

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

**Seventy-Seventh Session
May 30, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 9:06 a.m. on Thursday, May 30, 2013, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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 nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Teresa Benitez-Thompson, Chairwoman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblyman Elliot T. Anderson
Assemblywoman Irene Bustamante Adams
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblyman James W. Healey
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblyman James Oscarson
Assemblyman Lynn D. Stewart
Assemblywoman Heidi Swank
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblywoman Peggy Pierce (excused)



GUEST LEGISLATORS PRESENT:

Assemblywoman Marilyn K. Kirkpatrick, Clark County Assembly District No. 1

Senator Kelvin Atkinson, Clark County Senatorial District No. 4

Senator Pat Spearman, Clark County Senatorial District No. 1

Assemblyman Tyrone Thompson, Clark County Assembly District No. 17

Assemblywoman Olivia Diaz, Clark County Assembly District No. 11

Senator Moises (Mo) Denis, Clark County Senatorial District No. 2

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst

Jim Penrose, Committee Counsel

Bonnie Hoeffcker, Committee Manager

Maysha Watson, Committee Secretary

Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Timothy R. Hacker, City Manager, City of North Las Vegas

Tim Bedwell, Director of Intergovernmental Services, City of North Las Vegas

Leonard Cardinale, representing North Las Vegas Police Supervisors Association

Gerald "Al" Zochowski, Finance Director, City of North Las Vegas

Rusty McAllister, representing Professional Firefighters of Nevada

Jeff Hurley, President, North Las Vegas Firefighters, International Association of Fire Fighters Local 1607

Michael Yarter, President, North Las Vegas Police Officers Association

Brenda Laird, CAFR Accountant 2, Office of the State Controller

Jennifer Chisel, Deputy Attorney General, Office of the Attorney General

Chairwoman Benitez-Thompson:

[Roll was taken and protocol reiterated.] We have two different bills we are going to be hearing today: Assembly Bill 503 and Senate Bill 56 (1st Reprint). We are going to go ahead and open up the hearing on Assembly Bill 503 and welcome to the witness table Assemblywoman Kirkpatrick, Assemblyman Thompson, and Assemblywoman Neal.

Assembly Bill 503: Revises temporarily provisions governing the use by a local government of money in an enterprise fund. (BDR 31-1226)

Assemblywoman Marilyn K. Kirkpatrick, Clark County Assembly District No. 1:

We should also have Senators Atkinson and Spearman arriving, as well. I live in North Las Vegas and represent 100 percent of North Las Vegas. Today is a bittersweet day for me coming before you with this bill. Assembly Bill 503 is a bill that I introduced yesterday in order to try to help the city and the constituents I represent.

If you were here last session, you know that I limited what people could use enterprise funds for because I felt that people were misusing the dollars. The truth of the matter is North Las Vegas is in a terrible situation. We can say it is all good and that everything is going to be okay, but it is not anymore. Whether or not the city will come to the table and agree, there are some financial situations that we are trying to work through.

I have spent two years with my colleagues, the city, the county, and the Legislature trying to help them work through the situation they are in. Some of the problems were created through no fault of their own. Property taxes dropped. We have the highest foreclosure rate in North Las Vegas. We had contracts that were good until 2017, but we could not get much movement on them short of letting the city file for bankruptcy or decharter and having the county or Las Vegas take over, which I could never allow. The residents want to keep their name. They want to keep their identity, and I believe they need a leg up at this point.

It is a bittersweet opportunity. I know there are some other local governments that are worried about this, but you all know I do not like writing special legislation. This legislation was written so tightly last session that only three entities were affected. There were only three people who were continuing to use their sewer funds to supplement their general fund. Constituents matter in our city just as much as the ones whom all of you represent.

Section 1 of the bill is the most critical part. Subsection 2 allows the city, or any other cities, to go in and make some priorities first by utilizing these sewer fund dollars. Trust me, the residents are probably going to see an increase, which is even more painful because we had a 27 percent increase over the course of three years. However, I believe that the residents want to save their city.

Subsection 2, paragraph (a) requires them to use the dollars to restore police services. In the City of North Las Vegas, we are down to 0.88 officers per 1,000 citizens, which is the lowest in the state.

Paragraph (b) is fire services. We are browning out fire services on a regular basis within our city. With the help of other local governments, we are able to provide service—because that is our number one priority—but the City of North Las Vegas needs to put some of those trucks back in place on a regular basis because we are draining services from other entities, which are composed of your constituents. I believe we need to put that back.

Paragraph (c) requires them to restore the operations of libraries, parks, and recreational services. One of the first cuts that were made were the hours to those types of services within our district.

Regarding paragraph (d), North Las Vegas has had its challenges with lawsuits. Instead of being able to put back monies for the general fund in order to provide for the police, the fire department, and parks and recreation, they have been having to spend tons of money on lawsuits. Working with the labor organizations, I believe that they can negotiate in good faith to address some of those so they can start at ground zero. I believe North Las Vegas just needs to start at ground zero. However, this does not preclude the other three entities from doing it. North Las Vegas has been going before the local government finance committee for the last two years on a quarterly basis to report their findings. Hopefully, the city manager will speak to the budget shortfall, but we do need to give them this leg up. We want to settle all the outstanding debts.

Madam Chairwoman and Committee members, that is really the crux of the bill. It is not specific to North Las Vegas. However, there are only two other entities that fall within this provision because of the way the enterprise funds were set up years ago.

With that, I see that my two Senate colleagues have made it. I will turn it over to everybody else.

Senator Kelvin Atkinson, Clark County Senatorial District No. 4:

I am glad to be back again. I was in Assembly Government Affairs for a number of years with Assemblywoman Kirkpatrick. I am happy to see the Committee before sine die. We have four days.

I did look through this. I also had a meeting with Assemblywoman Kirkpatrick and the North Las Vegas delegation last night to go over this bill and what it truly does for residents of North Las Vegas.

I have been a resident of North Las Vegas for the last 12 years now. This legislation is much needed. I am glad to see Assemblywoman Kirkpatrick has taken some time to address this issue to try to get our city back to a good

place. At one point, we were the number one growing city in the United States. We were doing well, but we have dropped to the second or third from the bottom of the list in a very short time.

We in this delegation serve almost the same people. Assemblywoman Neal and I certainly do. I actually used to serve Assemblyman Thompson.

I wanted to thank the chairwoman of Legislative Operations and Elections on our side, Senator Spearman, who recessed our meeting so that we could come here and put our thoughts on the record. Thank you for giving us the opportunity to do that.

I do support this effort. I hope that it is something good for the city and can put some more revenue back into our purses, for lack of a better term, and help our residents truly enjoy being in their city again.

I know that this restores police and fire services. It also helps with our library and parks. Our citizens are suffering from the loss of those things. We do not have money, and those are the services that are suffering. It is causing a little bit of a panic in our city, especially when it comes to police and fire. I think being able to tell our residents that we are doing something will put them a little more at ease so they can go about their day-to-day business and focus on their families and their homes.

Assemblywoman Kirkpatrick, I am glad you took the time to do this. I know you have been very busy. I have read the paper. I wanted to come lend my support, and I hope that the Committee can support us in this effort.

Assemblywoman Dina Neal, Clark County Assembly District No. 7:

I do have to mimic one comment from Assemblywoman Kirkpatrick. This is bittersweet. Last night I had to examine my loyalty, where it lies and where responsibility should lie. I realized that my loyalty is to my constituents. At the end of the day, when you get asked the hard question "Who do you serve?" the answer is not the other city entities or the other people who are elected. You serve the constituents.

