 million over four cycles. We started cutting our budget

in 2007, earlier than some other governments, because we did understand what was coming.

We are currently at 2005 funding levels. We are spending at 2005 levels, and our staffing is at about 2004 levels. We heard this week from a presentation that, nationwide, local government employment is down about 2.6 percent. For Washoe County it is down 16 percent, and you have heard similar things for our sister cities of Reno and Sparks. We reached voluntary wage and benefits concessions with all nine of our labor unions. This year alone they agreed to give back almost \$9.5 million of existing wages and benefits to the taxpayers of Washoe County, and we thank them for that. This was in addition to other concessions that were made in the prior two years. The unions are our partners in trying to resolve the budget challenges.

We summarized some of the important numbers on page 6. We mentioned the \$123 million in cuts and 725 positions. Of those positions, the highest number of layoffs in one year was 105 employees. Many of those cuts have been made through retirements and attrition. Laying off 105 employees in our economy is very tragic.

We wanted to note for you that over the past ten years Washoe County salaries have grown 5.5 percent—5.4 percent less than the consumer price index (CPI) during the same period. We have tried to be responsible stewards of the taxpayers' resources.

We recently had a study done by the University of Nevada, Reno that showed the actual economic impact of Washoe County is really about \$465 million, about a half-billion-dollar economic impact every year and 7,453 jobs. That is because there is a multiplier effect for every job that a Washoe County employee has, and every dollar that we spend gets reinvested in the community and multiplies. We have a tremendous economic impact.

Page 7 ([Exhibit F](#)) is an overview of where our revenues come from. Intergovernmental, which is 28.5 percent, includes consolidated taxes, which are primarily sales taxes and they have plummeted over the last five years. On the right-hand side of this page are property taxes at 48.1 percent. Combine these two and they equal almost 80 percent of our revenues and, of course, they have both been in steep decline.

Page 8 shows how we use our general fund dollars. Almost 50 percent goes to public safety and judicial functions. These are very important mandates that the NRS requires of the county.

On page 9 we show uses by category. Sixty-five percent of our budget goes to wages and benefits.

Page 10 is an overview of how a property tax payment is divided. Look where the pennies of tax rate go in Washoe County, and you will see the vast majority are redistricted and designated property tax rates. Many of those are from legislative overrides and many are from voter overrides. The discretionary portion of the property tax that the Washoe County Commission has responsibility for is only about 95 cents.

Page 11 shows the annual percentage change in our budget and what we have been dealing with over time. We have been in steady decline each year since 2008.

Page 12 shows our expenditures per capita. Again, we have been restraining our spending each year of this Great Recession.

Page 13 shows our full time equivalent positions. We had a high of about 3,200 employees in 2008 and were down to 2,700 employees in 2011. This is a dramatic decline.

We always hear discussion about public sector employment and public sector wages and benefits. On page 14 we wanted to show you Washoe County's compensation. It is in the middle of the market. Our Board of County Commissioners sets a policy for our employee salary range, and the top of our ranges can only be at the middle of the market. The maximum that our employees can make is only at the average for the comparable public and private employers that we survey.

Page 15 ([Exhibit F](#)) is our budget reprioritization. We have been doing prioritized budget cuts since 2007, utilizing information from a citizen-led committee that helped prioritize those cuts. What we wanted to show you on this page is that as a result of our citizen input we have shifted resources to the things citizens care about the most. In 2005, 30 percent of our budget went to public safety. In 2011, 35.7 percent of our budget has gone to public safety. Of course, it is a smaller budget. The public safety budget is about \$6 million less now than at the height of our budget.

Because they were less prioritized during this difficult time, there were dramatic cuts and less funding was received, which is represented on this page. These would be things like parks and libraries. Our libraries are open 25 percent fewer hours than in 2008. This means that we have rolling closures of library branches, at a time when people are using libraries to do their job searches.



They also go to our libraries to use the free computers to help their children with their homework because they cannot afford a computer at home. We actually have 44 percent more users per hour at our libraries, and yet we have had to reduce their funding.

We have had reductions in police patrol. Sheriff Haley is here in the audience, and he has told me our police patrols have been reduced to 60 percent of what the average is for jurisdictions in our state.

We have volunteers opening and closing our regional parks at night. Neighborhoods have gathered together to do this because we do not have seasonal employees anymore. Our average time to complete a case in our Public Guardian's Office, which involves taking care of wards of the court, now takes a week longer, and in some cases those are life-and-death lengths of time for people.