In making this choice to open the enterprise fund and allow a second chance for a city that has struggled in their decisions, I had to really evaluate what a second chance means. When I go home at the end of this session, who is going to be looking at me and asking why I did not want to give them a second chance? It is not the city council to whom I am giving a second chance. I am giving a second chance to the constituents, whom I care about and whom I want to serve. I want to see them have the ability to have police and to have

their fire stations reopened. I want them to be able to go to the park and know it is going to be clean. I want them to know that, during the summer, they can go to Hartke Pool, to Silver Mesa Pool, or to the Alexander Library, and they will be open on a Friday. This bill, for four years, is going to attempt to do that for them.

Acknowledging my loyalty to the constituents of Assembly District No. 7, I will make the tough decision of opening this up and giving my vote for this issue. I just needed to make sure that they understand when they read the paper or hear this later that my loyalty is always to them, and I am not a blind leader. I think. I know who is responsible for what, but this is about them. I want this Committee to understand that service sometimes comes with very hard and difficult choices.

Senator Pat Spearman, Clark County Senatorial District No. 1:

I am here today to also lend my voice in support of this. I echo the comments previously stated by Assemblywomen Kirkpatrick and Neal, as well as my colleague from the Senate.

When I was just a very young officer, I bought a car from my father. The arrangements were that I would make payments to him on a certain day, and if I was late, there would be a late charge. One month, I was in the service, and we were in the field. I missed the payment. My father did not receive it. When I came back, he called me. He asked how I was doing and was very cordial. We were just laughing, and he said I owed him \$25 more. I said I had been in the field. He said he understood that, but I still owed him \$25 more. He said what I should have done was mailed the payment before I went to the field and postdated the check. He would have gotten it. Instead, I still owed him \$25 more.

I think that story has relevance because it speaks to consequences. There are some consequences that our constituents are suffering through no fault of their own. I think that it would be a greater injustice if we did not do something to help them. School is out now, and they are going to need recreational services. The parks need to be open. The YMCA needs to be open. If we do not do something now, we are making them pay for the consequences of things that are not their fault.

I did mail the \$25 extra to my dad because it was my fault. I did not blame that on my company commander. It was my fault. I accepted that. I would just ask that this Committee and, hopefully, the rest of this body see that what we are simply trying to do is to alleviate some of the burden that now befalls our constituents through no fault of their own. We understand consequences.

We understand responsibilities. My district led the nation in foreclosures. We have suffered. I really hope that you will take this into consideration. It is not the faces that you see sitting before you at the table this morning, but those which you do not see that are hoping we will do the right thing.

Assemblyman Tyrone Thompson, Clark County Assembly District No. 17:

I am a native of North Las Vegas. I now live in one of the newer areas in Assembly District No. 17. I have been there for close to ten years. I love North Las Vegas, and I ask that you really consider this bill. It is a state of urgency. We do not want to sugarcoat it. We need you to really read the bill and look at all the provisions.

I want to echo all of the statements of my colleagues. I really appreciate that we were able to get together as a team and address this important issue for our city. It is very important that we have the core municipal services in our community. We need our police. We need our fire services. As stated before, summertime is coming up, and we want to have some positive places for our youth and our seniors to go.

In closing, I would just like for you to give North Las Vegas the chance to be as solvent as possible by allowing us to get over this hump.

I am pretty sure Mr. Hacker is in Las Vegas. He will be able to state the plan for North Las Vegas as we move forward. Thank you so much for hearing us today. Please strongly consider passing this bill.

Chairwoman Benitez-Thompson:

Thank you. I see that we have Assemblywoman Diaz here, as well.

Assemblywoman Olivia Diaz, Clark County Assembly District No. 11:

I just want to echo the sentiments. I am not going to belabor the point. On behalf of all my constituents who reside in North Las Vegas, I ask that, for all the reasons that have been stated before me, please consider this. I remember during my first campaign people brought to my attention the fact that some community pools were being closed. That made them really upset because these are neighborhoods and children that do not have access to a lot. When you close the few resources available to them, it really hurts us as a whole. We are really in a desperate situation, and we hope you will look favorably upon this bill. We seek your approval on it.

Assemblywoman Kirkpatrick:

Any one of you can go onto the local government finance board that is established through the Legislature and see the last time that North Las Vegas

went before them. They were upside down within their budget, and it was not looking comfortable for them to move forward.

Do I believe that there is a lot of money within the sewer fund for them to use at this point? I do not, but I think there is enough to help get them back to ground zero so that we can start reinstating these services that are so important to our constituents.

There is a rather short time frame for the first piece of it. Let us be honest, if they cannot get this together by August 1, then we have bigger issues. I hope all of you can see that. I hope the city understands that the North Las Vegas delegation came together because we represent constituents who need the services, but it behooves the city to get this first hurdle out of the way by August 1. I will be the first person calling the Governor's Office and asking him to take over the city if they cannot move that quickly. We have been playing this game for four years trying to get them back on track, and this is the last chance for the constituents. Otherwise, we have to do our jobs as public servants and make sure they get those services. I want to make it clear to the city that they have until August 1 to get this first issue resolved, or else it is a different conversation.

What makes me nervous about the state stepping in is the state has been to North Las Vegas before and said on record there is not much more that they can do until the city can resolve some of its outstanding debt. It would be the second time in the history of Nevada that the state has had to step in. Assemblyman Ellison, you probably remember how long it took them to get Eureka County and White Pine County out of that.

I am not sure people understand that if the state does step in, they have to hire a third-party administrator. That is more debt that we are accumulating. For the police, fire, and parks people, I hope they are just as committed, and I believe that they are. We have spent a lot of time talking to get this first piece done by August 1 so that we can move forward.

Senator Parks and I had a conversation about the word "transferred" in the bill. Section 1, subsection 2 says, "Any money loaned or transferred by the governing body" Sure, I would love them to loan it and pay it back, but the reality is that is not going to happen. I get it. We are still trying to pay back the "more cops" fund. I do not want to say it was misused, misspent, or put in the wrong budget, but Senator Parks wants to limit it to what they can do. He believes "transferred" is a little broad. I do have that possible amendment or clarification coming for the long term. I get that other entities do

not want to support it, but if it was your city, you would want to figure something out for them.

I am not sure who is here from the City of North Las Vegas. It looks like the finance director and city manager are here. It is important to put on the record the kind of plan that we are heading toward for the North Las Vegas legislators so that we can be part of the process to rebuild our city together.

Chairwoman Benitez-Thompson:

I see we have questions from the Committee, but I think what we will do is leave the technical questions to the city manager and the finance director. If your questions are nontechnical at this point, I will take them.

Assemblyman Ellison:

What a group up here this morning. In section 1, subsection 1 of the bill, it says "less than 10 percent of the total expenditures." Is that 10 percent of the total budget you are talking about?

Assemblywoman Kirkpatrick:

That is correct. I believe the finance director could speak to that. We are in an odd situation where our budget needs to balance just like the state's does. I believe, at this time, it does not balance. There are some outstanding lawsuits that exist. On a cash flow basis, we are much shorter than most other entities in the state. This bill has the ability to help them pay off some of the debt, to put them back to zero, and to also provides cash flow that works.

Assemblyman Ellison:

I have been involved with enterprise funds for the last 20 years through city and county governments. I have seen a lot of this, but, if you are putting money back for a wastewater treatment plant in an enterprise fund and all of a sudden you borrow against it and then you have problems, the biggest fear was how to pay that back. Is this going to be strictly constructed around North Las Vegas or Clark County as a whole based on the population of the enterprise funds? How is that going to go? Is it not a statewide issue?

Assemblywoman Kirkpatrick:

I cannot, in good conscience, write special legislation for one city, as much as I would like to. If it means I will have to kill the bill, I will do it. I will just go back to the residents and tell them how it is; the truth. I just cannot do that. This only applied to very few entities last session when we took it up.

Assemblyman Ellison:

I remember that.

Assemblywoman Kirkpatrick:

This just gives them the four-year extension. When this bill was written initially, there were very few entities that had an enterprise fund in place and were taking proceeds from it. This was to wean them off of it.

We can talk about all of the things that went wrong, but tomorrow we have to make a determination for the city. This only affects a few people. Not everybody was using their enterprise fund and transferring it into their general fund. This was meant to wean them off of it initially. That is why it is bittersweet to have to come back when I fought my own city last time to say no.

In 2005 when times were good, North Las Vegas took \$50 million out of their sewer fund to put into this. Yes, they built the sewer plant, and people can come up here all day and talk about that, but it is what it is. The constituents deserve the services. I believe that the city is in a different mindset than they were four years ago. I believe that, in extending this to four years, by the first year we will see if they can start making some progress.

Property tax values are up. Consolidated tax dollars are going to increase. You will remember I could not write special legislation for consolidated tax. I do not know why some folks do not want people to use this tool. They are grown-ups. They have to figure it out. They are elected like we are. All the tools need to be in the tool chest.

Assemblyman Livermore:

It is good seeing you and everybody lined up here to present this bill. I am concerned about binding arbitration, when an arbitrator looks at the resources of their city. If we open these funds, is this going to make binding arbitration a component that an arbitrator might value when it awards a labor dispute?

When I was a county official, we operated enterprise funds, especially sewer water funds. If you have a surplus of money there, maybe your fees are too high. As a county official, I would have looked at the study to see if we were charging too much per thousand gallons of water or per thousand gallons of wastewater. One of the first things to do would be to reduce that and return that money to the ratepayers.

Assemblywoman Kirkpatrick:

I completely get what you are saying. That is a big discussion that we had early on; that it could not be used for arbitration or collective bargaining. It is meant to restore these services and help remove some of the outstanding lawsuits because we are spending tons in legal fees.

I am hoping labor comes to the table. They all agree that we just need to get back on track. They are tired. They are trying to provide fire services. They are trying to provide police services. They want more services, and they want to give more services. We want our constituents to have them. It is very clear in here that it cannot be used for arbitration or collective bargaining, but I want to be clear that it can be used to solve some of these outstanding lawsuits. I believe that labor and the cities are all working together to try to address that. They are stalled on good faith negotiations, which is a term that is within our statutes. They do not have any revenue to work with.

Assemblyman Livermore:

I do not mean to continue with this, but, generally, an enterprise fund has excess balance at one point. It is not sustainable. You are going to operate these facilities or employ people on a one-time transfer of money. How are you going to sustain that?

Chairwoman Benitez-Thompson:

If you want, we have the city finance director here who actually has that plan. We can have him respond to that, unless you would like to comment. Some of those technical things might be better for the city manager and the city finance director to address.

Assemblywoman Neal:

We had that conversation last night. I do think that the city manager and the city finance manager need to discuss it. We do this for this temporary period of time. What is the economic plan going forward? How do they sustain themselves after they have received these dollars? What is their priority year to year?

We talked about the use of those funds, how we take care of your needs, and what happens at year four if things are not resolved. What is the ongoing process that needs to happen in these four years? What is the economic development plan moving forward? How will this manifest itself? Does it need to change? Is it appropriate for what the city is doing and what they need to do? If it is not, are they willing to sit down and acknowledge that and then make those changes so that we do not have to come in and try to save them again? We do not want to have to put our constituents back in the same position where they have to examine and reexamine the decisions of the city.

I understand exactly what you are saying. We talked about it, but at the end of the day, although the Legislature has oversight, the city has to acknowledge and answer those questions. City Manager Hacker and the finance director have to be very clear, and they need to make sure that legislative intent is

established in that record. I, personally, want that to happen today because when Assemblywoman Kirkpatrick leaves in 2017, who is with us? We are.

Chairwoman Benitez-Thompson:

With that being said, let us hold the rest of the questions. I understand that Committee members have obligations in other committees. Feel free to stay for the hearing. Feel free to get back to your other obligations if you need to. We are going to head down south and open up the microphone for Mr. Hacker.

Timothy R. Hacker, City Manager, City of North Las Vegas:

I appreciate the opportunity to sit before you. Assemblywoman Kirkpatrick and the others have done such a good job of laying out the intentions of this bill. I truly appreciate adding another tool to the chest that can be used on a local level to make good decisions and be good stewards from this day going forward. That is what we are here to talk about.

I appreciate the challenges that have been put forth as one of the appointed stewards working with our elected stewards, mayor, and council. We do have a plan to ensure that we follow the intent of this amendment closely and that we respect the intent of this. Frankly, I think people should look at the process and utilization, at least in the last two years, of the transfer of revenues from our utility enterprises. We do so very diligently. We do so only when necessary. It is always our intent to try to transfer the least amount necessary.

Structurally, we need to have the ability to address these existing and outstanding requirements put forth, be it litigation, resolving litigation, working with our unions to resolve those issues, or creating sustainable packages for our employees as we go forward. However, ultimately, we need to ensure that we serve our constituents. The quality of life of our community and of this region needs to be addressed. I am glad to see that this bill would allow us to address those issues, as well.

I mentioned some of the structural challenges that impacted North Las Vegas. The rating agencies have come back frequently and reevaluated us and looked at our outstanding issues with our collective bargaining groups or whatnot. They have felt the need to lower our bond rating. That affects everybody in the state of Nevada. Having this kind of tool available to help us with these structural and outstanding legal issues will also help with that bond rating, and hopefully, they will acknowledge that the community is back on a better, more sustainable path. That is really what we believe is going to happen.

Assemblywoman Neal has oftentimes asked about our economic development plans. That is a great emphasis to place on a community going forward.

We are talking today about going forward. We are pleased that in just the last year, new projects that have been announced—ribbon cuttings, whatnot—have added over 620,000 square feet of new manufacturing and warehousing space, 227 new employment opportunities, and over \$50 million in capital investment. In addition to those kinds of investments, we have seen the Governor's Office of Economic Development (GOED) step forward and help on several of these, be it several hundred thousand or millions of dollars of investment into these projects in the City of North Las Vegas.

Again, we are trying to reach out to our regional partners and our state partners to ensure that we are following a good path and bringing in new opportunity and new valuation to our community, which not only impacts us but impacts our region and our state as a whole. We all understand how vital those employment opportunities are for our communities and their constituents. We plan on doing that.

Part of the dollars that we use are for recreational services. I would be remiss if I did not mention the Craig Ranch Regional Park project we have coming to completion. It is a new amenity that is going to be here not only for citizens of North Las Vegas but for our region as a whole. Hopefully, those from outside the region will come and visit this 160-plus-acre jewel. We believe it could be an economic driver, too. If you talk to the folks who own businesses and have made investments in that commercial area across the street, I think you will find they are excited about the opening of that new park. It is not just a recreational opportunity. It is going to be an economic driver because, as I think you are all well aware, recreation and recreation tourism are vital to our state and to our region.