Susan DeBoer, our Public Guardian, shared this story with me just the other day. Her office was called in by the sheriffs' office. They found an adult man, who was disabled and abandoned by his family, living alone in a house surrounded by his own filth. He had been there several weeks without full care and support. When you add a week of response time getting to this person because we do not have the staffing to get to him, this could mean life or death. These are very difficult choices that the Washoe County Commissioners have had to make.

It affects even customary things like road maintenance. We have had about a 20 percent decline in our road/pavement condition. As you know, when you let road/pavement maintenance go, the engineers tell us it takes five times as much money to rehabilitate that road as it does to take care of it in the first place. As those things deteriorate, it will cost the county more to catch up later.

Page 16 shows our fiscal year (FY) 2011-2012 budget highlights. We will have a decrease of 8 percent in our property tax revenues. We have a \$33.5 million or 11 percent deficit for FY 2011-2012 and that is before any of the impacts of what has been proposed in the Governor's budget. I do want to note that we did not budget for the impacts of those proposals because they were to sunset, pursuant to legislative action in 2009. Anything that happens as a result of the action that has to be taken to balance the state's budget is an additional impact to the county's \$33.5 million.

Under the leadership of Chairman Breternitz, on page 17 the Commission asked us to make a plan for the long-term sustainability of Washoe County

government. We are focusing on funding our core services, managing our labor costs, and investing in long-term change.

We have added a financial and organizational sustainability plan ([Exhibit G](#)), which is attached to our presentation. Next year we will be making \$13.8 million in cuts in our labor costs with our mandatory collective bargaining units, and this can only be done by agreement. We will be cutting our operating departments by \$5 million, making \$5 million in structural changes, and then using up \$9.7 million of one-time reserves to balance. Again, this is before any impacts of legislative action.

Page 20 ([Exhibit F](#)) gives a quick overview of some of the reforms that we have initiated in compensation and benefits. Not only did we get wage reductions this past year, but our employees agreed to the ending of a retiree health insurance benefit for newly hired employees. As of July 1, 2011, no new employees will receive a retiree health insurance benefit when they retire. This is what we all have to work with employees to achieve because we cannot continue to sustain the level of growth in those benefits. Our employees did agree to this, and we thank them for that.

We have worked very hard on accountability and transparency. We created an interactive budget model that models ten years of expenditures and forecasted revenues. We just received word last night that we are a finalist for the Cashman Good Government Award for our interactive model. We shared the model with all of our collective bargaining units. In fact, we trained them in using it. We sit down together with them and say, "What would you do?" It has been a very powerful source of collaboration for us.

We do performance measurement and we benchmark to national standards. I am a member of the International City/County Management Association Center for Performance Measurement. I am a national steering committee member, making sure that we are doing best practices in everything that we do. We focus on the safety net and, as I said, we have used the prioritized budget cut.

We have a citizen committee working with us to identify alternatives for service delivery. Can we contract with private sector agencies? Can we contract with another entity? Can we stop doing things altogether?

As you know, about 80 percent of what we do is mandated by state law. We do not have a lot of flexibility. We have a very big focus on innovation and efficiency and conservation. Some employee inventions have saved about \$170,000 this year alone. We encourage innovation by our employees. Partnerships and volunteers are a very significant part of our business operation.

This year, under economic development, we created a regional jobs team and brought together the cities, the school district, Truckee Meadows Community College, University of Nevada, Reno, the economic development authority, the Nevada Commission on Economic Development, and private enterprise, as well as local labor unions to jump-start our economy.

The remaining few pages show some of the results that the county has achieved. I have mentioned that our salary ranges grew 5.4 percent less than growth in the CPI during the past 10 years.

I mentioned our bond rating and I want to make sure that you know more than 70 percent of the goods and services we purchase come from Nevada vendors. We are very proud of this fact.

For the past 15 years, even in the good times, we have not increased our budget more than the effects of the CPI and population. This led the Washoe County Commission to decide during that time period not to impose 30 cents of tax rate we would have had the authority to impose. We have tried to be good stewards in the good times and in the bad times.

I will mention a couple of other accomplishments and results we would like you to note. We had a 9 percent increase in the perception of Washoe County as a good place to do business this past year. We have focused on streamlining permitting, making sure that we are being responsive to the residents, and making sure that business licensing is running efficiently. We are very proud of that.

We also were the national award winner for middle size counties in the entire nation for the Energy Star/Energy Conservation Award. We were recently named one of the top ten local governments in the United States for sustainability efforts by the International City/County Management Association. We are frequently called on to make presentations on things like getting citizens involved in budgeting, innovation in local government, performance measurement, and accountability.