Al Zochowski, our finance director is in attendance, and we would be ready to answer any questions that you may have. We appreciate the opportunity to talk to you about this bill and to echo the sentiments and comments that were laid out.

Chairwoman Benitez-Thompson:

Let us move into the bill with some questions. Section 1, subsection 2 gives you the ability to use the money that is either loaned or transferred for the restoration of police services, fire services, recreational services, and for the settlement of any legal claims. Could you walk through each one of those individual items and talk to us about what those restoration plans are and what the citizens of North Las Vegas should expect when things are restored?

Tim Hacker:

Paragraphs (a) and (c) may actually go together to some extent, as we do have outstanding disputes with our unions as far as our ability to pay those contractual obligations that were established years ago in different and better times. We sit here near the end of a seven-plus-year recession in this country that has dramatically impacted Nevada as a whole, southern Nevada greatly, and North Las Vegas maybe to the greatest extent.

We are looking at, first, resolving outstanding issues so that we can get back to good faith bargaining. As Assemblywoman Kirkpatrick indicated, it is hard to have good faith bargaining if you do not have resources. We will resolve outstanding disputes and then have resources available to work with our unions as we look to develop sustainable agreements going forward.

Chairwoman Benitez-Thompson:

When we talk about restoring police services, is it all, then, just about the collective bargaining component? Are we talking about an increase in the number of hired police persons? Will there be the same number of cops but more service? We want to get at the more concrete details of what this plan is with these four components. I know you have a couple of folks from the city here. You have all been working together. Whoever wants to answer that question is fine.

Tim Hacker:

I can take another try at that. Restoring would be to maintain at least the number of employees that you have and then look to augment and expand that. We are hoping there will be some other resources, which I know are under consideration at the Legislature at the moment. They could help us really address a lot of our police issues as far as adding to and augmenting our police department. However, at a minimum, we want to maintain the force that we have and then look to augment their personnel.

Chairwoman Benitez-Thompson:

I am going to interrupt because I see that Assemblywoman Kirkpatrick wants to get some comments on the record, as well.

Assemblywoman Kirkpatrick:

We did not coordinate. The North Las Vegas delegation coordinated amongst ourselves but not with the city management. I think, Mr. Hacker, you are going to have to lay out some time frames. I think it is important that this Committee and North Las Vegas know what to expect. We are truly sticking our necks out on something that is bittersweet. I think that has to be more in line with the conversations that we have had as other local officials trying to work together

to resolve these disputes, which will put us at ground zero. We can start moving forward in the next eight months. That is the real meat and potatoes that have to be on this table, or else we cannot go further because people need to know what to hold you accountable for.

Tim Hacker:

We have two of our union representatives here, as well. I do not want to speak for them. Mr. Yarter, the president of our police officers association, can address the ongoing conversations and the momentum that we have in trying to resolve the disputes.

Again, that is step one. Hopefully, in the next few months, those disputes can be resolved and put behind us. The president of our firefighters association is here, as well. He can address the fact that we have a day to sit down and begin those conversations. Again, it will take some time to hopefully reach a resolution and put the disputes behind us.

As far as this coming budget, the fire services are looking at working with our fire chief to ensure that he has adequate resources to ensure, first and foremost, that stations are open. From stations, we start looking at the units and the equipment that are staffed and operational. We have a fire administrator who is very skilled and will make the necessary recommendations, and we will use these dollars to help augment his budget so that we can ensure that those services are not only maintained but hopefully enhanced in the coming months.

With the libraries, we know that there is a shortage in the library fund. By having these dollars available to us, we will be able to restore that library budget by almost a third to keep operational hours as they were on June 30 for July 1. In addition, we would be looking to work with our library staff to talk about, as Assemblywoman Neal had pointed out, ensuring that library hours are expanded and what that means. I cannot sit here today and tell you a hard figure, as we are working those figures out. We are committed to using these dollars to ensure that library hours are more reflective of our community's needs and demands, and a lot of that has to do with ensuring that we have adequate staffing today and going forward.

For recreational services, I mentioned a new park and being able to fund that new park's operations and maintenance. However, as Assemblywoman Neal had challenged, what are we going to do with our existing facilities? We want to keep them open and operational, and we want to work to enhance the hours. We saw a reduction in service delivery in reducing the hours of operations. We want to restore those hours of operations by reallocating monies to bolster

those budgets, but, again, I cannot give you a hard figure because the managers are working those dollars out. However, we do believe that there will be resources available for the mayor and council to augment those budgets to ensure that the hours are reflective of what our community expects for service delivery and what we can afford to deliver.

Hopefully, that helps show the level of commitment. I see Mr. Bedwell is there, and I know he has been more intimate in the conversations. Maybe he can help shed some light.

Chairwoman Benitez-Thompson:

Yes. Good morning, Mr. Bedwell. I think you have the questions that we asked. We are trying to flesh out details and expectations so that the citizens of North Las Vegas have a good idea about what to expect when we talk about restoring the four items that we are allowing these dollars to be used for. If you have insight into that, it would be appreciated for the legislative record.

Tim Bedwell, Director of Intergovernmental Services, City of North Las Vegas:

I think one of the things we need to establish very clearly is that the police department in North Las Vegas has been operating at a bare minimum now for a couple of years. The level of services we provide has been maintained to the bare minimum, at this point. To speak about restoring police and fire services, I would like to give you an example of what that means and how quickly that would be done.

First, I want to say that there are other things pending in the Legislature that have a big impact on how we implement this plan. One of those is the "more cops" bill, Assembly Bill 496. The "more cops" funding is essential to us going forward. It is as essential as A.B. 503 itself. We need that money, as well. We cannot predict that we are going to have it, but we are planning for three things: not getting either bill, getting A.B. 496 but not A.B. 503, and getting A.B. 503 but not A.B. 496. We have plans for that.

Let us talk restoration of services. The police department, for example, has not purchased cars for many years. Our police cars are outdated. We are running two-man units to extend the life of those cars as long as possible. Those vehicles need to be replaced. That costs money. Should we get the "more cops" funding, that money will be used to hire more police officers. We want to get as many police officers on the streets as we possibly can with that funding. In order to do that, we can supplement buying police vehicles and paying staff with money we get from A.B. 503.

Now, that falls over on fire services, as well. One might ask, why would we not hire people? Why do we not just hire people with the money that we take from this enterprise fund? That goes to questions like the one Assemblyman Livermore asked. This is a one-time thing. We do not want to expend money for police officers this year who we hire, have trained in about a year, and then do not have a reoccurring source of funding for.

As Mr. Hacker explained earlier, one of the first things we have to do to restore services is come to agreements with our bargaining units. We will do that as quickly as we possibly can. The unions will come forward and talk a little bit about that fact, but that is essential to us moving forward.

As for where the money is going to go, hopefully that gives you a better idea of what we want to do structurally. Now, can I lay out how much money will be needed for this or that? No, I cannot because I do not know what we are going to have at the end of this.

Chairwoman Benitez-Thompson:

You have three different scenarios you are working with. Let us run with a scenario. Let us paint a picture for the Committee about what we can do with this bill right now. Let us say it is just this bill and the money from this bill that you would have to work with. We are not talking so much about an increase in personnel as the money being used for more operational or capital things, such as police cars. You mentioned nonpolice staffing. Tell me what that is. Is that secretaries and clerks? Is that what you mean when you say nonpolice staffing within the police division?

Tim Bedwell:

When the police department hires police officers, the more police officers we have, the more civilian staff we need because it means more generated reports. We have to have people to be able to do what needs to be done with those reports, such as put them in computer systems and that kind of thing. We have to have more people to handle the evidence that is collected during investigations by the additional police officers, and we have to have more dispatchers. The dispatchers and 9-1-1 operators are the people who take the calls and send the police officers to the locations they need to be dispatched to.

All of those are staff members. There are others, but the larger the police department is, the more we have to implement that. There is a cost and training for all of that.

Chairwoman Benitez-Thompson:

Let us take that same scenario and go to fire services. Once again, we are not talking about the ability with one-shot funding to hire more firefighters. We are talking about capital cost and supporting staff, correct? I think you mentioned earlier potentially opening up some of the stations that have been browned out. Does that work with the allocation of these funds, as well?

Tim Bedwell:

Yes. That is one of the things that Mr. Hacker mentioned. This money would be helpful for us to fill the gap until we can get more personnel with overtime so that we can have fewer of these instances in which we do not have enough police officers or fire personnel on duty.

Chairwoman Benitez-Thompson:

Would we expect to see some of those browned out fire stations brought back on line?

Tim Bedwell:

Yes.

Chairwoman Benitez-Thompson:

What about the restoration of libraries, parks, and other recreational services? Once again, can you give the plan?

Tim Bedwell:

Regarding the issue of libraries, I think we have to be very frank with you. Should we not get this funding, we are going to have to lower that service. We need to maintain that service at the level that it is now and keep our libraries open, and this would help us do that.

Chairwoman Benitez-Thompson:

The goal there would be to use the money just to hold the bar. There may not necessarily be an enhancement of services, but there certainly will not be reduced hours or services. We want to hold the bar where it is now on those library services. Is that right?

Tim Bedwell:

Yes.

Chairwoman Benitez-Thompson:

What about parks and recreational services?

Tim Bedwell:

With regard to park services, we want to restore and actually implement some new ones. Mr. Hacker mentioned the Craig Ranch Regional Park. Really, that is something that was begun before the recession, but the fact is, it sits there. It is an amenity that people deserve. It is an amenity that will bring growth to the city and is worth the effort and the money we are going to put into it. That is actually additional services.

Chairwoman Benitez-Thompson:

You say the park has been started. This is a project that is in the works. It would be completion of that project. Is that right? It is not starting a new park project.

Tim Bedwell:

Yes. That park is virtually done, and there would be a grand opening this year.

Chairwoman Benitez-Thompson:

Regarding settling outstanding legal claims, give us an idea of what we are talking about. Are we talking two or three litigation claims? Can you give us an idea? It keeps coming up in the conversation. Tell us more about what that actually looks like and what that burden is for the city.

Tim Bedwell:

I cannot go deeply into it because it is ongoing litigation, but I can say that we do have lawsuits from the unions that have been brought against the city regarding some of the decisions that have been made. Our goal is to get those behind us. We believe that is the goal of the unions, as well. Maybe they will speak to that more.

Chairwoman Benitez-Thompson:

Let us keep you at the table to answer technical questions. I would like to have our collective bargaining representation, as well, because it seems like a lot of these questions are going to intertwine with answers from both groups. What I will do is have Committee members ask questions and dig into technical stuff.

Assemblyman Stewart:

Has the mayor-elect been involved? Is he up to speed on what is going on, since he will be the main man responsible in a few weeks?

Leonard Cardinale, representing North Las Vegas Police Supervisors Association:

I did speak to Mayor-elect John Lee last night at length on the phone. We had a long conversation, and he asked me to come here today and convey his support. He said he was encouraged by this and excited about the possibility of

getting some help to bring North Las Vegas back from the brink of insolvency. He completely supports it, as we do. It is bittersweet. I will echo the words of Assemblywoman Kirkpatrick. I know she put countless hours into this, and we do appreciate her work. Without this, things are just going to get worse. We are hoping that this legislation will give some lifeblood to the city and hopefully get it back on track to becoming the city that we know it can be as we move into the future.

Assemblyman Stewart:

Does the fiscal outlook seem to have improved over the last few months with property tax, sales tax, and things of that nature? Are things looking more optimistic?

Leonard Cardinale:

I do not have any specifics on that. Maybe the finance director can answer.

Tim Bedwell:

Yes. We do see light at the end of the tunnel. We are looking at this as an opportunity to, as Assemblywoman Kirkpatrick said, get us to ground zero, a platform from which we can go forward and have the room to do what we need to for the citizens. That is not just cliché speak. We are looking at the light at the end of the tunnel, and we want to reach out and touch it. This will help us do that.

Assemblyman Stewart:

This is kind of a blood transfusion to get you going.

Tim Bedwell:

I think that is appropriate. That is a good analogy.

Assemblywoman Swank:

Before I start my comment, I will say I understand the position that North Las Vegas is in. I think this idea of restoring some of the police and fire services is a great idea.

I represent Assembly District No. 16, which encompasses the southern half of downtown Las Vegas and a lot of unincorporated Clark County. One of the most frequent complaints I get from my constituents is regarding a lack of parks. It is a big issue for them. I am just a bit concerned. These are recreational services. I understand the need for them. However, when we are managing our money, even as individuals and as families, one of the things we cut down on when we do not have the money is recreation. I am a little frustrated and a little concerned about this beautiful park, about the prudence of

building this park during an economic downturn, and about wanting to use enterprise funds to keep these recreational services going. I am a little hesitant about that. The other services I can see are a great idea. I just question the prudence of building a park. Maybe someone can speak to that.

Chairwoman Benitez-Thompson:

Since the park has started and we are talking about finishing the project, maybe we can talk about what that cost is. When we hear "finishing the park," is that a \$500,000 project? Is it a \$30,000 project? Maybe just give us an idea of what finishing that park means.

Tim Bedwell:

We all recognize that North Las Vegas needs to exist. In order to do that, it needs to move forward. We need to get out of this recession mentality. About \$100 million was spent on this park. That is money that came from grants and federal money and various places. It sits there ready to help launch North Las Vegas into its future. That directly impacts not only the enterprise fund, because we do not need water and sewer for a city that does not exist, it impacts everyone's quality of life every day.

Police officers get beat up a lot of times for coming and saying we need this police service and that police service. People ask if we do not think about the parks and the other things the citizens need to do. I can tell you, as a police department, we do think about those things. When the kids have more to do, they will not get in trouble. When people have a less expensive alternative than going to the movies, and that park would be that amenity, then we believe that affects the quality of life. Quality of life affects crime in the city. That amenity is something that we support as a police department, and we think it will help everyone in the city and in the adjoining community. That is going to be a big park, and I think it will draw people from the unincorporated Clark County and Las Vegas nearby.

Assemblyman Livermore:

I do not have any way to gauge this. There is nothing supplied here. Can you tell me what enterprise funds you have? Can you tell me what amount of money could be in those reserves and how long it took you to acquire that?

Tim Bedwell:

To answer Assemblyman Livermore's question, I would really like to get Mr. Zochowski back to the table and get exact figures for that.