I will not bore you with all of our achievements, although I do want to note a couple of things. As stated on page 23, during 2010 alone we had 46,105 hours of volunteer service from people who live in our community. They contributed the value of \$950,000 worth of service to us and we are also very proud of that.

We have worked hard at being a good and responsible government, doing the things the citizens want us to do as well as doing the things that you want us to do.

Some examples of our shared or consolidated services are on page 25. We have, as you may have heard, more than 60 services that are consolidated or shared between Washoe County, Sparks, Reno, the school district, et cetera.

On page 27 through page 29 there is a copy of the legislative principles adopted by our Washoe County Commission. First and foremost, we recognize that we are your partners in providing services to the same constituents you serve. We recognize that a great state requires a strong and mutually respectful government, at all levels working as partners in providing consistent and reliable services to our shared constituents.

We welcome your questions and concerns on behalf of your constituents. Please call me directly if there is anything you need from me. We know that we are all on the same team, trying to help the people of Nevada.

We also believe in focusing on outcomes. We have a very strong orientation towards results, and we did add our strategic plan summary ([Exhibit J](#)) at the end of the presentation, so you can look at the results our county focuses on.

Some of the legislative issues on page 30 ([Exhibit F](#)) are the fiscal condition of the state, economic recovery, and distribution of services.

**Chair Kirkpatrick:**

Are these more your challenges or your legislative issues? If they are legislative issues we can read the page. If they are your challenges we are happy to entertain them.

**Katy Simon:**

They are not necessarily unique challenges. These are things the Washoe County Commission is focused on as our legislative priorities. The Washoe County Commission elected not to present any bill draft requests (BDRs). We understand that you are very busy and we understand it is an important time for you to focus on the fiscal condition of the state. We will certainly be actively involved in the legislative process because one half of the bills every session have some impact on Washoe County government.

In summary, on page 32 ([Exhibit F](#)), since 2008 Washoe County has reduced year over year expenditures to 2005 spending levels today. It has been very difficult on our community and our employees. We try to be an effective,

efficient, and transparent safety net for critical services that are provided by no one else in our community.

We have mentioned that the Governor's budget proposals would slash another \$25.3 million per year from Washoe County's budget. This would be in addition to what we already have to deal with. It is the equivalent of an additional 275 positions and, as we saw from the University of Nevada, Reno economic study, that equates to 745 local jobs supported by Washoe County. We ask that you support and help us with the difficult work that we all do together.

**Chair Kirkpatrick:**

Are there any questions?

**Assemblyman Stewart:**

As I recall, last session we had a request for a regional law enforcement study.

**Chair Kirkpatrick:**

We did and in a couple of minutes we are going to bring the City of Reno, the City of Sparks, and Washoe County to the table to tell us what they did with that 500-page report.

**Assemblyman Stewart:**

I withdraw my question.

**Assemblyman Ellison:**

On page 15 of ([Exhibit F](#)) your presentation it looks like it was a community group that went back and did a study. Is that what you are saying? Was it community involvement that got it to that point?

**Katy Simon:**

Yes, that was. In 2003, when the first economic crunch of this century hit Nevada, we formed a citizen-led committee called Charting Our Course. We also included employee bargaining unit representatives and elected and appointed officials on this committee, but it was led by citizens, and they identified for us a prioritization system. We implemented that prioritization system. Each year we also do citizen surveying to make sure those priorities have remained the same. The priorities in general have public safety as the highest priority. Public safety has taken cuts every year that we have reduced the budget, but we have cut it less than we did others. So public safety is at the top. Judicial, health, and social services were cut second least, followed by general government and then culture, recreation, parks, and libraries. That tracks not only the citizen direction from the committee but also citizen surveys.

**Assemblyman Ellison:**

I find that amazing because at most times people still look at recreation and culture. You went from 7.9 percent to 6 percent. That shows that the residents are paying attention to what the economy is doing.

On page 7 ([Exhibit F](#)) of your presentation it shows the county budget. Is the 2.8 percent of licensing and permits based on this fiscal year? It looks like that to me because, if I remember right, that was \$14 million to \$15 million in the past. Was it not?

**Katy Simon:**

It was. That is for the 2010 current fiscal year. Those are all kinds of licenses and permits. These things are not only business licenses, but also building licenses which have declined dramatically, as well as things like permits for health fees, festivals, and special events.

**Chair Kirkpatrick:**

Are there any other questions?

**Assemblywoman Bustamante Adams:**

I have more of a comment than a question. I just want to congratulate you on your numerous awards, and also I would be very interested at another time to understand your involvement in a deeper way on best practices.