Gerald "Al" Zochowski, Finance Director, City of North Las Vegas:

We have run some projections on what our revenues are. First of all, we have two main utility funds: our water fund and our wastewater fund. Within those funds, we have had discussions over the last several meetings with the Committee on Local Government Finance. They have asked us in detail what our fund balances are within those particular funds, and we have shown them the reports that we have, which show that, by the end of this current fiscal year, there will be about \$42 million of net assets available for use. Of that, about \$11 million needs to be reserved for bond covenant purposes, which would leave about \$31 million of unrestricted revenue sources that could be used in the future years.

Our projections also go out to the year 2017. At that particular time, by using our projections, those unreserved balances will be down to about \$11 million. I am not sure if that answers the question completely, but I would be happy to respond to any other additional questions.

Assemblyman Livermore:

It does go a long way to at least give me some idea of what we are talking about here. However, the question I asked was how long it took to grow that \$42 million overall number that you just stated. If you are going to have to replenish this, you can always go out and bond. I understand that, but I would rather you use the capital money that is set aside, that was paid by the ratepayers. Can you tell me how long it took you to grow those reserves?

Al Zochowski:

I would be happy to respond to that question, although I have only been with the city for about 16 months now, and I am not too sure of how the fund was built before that time. There was a period of time when we were transferring about \$45 million a year for the utility funds into the general fund to help support general fund operations. That number is now down to \$32 million per year. Even with those transfers that have been happening over those years, we have been able to maintain a significant balance in the reserves that are required by our bond covenants.

Tim Bedwell:

When Mr. Zochowski talks about unrestricted reserves, there are significant restricted reserves that protect this fund that are already in place. That is one of the things that should put everyone's mind a little bit at ease. It is a significant amount of money. Mr. Zochowski can correct me, but I believe it is at 25 percent fund balance.

Al Zochowski:

That is correct. By bond covenant, we have to have available 25 percent of our operating costs in reserves.

Chairwoman Benitez-Thompson:

That 25 percent is the \$11 million, correct?

Al Zochowski:

For this current year, it is \$11 million.

Chairwoman Benitez-Thompson:

Would the plan then be to move that \$30 million in unrestricted funds over within this August 1 deadline? That is the dollar amount that is the blood transfusion, as Assemblyman Stewart stated.

Al Zochowski:

We would not move the \$32 million. Over the next several years, we might use as much as \$20 million. At that time, we would end up with reserves without having a significant reserve for our bond covenant purposes. We will only move over those funds that we need to provide the level of services that this bill is saying that we can provide.

Chairwoman Benitez-Thompson:

While I have the collective bargaining representatives here, let us go ahead and get testimony from each of you on the record. We know that a big piece of this is working out the collective bargaining agreements. It sounds like there is going to be a real good faith effort to have those conversations be as concise and effective as possible.

Rusty McAllister, representing Professional Firefighters of Nevada:

Before Mr. Hurley gets a chance to discuss the status of his current negotiations, I thought it would be important to lay out for you a little bit of background with regard to what the fire services are in North Las Vegas right now.

The North Las Vegas fire department has lost 45 personnel since 2009. That is going from 205 personnel down to 160. Of that, 23 personnel have tested and gone to other fire departments. They are currently running with eight of their units shut down 75 to 100 percent every day. That is 50 to 60 percent of their department shut down, on average, every day.

Currently, it takes 50 people to staff all of their units and have everything in service. Today, they are putting, on average, 32 to 35 people on duty every day. That is not enough.

We are in support of this bill. Our hope is that, over the course of time, somebody from North Las Vegas' city management will get up and say that they are not going to just maintain service at a 50 to 60 percent shutdown every day. They are actually going to put units back in service.

The other implications of this shutdown are that it affects the other neighboring communities. With the City of Las Vegas and Clark County, currently, the calls for service that they are providing into North Las Vegas have gone up drastically from where they were. I can give you an example. Just last week, there was a car accident at West Carey Avenue and Simmons Street. In that accident, there was one fire engine dispatched from North Las Vegas, one battalion chief, and one EMS person. That is a total of six personnel. Nineteen personnel came from the City of Las Vegas, including an engine, a heavy rescue unit for extrication, five of our rescue units, and a battalion chief. We transported six people out of that incident because the private ambulance company did not have anybody available to respond. Nineteen personnel had to come over from Las Vegas to respond to North Las Vegas because they did not have units available. They are shutting down all their rescue units pretty much every day.

The goal, in my discussions with the union leadership down there, is just to get their units back in service. This is not about trying to increase a contract or, as Assemblyman Livermore suggested, get raises or do whatever in a binding arbitration or collective bargaining process. This is simply about putting units back in service. Instead of putting 35 people on a day, let us put 50 on a day, put all the units back in service, and provide the level of services the North Las Vegas residents have been paying for and that they expect.

With that, Madam Chairwoman, I would be happy to answer any questions.

Chairwoman Benitez-Thompson:

Before I take questions, let us go down to your counterpart in Clark County. We will get his comments, and then we will take questions from Committee members, if they have them, regarding the restoration of fire service.

Jeff Hurley, President, North Las Vegas Firefighters, International Association of Fire Fighters Local 1607:

First, I would like to thank everyone who brought this forward. I listened to the things that were said as we went through, and I would like to touch base on them. Excuse me if I am somewhat all over the place.

I believe that somebody from the Committee mentioned binding arbitration or sustainability. Our intent at this point is not to use this as an opportunity to increase our wages. Our intent is to make this a sustainable community through the fire service side, which I represent.

Currently, I do not believe that the level of service that we are providing is sustainable. It is multifaceted. One aspect of it is the financial component. I have had great conversations with the fire chief on coming up with a plan that we can both work with that has to be approved by city management to phase in an adequate level of service.

Regarding sustainability, does that mean that the firefighters want overtime or hiring? That is not something that we have an opinion on. We do respect the city management and fire management in making those decisions. What we want is an increase in the level of service. It is not sustainable for the personnel or the citizens at this time. We can get caught in the minutia of response times or whatnot. I believe that it has affected that, but we are also seeing an increase in workers' compensation. This is not sustainable for the personnel who are sworn in to protect the citizens. We are doing a lot more with a lot less. I would like to see us move forward for that reason.

We talked about a blood transfusion. Someone made that analogy, and the second portion of a blood transfusion is stabilization. This would be the stabilization of our community so we can move forward, have those operations, and do those things so we can continue to live. I think that this bill is a step in the right direction for us to do that.

Mr. McAllister did mention those statistics on browning out. We hear a lot about station closures. That is the sexy topic we want to talk about, but the reality is that within these stations there are multiple units that need to be there. That is not what is happening. If a station is open, it may be open with one unit when maybe it should have two or three. Those are the things that we would like to continue; getting the units in service, not the stations. The station closures are around 10 to 15 percent. Some of the units are 75 to 100 percent. Those are what we are not talking about. I would like to see those move forward.

We will continue to work with city management in good faith to find a way to move forward and build a foundation that is sustainable for the community and for the city's finances. That is our intent, and we will continue to work with the city management to do that.

I ask you to strongly support this. I think it is important for North Las Vegas' fire service. I think it is important for Clark County and Las Vegas. I think it is time that we handle our responsibility. We appreciate all of the hard work that the county and the city of Las Vegas fire department have provided, but we are taxing their level of service to facilitate ours. It does affect more in the community than just North Las Vegas. Please support this. We will continue to work with our current management to make sure that we can find something that is sustainable for our community.

Assemblyman Ellison:

Mr. Zochowski, did you say that water and wastewater were the only two enterprise funds you are using right now?

Al Zochowski:

That is correct.

Assemblyman Ellison:

Is there any bonding that is secured against those funds right now, such as capital improvement projects?

Al Zochowski:

Yes, there are. When we built the wastewater treatment plant, there was a large bond that was taken out. That is what I was talking about with our bond covenants. They are reflective of that particular bond issue that requires us to have the 25 percent reserve.

Chairwoman Benitez-Thompson:

Are there any questions regarding fire services? As was stated before, we expect that the ongoing conversations will be productive in working towards a resolution so that we do not end up in a situation where the city is unable to transfer money. However, we are at an impasse because we have collective bargaining issues that have not been worked out. Essentially, we have money that could be used, yet cannot be used, because we still have unresolved issues. It sounds like there is going to be a good faith effort to really get this done in a good time frame. Is that right?

Jeff Hurley:

That is correct. Our full intention is to do that.

Chairwoman Benitez-Thompson:

Let us go to the police folks and get their comments on the record regarding bargaining negotiations and good faith efforts.

Leonard Cardinale:

As we sit here today, we are short about seven lieutenants and six sergeants within the police department. There are many times when the watch commander is a sergeant. I believe Las Vegas Metropolitan Police Department (Metro) and the Henderson police department both have a standard where the watch commander has to be a lieutenant. Because of the shortage and the cutbacks, we have sergeants who might have to act as station commander or watch commander, and they will have to cover the whole city, the whole station, and also deal with a squatter, whom they have to keep an eye on for the night.

I am just trying to give you a sense of how few staff we have. It is beyond minimum. It is to the breaking point, and something catastrophic is going to happen. We are praying that it does not happen to a citizen, police supervisor, or police officer.

With that in mind, I would like to say that the supervisors are always willing to sit down with the city and try to work things out as long as the negotiations are in good faith and in the spirit of collective bargaining, not just a demand as it has been. In the past, if the city needed to have something, they just went ahead and took it. In our minds, that caused some of the lawsuits. However, we are encouraged.

I will share with you that I sent a letter to the city. We have reopened our language because of legislation from the 2011 Session that has a "mandatory subject to bargaining" as reopener language. I sent a letter to the city asking them to fulfill the requirement of the reopener language, and as soon as they do, we would be more than happy to sit down with them.

Michael Yarter, President, North Las Vegas Police Officers Association:

North Las Vegas Police Officers Association represents 300 police officers, marshals, and detention members in North Las Vegas. Currently, some of the minimum staffing that Sergeant Cardinale spoke of in regard to his situation is entirely different from ours.

I represent the frontline officers, if you will, who work the streets and the detention center. I think I speak for the majority of the membership down here in saying that we are vastly understaffed. We have lost 150 police officers in the last five years through attrition. We have issues regarding keeping that staffing level that Assemblywoman Kirkpatrick mentioned of 0.88 officers per 1,000 residents. That is drastically lower than anyplace else in southern Nevada. We would like to get that back up to a reasonable standard. Our commitment to the citizens of North Las Vegas is not only to bring and sustain

the levels we are at currently, but also to give the city and our constituents the ability to hire additional officers.

We are actively in negotiations with the city. We are not waiting for any reopeners or any response from the city at this point. We are actively sitting down. We have had several meetings. We want to put the lawsuit that has been filed behind us and continue to provide services for the citizens of North Las Vegas.

We, through negotiating with the city, have the ability to bring in new police officers and put them on the streets to reset the wage and benefit structure that we currently have so that we can provide even more service to the citizens of North Las Vegas. Our men and women do a hell of a job with the limited resources and assets that they have. I cannot overstate that. That has been going on for a very long time, but you have my commitment that we will do the best that we possibly can to put this behind us. I think it will be a brand new day in North Las Vegas in the near future. I will entertain any questions that you have.

Assemblyman Stewart:

You are saying that you are negotiating to drop the lawsuit and perhaps take some reductions along the line to help solve this crisis. Is that correct?

Michael Yarter:

Absolutely.

Chairwoman Benitez-Thompson:

Assemblywoman Kirkpatrick, do you have any comments?

Assemblywoman Kirkpatrick:

Thank you for recognizing me out of turn. I am trying to be in ten places at once, but this is a priority for me today because it is a priority to all of the 150,000 residents of North Las Vegas. I want to clear up a couple of things, and I believe it would probably behoove all of us, the North Las Vegas representatives as well as Las Vegas, to have a phone conversation sometime today.

The intent of the North Las Vegas delegation is not to maintain, but to restore services. That is clearly what the bill says. The bill says "restore" for a reason. We have to have some level of comfort. It is a bittersweet thing to be here asking for something we had worked so hard to undo. We probably need a plan. We probably need some assurances that it is "restore," quite frankly, and

not "maintain." That is what citizens are asking for, too. We owe you, as the Committee, that same plan.

When I am gone, you need to hold these folks accountable in 2017. The local government finance board needs a little bit of assurance, too, that the Legislature gave them some tools so that we could restore and resolve our issues and start at ground zero.

Secondly, I want to talk about the Craig Ranch Regional Park. I know it is sunshiny. It is fabulous. It is a big piece of our city. We worked many years to get some type of facility for the residents of North Las Vegas. Many years we traveled to other cities to get that, but let me be clear about a couple of things. It was predominantly built with Southern Nevada Public Land Management Act (SNPLMA) money that was put in place when times were good and we were selling the Bureau of Land Management (BLM) land. That is how that park was built. We worked with the commissioner weekly—and I do not even know the status of it—to try to get a grant from the Las Vegas Convention and Visitors Authority to build an auditorium because that was the grant that they had available. We do want to finish those things.

Let me explain the downside. If we do not open that park, it is going to cost us just as much to maintain it as not having it open and having people utilize it. That is one of the reasons that park is listed in the bill. We could let that park sit for years and pay to do it.

With the state, we see the same thing. I am going to throw out some of you. We have been paying \$1.2 million to keep that facility open, which also is in North Las Vegas, with nobody in there. Now, there is an opportunity to fill it, to generate some cash flow, and to generate some different pieces of it.

I just think the waters were getting a little bit muddied on why parks were in the bill, and I wanted to be clear. That park has been on the map along with libraries since my child was in kindergarten. My child has now graduated from high school and is a young adult and a mother now. To say that it should not be a part of the equation is a little bit problematic for me. However, there will be cost savings by opening it. I did hear some concern about administration. I am not exactly sure what means, nor is the rest of the North Las Vegas delegation. We probably need to have that conversation.

Because it is bittersweet to me, I am only willing to do this if we are going to restore services and are able to start at ground zero so that we can rebuild our city. I have lived in that city for 21 years, and I am in an awkward spot because I am in a worse situation in regard to police, fire, and parks services

than when I bought into that city 21 years ago when it was all dirt roads. There are many constituents who feel the same way, and this is the reason that we bring this forward.

I do not want to belabor it with the Committee, but I am a little passionate about this. There are a lot of constituents who are demanding restoration of those services, not maintaining. I can get the definition of "restore" for folks if we have to be clear. We have to maintain it regardless, but we need to restore. We need to have a plan.

Chairwoman Benitez-Thompson:

I think maybe the Committee had an expectation that we might have something on paper to talk about these restoration plans. I think the suggestion to get folks in a phone conference tonight would be a good idea. That would give the city the time to get some of the restoration plans on paper for us.