**Katy Simon:**

I would be happy to.

**Chair Kirkpatrick:**

Are there any other questions?

**Assemblyman Anderson:**

I also have a comment. I appreciate the nicely laid out presentation. It was really easy to follow along, and the presentation was very informative.

**Chair Kirkpatrick:**

How were the volunteer hours calculated? Was it done through the schools?

**Katy Simon:**

We asked each of our departments to keep track of the hours provided by the volunteers. We actually have a volunteer training program. We have a special feature on our website where people can volunteer. We actually have job descriptions for our volunteers. Our departments benefit more than I can say

from the volunteers. Neighbors are opening and closing our regional parks. We have volunteers working in the libraries.

**Chair Kirkpatrick:**

How did you do that? In the South we have tried to have volunteers, but we are told there is a liability issue. We have been in situations where we cannot provide volunteer crosswalk attendants because the local government does not want to take on the liability issue. But at the same time, you have to have community pride and do what is right.

I am just curious. How did you beat the liability issue? Did you have everyone sign a waiver when they volunteered?

**Katy Simon:**

"Beating" is an appropriate word because we have had really difficult, strenuous conversations with risk management and with our district attorney's office, trying to balance the board's direction to expand volunteer opportunities with the natural nervousness of employees opening the doors for people who are untrained.

As I mentioned, we do have a volunteer training program. We have scaled the volunteer training requirements to the job. Someone who is coming out to do a trail building day does not need to fill out the same volunteer information and background check as someone who is working in one of our centers with young children.

**Chair Kirkpatrick:**

I would be curious to see how this works because if it is done in northern Nevada then it can surely be done in southern Nevada. I think this is the time when the community and the governments have to come together to figure out what we want to be and to work together to take down the barriers. Are there any other questions?

**Assemblywoman Benitez-Thompson:**

Not a question, but I do have a comment. I would be remiss if I did not compliment your presentation as well. I know a lot of what you have accomplished has been in the spirit of who you are, which is constantly reaching out and constantly being kind in very difficult times.

**Katy Simon:**

Thank you.

**Chair Kirkpatrick:**

We do appreciate your presentation. I would like to invite the City of Reno and the City of Sparks up to talk about Assembly Bill No. 494 of the 75th Session on consolidation.

I will say A.B. No. 494 of the 75th Session was a very contentious bill at the end of last session, but I think it was a good time to do it. We needed to talk about the seven top priorities of what we did. One of the things I mentioned to another local government is that what we do not want to do is create so many regional and so many additional public quasi-agencies to the point where governments lose control of who they are and what makes them independent. I do not believe that the public quasi-agencies have nearly enough oversight. There are over 2,000 public quasi-agencies in our state, and if you try to call and find out how to navigate through them, it becomes a problem.

I do know there was a 500-page report and I know you submitted a disk ([Exhibit H](#)) to most of the legislators. If you did not, it should be posted on the legislative site under the Nevada Electronic Legislative Information System (NELIS).

We are curious to hear how our legislation actually turned out.

**Assemblyman Stewart:**

Could you please give us a report on the regional law enforcement issue?

**Dave Childs, ICMA-CM, Assistant County Manager and ICMA President, Washoe County:**

We have not pre-rehearsed this presentation. We have some handouts for you ([Exhibit I](#)), ([Exhibit J](#)), ([Exhibit K](#)). We are going to try to tag team on this presentation to answer your questions about A. B. No. 494 of the 75th Session.

As you know, it was a joint effort between the City of Reno, the City of Sparks, and Washoe County to respond to A.B. No. 494 of the 75th Session. We did submit two reports ([Exhibit K](#)) ([Exhibit L](#)). We did work together on all of this. As you heard earlier, we have had a long and very successful history of cooperation and collaboration amongst the 60 services that are currently provided collaboratively through contracting, shared services, or full consolidation. You can see the executive summary that the City of Reno and Washoe County submitted [Report 28-10 in ([Exhibit K](#))]. We standardized building codes, not just in Reno, Sparks, and Washoe County, but also in Carson City, Fernley, Lyon County, and all across northern Nevada. We have tried to standardize our building codes to make it easier for the construction community to work.



Fire services were consolidated. We have a regional snow response team.

**Chair Kirkpatrick:**

Can I stop you real quick? I think Mr. Stewart wanted to start off with the police consolidation. Correct?

**Dave Childs:**

There were three areas that the legislation wanted a response on. One was public safety, one was public works, and the other one was general government. We will cover all three of those.

I will start with public safety. We do have Washoe County Sheriff Michael Haley here. What we did was create a set of templates. We looked at over 50 sub-services within those three areas. We created a template where we sent people back to look at things like the crime lab or other public safety services, other general government services, or public works services, and we actually took a look at what is being consolidated now. We looked at the current resources being used to develop those services, how changes could be made, and whether there was promise for further cooperation and consolidation. This information is also attached to the report. With that said and giving you the background in terms of how we started the analysis, I would like to invite Sheriff Michael Haley to speak about the results. We did identify a number of areas that have further promise for cooperation, consolidation, and service sharing.

**Chair Kirkpatrick:**

Are there any questions? I am going to turn the questioning over to Assemblyman Stewart.

**Assemblyman Stewart:**

I would like to ask Sheriff Haley what has been done so far and what the plans are for the future.

**Michael Haley, Sheriff, Washoe County Sheriff's Office:**

I would like to congratulate the cities and counties for looking at a wide variety of things that can be regionalized, shared, or consolidated. The templates that were developed as a part of this review are historical things that Washoe County, Reno, and Sparks have done relative to law enforcement and other areas of sharing of services.

At the present time, since A.B. No. 494 of the 75th Session was introduced, law enforcement has not been selected as a specific study for the shared service committee. Information technology, human resources, and purchasing

were. Law enforcement today has been given little or no consideration or specific interest, nor has there been any specific direction given by the shared services committee to report on a strategy to share regionalized or consolidated law enforcement specifically. We were involved in the preparation of the templates and, as I said before, those templates are things that have occurred in the past and reflect what has been done in the past.

Rarely do the merits of regionalization or consolidation of law enforcement get a good, in-depth, thorough hearing. Two barriers always exhibit themselves when talking about law enforcement: NRS Chapter 288, which specially deals with pay and benefits, and the consolidated tax distribution methodology. Those two things often arise to stop any concerted attempts at seriously looking at consolidation.

I have let the Legislature know what concerns I have had. The answer to the last part of your question is that I work in a business where failure to execute has serious consequences, and I think failure to execute with respect to law enforcement specifically will continue to erode my ability, and Reno's and Sparks' public safety abilities, to perform the essential functions with which we are charged.

**Assemblyman Stewart:**

Have you looked into the procedure that southern Nevada went through when the City of Las Vegas and the Clark County Sheriff's Department merged to form the Las Vegas Metropolitan Police Department?

**Michael Haley:**

We have looked at that model, which is the accepted model for consolidation of a public safety organization in the state. We have looked at Carson City, we have looked at Douglas County, and we have also looked across the country at other methodologies for regionalization or sharing or actual consolidation of public safety organizations. We get to that point where we have made this a priority, since it is the most costly part of our government. Yet as of today it has received the least direct current full hearing on how to effectively reduce costs, share, regionalize, or consolidate.

**Assemblyman Stewart:**

From your study, is it your opinion that it would save money to bring Reno and Washoe County together, without reducing effectiveness of law enforcement? Have you reached any conclusions?

**Michael Haley:**

I would like to make it perfectly clear that Sparks has always indicated they had very little interest in the true form of consolidating, and I respect their decision. I want the Committee to be aware of this.

The other thing I will say is all of our public safety organizations spend way too much time working in margins. They spend way too much time working with old memorandums of understanding (MOU), old interlocal agreements related to public safety, and debating training issues. They debate how you fire a weapon, how you perform leadership functions, how you dispatch cops. They debate all the things that we normally do. Just in the margins of our differences there is a great deal of efficiency, effectiveness, and cost effectiveness that can be gleaned from those if we simply stop working in the margins and start working on focused public safety service.

**Assemblyman Stewart:**

Do you have regional training of the various departments, or is it all separate at the present time?

**Michael Haley:**

That is a very good model. Everyone in here, the mayors, the county and city managers, worked very effectively to create a regionalized public safety training center that reduces the debate between what types of training and what type of effective service ought to be provided with respect to how we train our officers. When we walk away from that regional approach we then separate back in our own agencies and subsequently inculcate each organization in their own particular service structure.

**Chair Kirkpatrick:**

I want to put this out there now because I do not want fighting among your organizations. We are here to do good, positive things. I would bet that Mr. McAllister, representing the Professional Firefighters of Nevada, can testify that when NRS Chapter 280 went into place it was probably the most contentious piece of consolidation that was ever done. We need to keep the conversation positive on consolidation going forward.

I understand the issue is consolidated tax and NRS Chapter 288, but the bottom line is it goes back to territory. I live in North Las Vegas, and for years we cut ourselves off by doing things just because of territory.

There are a lot of positive things we can do together and I would like to know more of the positives. We need to do more things together for our citizens, just

for efficiency, just for a lot of things. We worked with Carson City and the fire department and we are making strides.

We get into a no-win situation at times over whose territory it is. In southern Nevada I can at least get them in the same room, lock the door, and come out with reasonable discussion. We did the same thing in northern Nevada with the water—and I thought my life was going to be threatened over water issues, because you guys were mean. But then again, we did great things with the issues. I just want to make sure as we talk that consolidation goes forward and that we stay on a positive note and know what additional things we can keep doing. This is not directed at any one organization or person, but I feel the heat.

**Dave Childs:**

That is our intent. My colleagues and I would love to remain positive and talk about regional animal services where we have consolidated Reno, Sparks, and Washoe County. We have some of the best success in the county relative to animal services.

In terms of public safety there is a lot of functional consolidation that has happened, whether it is the crime lab, the 800 megahertz radio system, the regional public safety training facility, the regional jail, or the regional gang unit. The entities are working well together. I think the Sheriff was speaking at a higher level, sort of the bigger consolidated concept. Functional consolidation is alive and well.

As consolidation relates to water, there is the Truckee Meadows Water Authority (TMWA), as you know, and Washoe County operates the Department of Water Resources (DWR). These are two separate agencies. These two agencies are in the stages of a full merger that is progressing very well. Of course, there are some challenges relative to the kinds of services that are provided. For example, TMWA provides services in a more concentrated area. The history of the DWR is that it gathered together a number of failing water agencies over the years so it has a more distributed model. But we are working on consolidation, have a timeline, and believe we will be successful.

Sparks provided the traffic signal maintenance for a number of years for Washoe County, and because of their budget cuts, Sparks could not continue. We then went out to bid with both public and private sectors. The City of Reno won the bid. We are working together on joinder bids.

We wanted to talk about the positive history before we moved into what we worked on relative to A.B. No. 494 of the 75th Session. The other history

piece, which was in place prior to the legislation, is a body named the Shared Services Elected Officials Committee. This committee includes elected members from the City of Sparks, Washoe County, the City of Reno, and the Washoe County School District. This committee meets monthly to talk about various areas where they can work together to create consolidation, cooperation, or shared services. One of the big projects we are working on right now is a study we did of the integration of human resources, information technology, and purchasing. That study has been completed. We are looking at the results of the study and talking about how we can begin to implement the recommendations in the study.

**Chair Kirkpatrick:**

Are there any questions?

**Assemblywoman Bustamante Adams:**

Can you share some highlights on what was included on purchasing? What were the recommendations?

**Dave Childs:**

Washoe County has a centralized purchasing process where we have staff who manage purchasing amongst our 30-plus departments. The City of Reno has a decentralized purchasing function where there is no centralized staff and each department does its own ordering. The study looked at how we can integrate those two functions in a way that would save money and provide for additional savings. As I mentioned, we are already doing joinder bids on things. We attach to the state's bids whenever we can and do joint purchasing. But we asked if there was still a way we could bring these things together and find a way to create additional efficiencies.

**Chair Kirkpatrick:**

If you could, please elaborate for Assemblywoman Bustamante Adams. Specifically, is it a consortium? Do you meet once a week and then get together and say here are requests for proposal (RFP) we are going to put out together? Please explain the functionality of how the committee works.

**Kevin Knutson, Director of Office of Management and Budget,  
City of Reno:**

Staff is currently working directly with each other on particular bids, but overall we have done a study through matrix that has identified a way to blend those processes together to share services. We are going to start on Monday with some direction from the Shared Services Elected Officials Committee to actually put an implementation plan together and to hopefully have it done sometime this year.

**Chair Kirkpatrick:**

Has there been any discussion to work across the state? For example, what if we use the same item statewide and have it be provided by Nevada vendors? It could be a common item like toilet paper.

**Stephen W. Driscoll, Assistant City Manager, City of Sparks:**

All three agencies work under their individual purchasing codes and ordinances, which are a subset of the State Purchasing Act. So, to the extent that joinder bids are allowed through RFP by the vendors themselves, we all take benefit of it, whether it is the large cities, the counties in the north or the south, and the rural counties. So wherever possible the information is put out and we share it. For example, the City of Sparks did an RFP on the purchase and installation of photovoltaic cells and, while there are some issues with it from the labor side, it was extended by the manufacture/installation company so that anyone in the state could access it on a per-kilowatt-hour basis.

We have been doing that for a long time. Part of what we are doing here is making sure that we work the best we can and making sure we know what we are doing.

**Chair Kirkpatrick:**

I am trying to understand, and I am not sure how it works in northern Nevada. For instance, I went on the Washoe County School District bid site to see how it worked, and I was mortified that only one vendor had a bid. Amazingly, the Clark County School District goes through a couple thousand cases of sliced olives and the district received only one vendor. If both school districts had worked together maybe we could have gotten a better price from that vendor because, if you are going to buy extra virgin olives or if you are going to buy any kind of olives, effective March 1, the price is going up because the crops were terrible. As it is now, olive prices are going to jump by 40 percent and, had we worked together, both school districts could have bought those olives, locked them up, and saved some money. Does the committee have those kinds of conversations or is it the North working with the North because that helps the whole state be more efficient and work better?

**Stephen W. Driscoll:**

You do characterize the North in a very positive light and we thank you for that. We talk amongst ourselves all the time. We include the university system, we include the school district. While our systems might be slightly different, the rules we work under are very much same. We have continuous conversations. We are not afraid and there are no barriers for us to pick up the telephone and speak to each other. The study that we did has only enhanced that ability.

**Katy Simon:**

I think it is an absolutely wonderful admonition to all of us to remember because part of working together is the development of the specifications. It has to happen before the bids are developed and released. Part of it goes through the purchasing associations. Those purchasing professionals do talk with one another regularly. It is a great reminder from you, Madam Chair, that we need to go back to our organizations and really make sure that those organizations are talking to one another at the development of the specifications point and making sure that we are taking advantage.

When they do have a bid developed they will go out and check electronically to see who else is doing it and try to join on a bid. A lot is already being done, but more could be done.

**Assemblywoman Bustamante Adams:**

Ms. Simon, hopefully when we get together at a separate time we could include procurement in your discussion about best practices and see what other local governments are doing.

**Assemblywoman Benitez-Thompson:**

I am curious. The regional animal services center—it is a state-of-the-art new building, and before reading the presentation I did not realize it was doing so much to curb animal abuse and animal abandonment in the community. How did you go about funding the new building? Was it a shared cost? How did you go about a bond decision when everyone has so little? Who bears the burden of that fiscally?

**Katy Simon:**

We actually had a voter initiative. There was a binding ballot question in Washoe County to provide up to 3 cents of property tax rate to fund the animal services center as well as its operation. The Cities of Sparks and Reno lowered the tax rate or reapplied it on what they have been spending on animal services. We imposed an approved voter rate and then had a lowering of taxes within the cities.

We also had a wonderful partnership with the Nevada Humane Society and they contributed about \$2 million of the capital costs of building the shelter. They occupy half of the shelter and take dogs, cats, and other animals that are surrendered by their owners and adopt those animals out.

We take animals that are at-large and at-risk. These animals are taken in the animal services center side operated by the county.

**Chair Kirkpatrick:**

Are there any other questions? I think we need to try to work closer together. You gave us some ideas of services. What are your shared services? We are all in this together. If you could tell where you share services it would give us a better idea.

**John Breternitz:**

We are focusing on the shared services effort and have spent a considerable amount of money in formulating a study. In my mind those are very valuable dollars. In addition to the study of information technology, purchasing, and human resources, we impaneled a subcommittee made up of business people to study as a beta test building permits and building inspections with the City of Reno and Washoe County to see if we could find efficiencies in delivery of those services. The citizen-led group studied this in a manner that did not cost the taxpayers.

I sit on both of those committees and both are making progress. The citizen committee is just about finished with their recommendations. We look for the recommendations, including the building code unification that is expanding beyond the boundaries of Washoe County, sharing inspectors, and sharing plan review people. There are a number of initiatives that ultimately are going to prove beneficial and cost-effective, and hopefully will improve the level of services that we are providing.

One thing that has not been mentioned is a ballot question that we had related to consolidation. Washoe County Question 2 on the 2010 General Election Ballot passed by a 54 percent to 46 percent margin. The Washoe County Commission has voted to support moving forward with a study of debt and how debt would be handled between Reno and Washoe County in their most recent meeting. This study will cover the tax implications and the effect of employee agreements between the two entities.

It is going to be on the agenda of their next meeting. The Commission has endorsed the study of those elements and plans to form a technical advisory committee made up of senior staff. I would like to see a couple of businesspeople involved as well to move that study ahead, because those are the biggest and thorniest questions that I got as we were moving forward with the ballot question.

The unincorporated people were concerned about taking on additional debt. What would happen with their taxes? To make this work we also have to deal with the agreements with our employee associations. This effort is moving



forward. I believe the City of Reno is supportive and that we will get a formal commitment at their next meeting if they want to support this.

I wanted to update you on both the shared services element and the more broad-reaching consolidation efforts that are going on in Washoe County.

**Chair Kirkpatrick:**

If you would give us a copy of your template it would be very helpful to us to see how you had those conversations. Across the nation everyone does everything differently. The West does it the way they want to do it. The Midwest tends to work together, and the East does it their own way.

In a lot of the other states the county provides a certain amount of services and even if you live in the unincorporated area, you still get your service from the municipality because it is contiguous. Has there been any discussion along these lines? I do not want to create a bunch of regional unaccountable boards, and I do not want to create a whole bunch of public quasi-unaccountable boards because I think the constituents need to be able to know how their dollars are spent and to have a say on how it is spent. It is not the same when you testify. Has there been any discussion, or is the West not going to change? I need to know if consolidation will work here.

**John Breternitz:**

There has been a considerable amount of dialogue. We do not have in place a description of what the ultimate form will take, but the intent is to reduce the number of different agencies to share services. Some of those efforts we propose to resolve by the joining of two agencies or finding the best practices and agreeing to cooperate in one fashion or another. On the broad consolation area the end result would be a consolidated government. Again, we do not have a diagram showing the form of that because there is a lot of discussion that needs to take place. It would start with some form of unified governance, and that governance would trickle down in terms of management. Departments would be proven to provide efficiencies and cost savings. We would certainly want to combine those to maximize the efficiency.

I am sure there are some that would necessarily make sense, but our goal is not to expand on boards or quasi-governmental entities. Our goal is to reduce those numbers in those areas.

**Chair Kirkpatrick:**

Are there any other questions? [There were none.] I would say maybe there are certain services that are better provided by one entity than another. We need to be realistic with the logistics issues that Nevada has.

**Stephen Driscoll:**

I would like to follow up on some of the comments made. Back in 2002, the City of Sparks passed a resolution about the need to talk about efficiencies, effectiveness, and services to the community, and we are not going to focus on governance-change per se. Our goal is to be as efficient and effective as possible. That is what we typically bring when we are involved with the discussion between the three entities. We have talked before about best practices. We as the three entities do that. The City of Sparks is very focused on doing best practices and maximizing efficiency first. Then, if it requires governance change, we certainly are willing to look at that as a secondary issue. Our primary issue is the best possible service and efficiency to the citizens utilizing the governmental structure we have.

**Chair Kirkpatrick:**

Thank you, that was most helpful.

**Dave Childs:**

Assembly Bill No. 494 of the 75th Session asked us to take a look at public safety, public works, general government, cooperation, and consolidation. We saw this as an opportunity to tell our story because I believe we have a legacy and a history of working together. We try to solve problems together. There are always conflicts, but by and large we work very well together. This was an opportunity for us to tell our story. There is much more to tell, and we are happy to do that at any time. We stand ready to do that because I think we have some great examples of work that we have done together in a teamwork fashion.

**Chair Kirkpatrick:**

I appreciate that. We may convene a subcommittee of this Committee to talk about any legislation that you may need. Maybe there will be some legislation to include different portions for the future. This will come about in the next month because I think we all should work together. I could tell you what to do; but if it does not work, then what good was that? You will be back two sessions later trying to fix it.

One thing that we talk about is functionality and it working. We want you to take things that work best for you because typically it works for us. I do not want to fix the problem after it is out of control. I am just putting that out there for a functional home rule conversation that is going to come up in the future. If you take it you have to take the consequences when things are not good. That subcommittee will include the entire state. We will all work together to do what is right to be efficient.

Is there anyone who would like to testify on public comment? [There were none.] Is there anything the Committee would like to talk about? I would like to tell that you have all done a great job this week. I appreciate all the questions. [Meeting adjourned at 10:38 a.m.]

RESPECTFULLY SUBMITTED:

---

Cheryl Williams  
Committee Secretary

APPROVED BY:

---

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Government Affairs

**Date:** February 11, 2011

**Time of Meeting:** 8:02 a.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 22	C	Margaret Flint	Presentation
	D	Robert S. Cashell, Mayor, Reno	Power Point Presentation
	E	Geno Martini, Mayor, Sparks	Power Point Presentation
	F	Katy Simon, County Manager	Power Point Presentation
	G	Katy Simon, County Manager	Power Point Presentation
	H	City of Sparks	Disk
	I	Katy Simon, County Manager	Map
	J	Katy Simon, County Manager	Strategic Plan
A.B. No. 494	K	Dave Childs	Information Sheet
A.B. No. 494	L	Katy Simon	Power Point Presentation