We have floor session today, and I have another bill to hear. I would like to suggest that we recess this bill hearing and reconvene tomorrow with those plans after the conversation tonight. That way, we give everyone time to continue the conversation and get the plans on paper so we have something more concrete for the legislative record.

Assemblywoman Kirkpatrick:

That would be great. I appreciate that opportunity.

Chairwoman Benitez-Thompson:

We will go ahead and recess the hearing on A.B. 503. We will take up the hearing again tomorrow morning. I will invite any Committee members who want to be in on the conversation to please do attend.

Actually, Senator Denis has some remarks on A.B. 503. We will let him get those remarks on the record.

Senator Moises (Mo) Denis, Clark County Senatorial District No. 2:

I appreciate the opportunity to be here. As Assemblywoman Kirkpatrick mentioned, we have a lot going on right now. I was not able to be here when you started, and I do not know if I can make it tomorrow morning. Since I am here, I just wanted to get something on the record on this bill because it is a very important bill to me, as well.

Half of my district is in North Las Vegas, and I represent the older downtown part of North Las Vegas. I am not going to repeat all the other stuff. You have heard it. There is a great need for this in North Las Vegas, especially in the

older areas. For me, I have a concern because some of those areas have some great needs, and this would help relieve some of them. I appreciate the opportunity to work with Assemblywoman Kirkpatrick to come up with a solution that will help, even though it is only a Band-Aid. We know that, but there are some positive things going on in North Las Vegas. I think, as we move forward, they will be able to correct those.

I am doing what I can to help support this, and it is great what is going on. I heard the question earlier about the parks. I represent a large portion of the Latino community. The comment earlier was, in times that are difficult, we tend to cut back on going to the movies and things like that. In the Latino community, a lot of times we do not have a lot. What we do is go to the parks. If you go to any of the parks in Las Vegas, you will see a lot of Latino families there. I know that times have been difficult, but these kinds of things help put some things in place that help bring relief to some of these families.

Chairwoman Benitez-Thompson:

With that, we are going to go ahead and open up the hearing on Senate Bill 56 (1st Reprint).

Senate Bill 56 (1st Reprint): Revises provisions governing state financial administration. (BDR 18-378)

I know that the bill sponsor and folks wishing to testify on this have been waiting patiently. I appreciate that.

Brenda Laird, CAFR Accountant 2, Office of the State Controller:

Senate Bill 56 (1st Reprint) is basically a bill to clean up existing language in the statute for legislation in the past that created funds. The state is required to present its financial statements in accordance with the governmental generally accepted accounting principles (GAAP), and that also determines what constitutes a fund and how we report funds in the Controller's office.

Previous legislation created funds that did not meet the governmental GAAP criteria of a fund. We are proposing this discrepancy can be corrected by classifying them as accounts in the statutes.

It is important to note that changing the terminology from "fund" to "account" in no way changes the intended purpose or any other restrictions created by the legislation, but it does allow the Controller's office to correctly report the activity in our audited annual financial statements.

Another piece of this just clarifies existing language for the Catalyst Account and the Knowledge Account to indicate that it earns interest on all money in the fund, including unexpended appropriations. That was the original intent, and this just clarifies that.

I am happy to answer any questions.

Assemblyman Stewart:

I noticed on the bill there is a fiscal effect on the state. We are just changing names. What is the fiscal effect? Is that a mistake?

Brenda Laird:

Are we talking about a fiscal note?

Chairwoman Benitez-Thompson:

Just so you know, this bill did come out of the Senate Finance Committee. We have an updated fiscal note that indicates zero dollars over this biennium and future biennia. We know that, in the last days of this session, bills are coming out of the Finance Committee so quickly that we are getting these things at the very last minute. I believe we have this fiscal note on the Nevada Electronic Legislative Information System (NELIS), as well.

Brenda Laird:

There is no fiscal effect for this. It is zero.

Assemblyman Daly:

I just read through the bill. I am not on the Financial Committee, thank God, but what is it exactly that we are changing and trying to make better? There were several funds. Is it in the General Fund as a separate account but cannot be used except for that purpose? Is it part of the General Fund and can be used for other things? What are we trying to actually accomplish with the changes that we are making? Is it to keep the money in that separate fund for that purpose and not have it be swallowed up in the bigger General Fund?

Brenda Laird:

The purpose is to keep the money separate. It will be separate and in an account with the General Fund, but the law reads that it shall not revert to the General Fund. It still retains its original restrictions and cannot be used for other purposes. The language does not allow us to report in accordance with governmental GAAP. We are not changing how the law looks at it. It is still used for the same purpose. We are just trying to be in compliance with governmental GAAP.

Assemblyman Daly:

That is what I was trying to just make sure. These funds were administered the way we are trying to make the words work now. The words are going to line up with what has been the practice, and we are still going to have money that goes into these various funds within the General Fund. They are separate accounts. We are still going to have those restrictions and uses on them as we have always had. We understand them the same way. The words are just going to make that match.

Brenda Laird:

That is correct.

Chairwoman Benitez-Thompson:

Are there additional questions from Committee members? [There were none.] I will open for testimony in support. [There was none.] Let us move to testimony in opposition. [There was none.] Is there testimony in neutral? [There was none.]

I actually had a quick question. It is just a technical one. My apologies, but my mind was still on the last hearing. Could you talk a little bit about the change in the language from "biennium" to "fiscal year"?

Brenda Laird:

Which section is that?

Chairwoman Benitez-Thompson:

That is in section 1. It is regarding the table of expenditures and how they are reported. It looks like those dollars will be month by month for the fiscal year and then the immediate preceding fiscal year. We would see things in two-year increments versus three-year increments. If it were fiscal year and preceding biennium, that would be three years.

Jennifer Chisel, Deputy Attorney General, Office of the Attorney General:

In section 1, the intent of changing from "biennium" to "fiscal year" is that when the Controller's office does their accounting system, it is based on a fiscal year not a biennium. This change is so that the state controller can report according to her system.

This provision was actually put into law last session to basically put the state's checkbook onto the controller's website. This is just to change it so that she can report it the way she actually accounts for things.

Chairwoman Benitez-Thompson:

For the public, it will be easier. As we look at the online checkbook year by year, as opposed to the reports being two years' worth of budget numbers that we are looking at, they will come out year by year, as well.

Jennifer Chisel:

That is correct.

Chairwoman Benitez-Thompson:

In reporting to anything that happens outside, will that create any type of confusion? So often, we see things reported in biennium and set budgets in the biennium. By changing her piece to "fiscal," will everything still be congruent in terms of the numbers that we are looking at and how things are going to be reported?

Jennifer Chisel:

It will be consistent.

Chairwoman Benitez-Thompson:

Are there any additional questions? [There were none.] We had no testimony in support, opposition, or neutral. We will go ahead and close this hearing on S.B. 56 (R1).

Committee members, we will reconvene tomorrow at 9 a.m. to take up the hearing again on Assembly Bill 503. Once again, if you want to participate in the conversations before the hearing, just keep an eye on your email for the notification.

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Is there any public comment? [There was none.]

Meeting adjourned [at 10:51 a.m.].

RESPECTFULLY SUBMITTED:

Maysha Watson
Committee Secretary

APPROVED BY:

Assemblywoman Teresa Benitez-Thompson, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: May 30, 2013

Time of Meeting: 9:06 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster