

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

**Seventy-Seventh Session  
February 12, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 8 a.m. on Tuesday, February 12, 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](http://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](mailto: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 Harvey J. Munford  
Assemblyman James Oscarson  
Assemblywoman Peggy Pierce  
Assemblyman Lynn D. Stewart  
Assemblywoman Heidi Swank

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Pete Livermore (excused)  
Assemblywoman Melissa Woodbury (excused)

**GUEST LEGISLATORS PRESENT:**

None



**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Jim Penrose, Committee Counsel  
Jennifer Dalton, Committee Secretary  
Cheryl Williams, Committee Assistant

**OTHERS PRESENT:**

Katy Simon, Washoe County Manager  
Dave Humke, Chairman, Washoe County Board of County Commissioners  
Kevin Schiller, Director, Department of Social Services, Washoe County  
Andrew Clinger, City Manager, City of Reno  
Robert A. Cashell Sr., Mayor, City of Reno  
Cadence Matijevich, representing the City of Reno  
Julia Ratti, Council Member, City of Sparks  
Shaun Carey, City Manager, City of Sparks  
William B. Horn, General Manager, Incline Village General Improvement District (IVGID)  
Joe Wolfe, Vice Chairman, Board of Trustees, Incline Village General Improvement District (IVGID)  
Michael Baltz, Chief Compliance Investigator, Equal Rights Commission, Nevada Department of Employment, Training and Rehabilitation (DETR)

**Chairwoman Benitez-Thompson:**

[Roll was taken. Protocol was explained.] We have four presentations today, a little bit of northern Nevada. After these four presentations, we will be hearing one bill, Assembly Bill 57. We are going to go ahead and begin with a presentation by Washoe County.

**Katy Simon, Washoe County Manager:**

On our handout (Exhibit C), and I hope you all have that in front of you, there are some fast facts about Washoe County and some context for you. The population of Washoe County is about 429,000 people, which makes us about one-fourth the size of Clark County, but eight times the population of the next largest county, so we are in the middle of the state in terms of population (p. 2). We take care of about a thousand miles of roads. We also maintain an AA bond rating, which is a great achievement, and we were upgraded to that bond rating during the depth of the recession. We are very proud of that. We have about 25,000 employees, and we will talk more about that in a moment.

Again, some more fast facts (p. 3). One of the points that I wanted to make for you is the number of our detention jail bookings annually is about 21,500, and our bed capacity in our jail is 1,300 people. On a daily basis, we have about 1,100 folks in the jail, but an important factor, we have another thousand inmates who are under the sheriff's custody, but are in community work programs on a daily basis, a very smart management of the jail population by our sheriff's office. The number of children in legal custody in our social services system is about 612. Some of the other things we wanted to point out to you is that the median income now in Washoe County is about \$50,910 per capita (p. 4), and that is down from about \$59,000 average per capita in just 2007, so a dramatic decline for our population. On the next page, page 5, is a photo of the County Commissioners.

Page 6 is an overview of our service responsibilities, and we are a full-service county. In the state, we have our state-mandated regional services like the assessor, the treasurer, clerk, registrar of voters, recorder, district attorney, courts, et cetera. We have a middle column that shows the regional services that we provide by agreement or by code or other regulation, things like our public guardian. We have a consolidated jail. Our library system is under the county. Law library, regional parks and open space, senior services, et cetera. Then, on the far right, you see the neighborhood services that we provide: sheriff patrol, sheriff detectives, fire protection, parks and recreation programs, road maintenance, business licensing, land use planning, building and safety, water and wastewater. And we have asterisked for you those that are separately funded by user funds versus general tax dollars.

On the next page of our handout presentation, page 7, is our organizational chart. Again, as you all know, counties in Nevada are very complicated places. Our courts are a separate branch of government. We have our seven elected department heads. We have departments that are appointed by other boards, including our district board of health, which is fully funded on the local level by the county, but has a separate board. Then, under the Washoe County Commission, you see our array of departments.

On page 8, we also offered for you some of the recent economic activity, provided by the Center for Regional Studies at University of Nevada, Reno, and the point there is just to show what has happened with unemployment and employment in our region. It dropped, of course, dramatically, but we are starting to climb out of it. From November 2011 to November 2012, we actually added about 2,900 jobs in Washoe County, not dramatic, but the trend is in the right direction, finally.

On page 9 is a quick snapshot of what is happening with single-family home prices in Washoe County. The blue line shows what the natural, average increase in a single-family home price would have been if home values were appreciating the way they were prior to the collapse of the housing market. So, where housing prices would be if we had been on our historical trend would be at about \$253,000 right now for an average single-family home. As of the third quarter of 2012, we were only at \$174,000 for the average single-family home price.

On page 10 are some quick trends. Our population is getting older in Washoe County. The average age now is about 37.4 years. We have fewer households with children. In 2011, we were down to 27.8 percent of households with children. That becomes important for things like school funding; when people are asked to support school funding, the number of households with children declining often can correlate to less support for school funding. There are more seniors living alone, and many of those seniors, of course, are living in poverty. Post-recession incomes are struggling, as I mentioned. And with educational attainment, our achievement is mixed. We are up slightly. We have about 28 percent of our population with a bachelor's degree or higher. And, of course, as we know in Nevada, that is still behind the national average, and it is an important economic development issue for all of us in Nevada.

On page 11 is a breakdown of where our revenues come from. On the top chart, you will see property taxes are about 46 percent of our revenue budget, and consolidated tax is about 29 percent. So, between property taxes and consolidated taxes, that is about 75 percent of our budget. Our adopted expenditures for this current fiscal year, public safety and judicial make up about 51 percent, which is fairly typical for local governments.

The chart on page 12 shows our actual general fund expenditures. There are a couple of points we wanted to make with that. Obviously, one of the points we wanted to make is how our expenditures have had to fall even though the population has been rising. In fact for fiscal year (FY) 2013, which is the year we are in now, we are down to about \$549 per capita of expenditures; whereas, in about FY 2006, when we had about the same level of expenditures, we were able to spend \$623 per capita. So, that is a very dramatic constriction of our ability to serve a growing population.

On page 13, we are showing our staffing levels and how they have declined. We have lost about 27 percent of our staffing since fiscal year (FY) 2005/2006. The red line at the top shows the International City/County Management Association (ICMA) estimates that jurisdictions serving populations our size, nationally, average ten employees per thousand population in 2012. We are at fewer than six employees per thousand population.

On page 14, we wanted to give you a quick breakdown of what property tax pays for in Washoe County. Our rate of \$1.3917 is unchanged for many years, but one of the important points that we have asterisked there is that within Washoe County, our overlapping property tax rate is at the cap and has been for quite some time. So, we have no property tax capacity under the \$3.64 overlapping statutory rate. We have also had a policy in place since 1998 that our budget did not grow more than consumer price index and population, so we have been at that property tax rate for quite some time.

On page 15, in 2003 we established a citizen-led committee to identify the priorities for spending in Washoe County. Actually, Carole Vilardo from the Nevada Taxpayers Association sat on that committee for us, and we very much appreciated her assistance.

That committee recommended to the Board of County Commissions a prioritization of our budget, and we have actually had that in place since 2003. It has really helped us through the recessionary times, and since the peak of our funding, you will see how our prioritization has changed. From FY 2005/2006 to FY 2012/2013, you will see the changes. Public safety has gone from 31 percent of our budget to 38 percent of our budget. We have had a smaller budget, but the citizens have said they want us to spend more money of our budget on public safety and less on things like culture and recreation, which is parks and libraries. So, you see what has happened over that period of time. Public safety, judicial, health, and social services have increased as a percentage of our budget; general government and culture and recreation have decreased.

I want to note that we continue to use that prioritization process, and we even used it during the good years to prioritize our funding so that we could make sure we were doing what citizens wanted. Every two years, we do a citizen survey to validate those priorities and those preferences, so we make sure we are in keeping with the citizens' desires.

Page 16 is our current budget. What I tell employees, we have had a couple of town hall meetings this month, "flat is the new up." We are actually thrilled to have the same level of resources that we had last year. That is the first time in many years. That is great news to be stabilizing, but it is flat, and, of course, expenditures do grow, even when you are not expanding the budget. We will have, according to our assessor, about a 0 percent increase in our assessed value, so we have no increase in property tax revenue. We do predict some increase in consolidated taxes and sales taxes, which is great news. But as you saw that is less than a third of our budget, and when you have things like Public Employees Retirement System increases; health benefit cost increases;

contractual obligations such as lease costs, utility cost increases, fuel cost increases, we will see that new revenue eaten up by our current spending.

On page 17 are highlights of some recent achievements we wanted to share with you. We did launch our new Truckee Meadows Fire Protection District and we reduced our cost by \$2 million a year. We have responded to 4,000 calls in the first six months, and 0.5 percent of those calls required a four-person response. That 0.5 percent of calls requiring a four-person response is important because, of course, you have heard of the Occupational Safety and Health Administrative requirement to have two firefighters outside a structure if two are going to go in for a structure fire, but as you see, less than 1 percent of our calls require that response.

We consolidated five departments into one, and we saved a million dollars annually doing that. Those five departments were public works, building and safety, water resources, community development, and parks; they have been merged. We have not only eliminated four department head positions, but we have also been able to cross-train staff. When we are sending out a park maintenance worker and a utility/sewer treatment plant worker to the same neighborhood, why not cross-train them so they can maintain those facilities on the same trip? That is what we are now doing and having huge savings.

As I mentioned, we maintained our AA bond rating, and it was the highest in northern Nevada when we had it upgraded in 2010. We secured \$40 million in grants last year, and one of our big projects this past year has been a fundamental review, top to bottom, of the entire government, resulting in first-year savings of \$1.3 million dollars, and we are very honored to be a finalist for the Cashman Good Government Award later this month. We also wanted to mention, in 2010, we established a trust fund for our other postemployment benefits, our retiree health insurance benefits. We have made annual contributions to that for several years. We have that trust fund about 40 percent funded now, for that liability for retiree health benefits. I believe we are unique in the state in local government in that regard. We also, in 1997, negotiated with our employees to eliminate that benefit on a going forward basis, so new employees were not eligible for that.

I will stop there, quickly. Chairman Humke, would you like to add a few comments, or do you want me to continue?

**Dave Humke, Chairman, Washoe County Board of County Commissioners:**

I would just like to say congratulations Madam Chairwoman, in your appointment to the chair of this Committee. You have had many accomplishments in your life; this is a great one. All of Washoe County is very

proud of you. And I extend congratulations to the balance of the Committee members for their appointment to this Committee. So, with that I will return to our manager. Thank you very much.

**Katy Simon:**

On page 18, again just some of the recent things we have done. This year we signed an agreement to join the Western Nevada Development District, and we are very pleased to be joining eight other organizations in that effort. We have partnered on their "Stronger Economies Together" strategic plan. We also completed the agreement for the Apple Data Center Project; we worked very hard on that, and it is being built in the unincorporated county. We increased our funding for Economic Development Authority of Western Nevada. We launched a regional business license project with the cities, and now a business license applicant can go to either Washoe County or Reno or Sparks, go to one place, and can get a business license for all three entities, which has been a great improvement of service to the public. We also had a buy local initiative in Washoe County, and the county government purchased 82 percent of our goods and services from Nevada vendors. The board makes that a high priority.

On page 19, in terms of innovative achievements this past year, Kevin Schiller, our Director of the Department of Social Services, who is here in the audience with me today, and his team established a wraparound services program for at-risk families. We have now reduced our number of children in foster care from 1,020 to 600 this year. The team at Social Services does a tremendous job in our child welfare system. We were named the number two digital county in the United States for our size. I have to say that it was a huge disappointment to our Technology Services folks because we were number one last year, and we have dropped to number two, but we are still at the top for the United States. Also, in Social Services, we started the Crossroads Supportive Housing Program, and we have reduced indigent-related costs by \$2 million a year in that program. In addition, we acquired, the first in the United States, Housing and Urban Development (HUD) grant funding for construction of some affordable housing for at-risk youth and families. For many folks, their lack of a permanent home is what makes their children fall into the foster care system, and by building housing for which we actually create a preference for folks who are in the system or are at-risk for coming into the system, we can keep them out of the welfare system. We actually identified some neighborhoods in which we could help to elevate the home values in those neighborhoods, and HUD is actually making a demonstration project of this. They are very excited about it.

On page 20 are other recent achievements. The Sheriff's Office has used grant funding for an in-car video system, which improves officer safety, and it also

helps us to more efficiently manage any complaints or challenges against our law enforcement. We established a new forensic mental health team to help support the mental health needs of our residents who come into the law enforcement system. We created a family mental health court, again, first in the nation. And this year, we were featured in a national study on successful shared services by the IBM Center for the Business of Government, and we are very proud of that.

On page 21, we are very appreciative of our work with the state over the last couple of years to reach a mutually beneficial settlement for \$7.5 million for transportation projects. This was related to the property tax diversion and the court ruling that rendered those revenues to go back to us. We have had a request for proposal for shared permitting software with the cities. We have been working on standardized building codes. We have online shared training and joint training with the City of Reno, and colocated regional emergency dispatch operations.

Page 22 shows these are the strategic objectives for the Board of County Commissioners for the next fiscal year, starting with sustainability of our financial, social, and natural resources. In addition, that long-term financial sustainability of the county is one of the reasons that we have so rigorously funded that retiree health benefit liability for the long term. Of course, we must also discuss economic development and diversification. Our goal is safe, secure, and healthy communities. Development of our workforce: we have lost 700 positions during this recession—700. Many of our employees are doing two or three jobs, and we have to get back to their development and their training. Public participation and transparent communication is a huge value for our board. We have been completing a six-month review of our citizen involvement. We have included hundreds of citizens in that process, many community meetings, trying to figure out how best to engage the public in the modern economy.

On page 23 are some of our issues and challenges. Of course, the slow economic recovery, and you saw that in the chart of employment trends—very, very slow. The federal fiscal situation is, of course, a very important challenge ahead of us. Some of the overall operating budget impacts: we have lost \$5 billion in assessed value during this recession, which is almost 30 percent of the assessed value in our community. Property tax revenues, of course, have declined. Consolidated taxes have declined. As I mentioned, we have lost 700 positions—from 3,200 to 2,500 staff members, or a 27 percent decline.

On page 24, our employees were early in the process of negotiating agreements to give back to taxpayers' money out of their pockets. They not only deferred



increases, but also they actually gave back to taxpayers \$11 million in wage and benefit concessions. Of course, challenges that you are all aware of include rising pension costs, demographic changes, and we have an aging workforce. Twenty-two percent of our employees are eligible for retirement in five years, and in management, that is 45 percent.

Important for you all on page 25, are our legislative principles: mutually respectful government at all levels; holding all governments accountable for outcomes; support for local decision making and local determination; economic recovery; promoting regional collaboration, which we are doing; and regional solutions to service provisions. Those are our legislative principles, and these are adopted by the Board to help guide our lobbying team in navigating all the important issues that are before us.

On page 26, very important, Washoe County has no bill draft requests in 2013. The Washoe County Commission made the decision not to submit bill draft requests, and, of course, that is not the first time we had made that decision. We will wisely join in the fray and participate fully, but the county is not proposing any bill draft requests.

On page 27 are additional legislative issues. We do support Assembly Bill 68 and the consolidated tax allocation formula. We are monitoring the impacts of the Affordable Care Act (ACA) on indigent funding and associated services provided by Washoe County. We are watching the potential increase in county responsibility from long-term nursing care within the Medicaid Match Program. In addition, we are quite heavily involved in the child welfare funding block grant; we do support that block grant funding, and Kevin Schiller is here to talk about any of those issues as well as the continued charges to Washoe County for developmental services for children provided by Sierra Regional Center. We would be happy to answer any questions on those.

Page 28 is our legislative team and all of our contact information, and again, Madam Chairwoman, we would be happy to answer any questions.

**Chairwoman Benitez-Thompson:**

Thank you so much; I appreciate the presentation. I was commenting to Assemblywoman Bustamante Adams, our Chair of the Assembly Committee on Taxation, that your reference to “flat is the new up” is a perfect description for the new consolidated tax formula; flat can be the new up when it comes to pieces of that. Are there any questions from the Committee?

**Assemblyman Daly:**

I wanted you to go back and just touch a little bit on the number of employees per thousand, et cetera. Sparks and Reno should feel free to answer the same question or expound on the same issue. I know I have been in several meetings where you are trying to make sure that the people are affected as little as possible, to have it be seamless for them, but it is not painless. There are services that are not there. I saw in Sparks, people asking if the crack in their road could be fixed, and I had to tell them that that is not what I do. Could you expand a little bit more on what some of that means. I know you have worked very hard, and you have done a good job. You try to be seamless, so the people still see the services, but we have cut down on that.

I have one other comment, so you know, when you are talking about Washoe County statistics, something I learned not too long ago is that Washoe County is bordered by 13 other counties, the most of any county in the country. Six are in Nevada, two in Oregon, five in California.

**Katy Simon:**

That is a great factoid. I will keep that in mind, Assemblyman Daly. One very simple and obvious example of a service that has been changed for folks in our county is snow removal, which is an important part of the county's mission, particularly in an incorporated area. Our folks in snow removal have been cut from 33 to 15. We still have a thousand miles of road that we are taking care of, so one of the things that our folks did in road maintenance was go out into the community and work with the employees to reset what the expectations would be. We now have a plan in which we will get to every residential and arterial road that we are responsible for within 24 hours, but if you live in a cul-de-sac, it is going to be a while before we can get there. We have widely advertised that we will do one pass in and out, but getting curb to curb in a cul-de-sac is not something we can do anymore.

What we have reset are service levels. For example, in the public guardian's office, our staffing there means that we now cannot get to folks within seven days where we used to be able to get to them within three days of a report. We have eliminated some things that are of less critical importance, and in other things we are taking longer to get there. In the case of the public guardian's office, those are folks that have been reported, seniors typically or folks who have a disability, who are at risk, and sometimes it can be life or death for us to get there. These are very, very critical issues. Losing 700 people—and I thank you for mentioning that, Assemblyman Daly—has been very painful for our community.

**Dave Humke:**

We discovered in the economic downturn—it is not a good way to describe it as experimentation—the first go-through we tried to cut every department the same, and then we modified that. The first modification was that we looked at what was mandated, under either state statute or the *State Constitution*. Unfortunately, we discovered things like libraries and parts are not exactly mandated or they do not have as strong a mandate as the mandate to have a sheriff, for example. In making the cuts, we cut some departments 40 percent, because we had a tiered level of cuts. The less the mandate the greater the cut. Understandably, some people thought that was not really fair because all they use the county for was to go to the library and the libraries' hours were cut dramatically. We modified that greatly, and we tried, frankly, not to place certain departments out of existence because we discovered they were worth saving. We are continuing to try to find the right mix, and it is very tough, but we are concentrating on fairness.

**Assemblyman Oscarson:**

As a new legislator, I want to tell you that I particularly appreciate the last page with all the contact information on it. That is very helpful. I was wondering if you could go into a little more depth on your forensic mental health team and your family mental health court and the savings you have realized from that and just give a very brief overview of what you have done.

**Katy Simon:**

What I will do, in the interest of time, is get some follow-up information to all of you about the forensic mental health team at the Sheriff's Office. Of course, we had long ago determined that the Washoe County jail is one of the largest mental health institutions in northern Nevada, and that is certainly not the way we want things to be. We have a team that is specially trained in the Sheriff's Office to respond. When there is a mental health issue, we bring in the important providers who can make determinations.

We have a triage center in northern Nevada that we cofund with hospitals to keep people out of the emergency room, but, similarly, we do not want folks who are only coming into the criminal justice system because they have a mental health problem to be there. We want them to get treatment instead. It is the same issue with the family mental health court. We have a family court; we were one of the first in the nation to have a family court, and we have a mental health court. It was a logical extension to have a family mental health court because there are so many integrated issues that come to the court that would not be there except for the mental health problems. We have not realized huge savings from that yet, but we will certainly be happy to report to you on that, and I will get some more information on both of those for you.

**Chairwoman Benitez-Thompson:**

Since you do have Mr. Schiller here, I was wondering—because we did hear Clark County talk a little bit about the impact of the ACA on their county—if you could speak to what you folks see down the road as the impact of that act on Washoe County.

**Kevin Schiller, Director, Department of Social Services, Washoe County:**

There are two significant areas I would focus on with the ACA. One is that with the Medicaid rules expanding and then the subsequent welfare rules expanding, the conclusion everyone tends to jump to is that we are going to see this immediate savings in our indigent care costs. As has been testified to several times already in the session, it is going to be a trickle-down effect in terms of how those rules expand and as people become eligible. In terms of the overall indigent population, we are still going to see indigent individuals who are not going to qualify under the ACA, and we are still going to see those individuals who are going to be in need of medical care.

I think the other piece that I would highlight is with those costs, you have to have the conversation about long-term nursing care and long-term care at the same time because, although that was originally outlined in the ACA, it is now not in that. What happens is we are still responsible for indigent long-term care. Much like we approach it in child welfare, two pounds of prevention is worth ten pounds of cure. The issue is when we look at those indigent services and that case management, it is a question of how we keep people out of long-term care. It is a question of how we utilize those dollars that we are already expending to try to do prevention.

Those long-term care costs, as Ms. Simon had highlighted, in the last session were capped in terms of our participation in the Medicaid match program, so the state uses those funds for a match. Our responsibility increased, so what is going to happen in this session, as you will hear about, is there will be an ongoing discussion about what those costs look like. We knew that they would be higher as we approached the last biennium, and they continue to grow. What we may save on the ACA side, may be increased on the long-term care side. Then, as you know, the highest cost can be in the emergency room. As Ms. Simon highlighted, the triage center is a significant component of that.

To speak a little bit to the forensic mental health court and those pieces, our Crossroads program started with the ten most arrested individuals in Washoe County, and we put them into housing instead of giving them cash assistance. We essentially looked at their incarceration rate, and what we were able to do is expand that program to about 65 individuals currently, which is having a huge impact on costs specific to the community: emergency costs,

police costs, those types of issues. The simple answer to that question is the ACA will decrease our roles, but we still have the ability and the responsibility to meet indigent costs. It is really about how we continue to provide those high-level services and those efficiencies.

Then the last piece I would mention, Ms. Simon indicated that we did a fundamental review, and one of the key components of that fundamental review has been around how we look at our efficiencies. We ran feasibility analysis with senior services and with our public guardian to look at how we can become more efficient. We are analyzing data and trying to determine as a human services organization how we spend those tax dollars wisely.

**Chairwoman Benitez-Thompson:**

Thank you. I appreciate that primarily because I am a social worker who works with seniors, so I tend to interface with the senior social services every day. I know that you are doing hard work there.

**Assemblywoman Neal:**

I have two questions. One is a follow-up to what you were just discussing with the Affordable Care Act (ACA). I was wondering how you engaged the community concerning the essential health care benefits; the community was a part, over the past year, of trying to give their input on what kinds of benefit package they were looking for. I know in the south, there was limited community input because people really did not understand that it was going to be implemented. They thought it was magically going to come down and would just exist. Second, you had challenges such as high rates of poverty, so I wanted to know what the rate of poverty pre-recession was. In addition, what are the current demographics and the factors for the increase?

**Kevin Schiller:**

To answer the first question, I guess you would say the magic wand coming down with ACA, the best way I can answer that question is that we are in the midst of that currently. We are collaborating with the state; in fact, we had a discussion with the director of the Division of Welfare and Supportive Services. What happens with the ACA is we see those tentacles expand also, so Supplemental Nutrition Assistance Program, or Food Stamps, we are going to see that expand.

We are in ongoing discussions with them about how we can collaborate, moving ahead with implementation in the following year regarding how we can help with eligibility. As an example, we do eligibility for indigent health care cost, so when somebody is deemed indigent, we will pay that bill, but we have to determine eligibility. Whether it is in the children's services world where we

are doing eligibility for Medicaid or whether we are doing eligibility on the indigent side for health care, it is a duplication of process with the state. We are sitting with them trying to figure out how we can partner so that we can go out to that federal hub, grab documents—as an example we pay for birth certificates all the time—to determine eligibility. The largest answer I can give you is that we do a lot of outreach. One of the things that has really helped us—and I would not even center it around children’s services or adult, but to both populations—is we go into high-risk areas consistently and to outreach in those high-risk areas, and that is where we are going to be looking at those individuals and talking about how we can make them eligible. We use both community and nonprofit providers.

We have our own staff assigned utilized through the Community Assistance Center where we do staffing also. So, one of the issues will be how we get them into that hub, into that kiosk. As you might guess, applying for the ACA, as much as it might be a kiosk or some type of electronic process, is not going to be simple. There is going to have to be assistance through the social services realm, and we are engaged in trying to process that quite a bit. You will hear a lot more about that, I am sure.

**Katy Simon:**

Assemblywoman Neal, you asked about the rates of poverty and the demographics. I do not have the data right in front of me. I will get all of that for you because I do not want to misstate what those numbers are. The growth particularly among seniors and the Hispanic population is quite dramatic for our county, particularly with the Hispanic population growing from about 15 percent to upwards of close to 25 percent of the population. There are many implications of all of that. We all know the English language learners are a large portion of our educational system and our service provisions. We have had to address that over the years.

**Assemblywoman Pierce:**

You mentioned the people that you are housing in the Crossroads program. Does this program have something to do with the story of “Million Dollar Murray” from *The New Yorker* article that appeared a few years ago?

**Kevin Schiller, Director, Washoe County Social Services:**

The program really started with exactly that concept. You may have heard Officer Patrick O’Bryan from the Reno Police Department; he has testified down here, I believe, in the past. What we did is partner around that concept of how we could change how we are spending dollars. In our traditional world over the last 15 years, what we did was general cash assistance. Somebody would come in and say that they were down on their luck. We would determine them

eligible, and they would walk out with about \$180 in cash assistance. As you might predict, that often did not go towards any positive outcome. It could have been going to the liquor store; there was no outcome tied to that. We moved away from that to the housing component, and we took individuals with the ten highest jail days who had come through our system, worked with our Sheriff's Office and the Reno Police Department, and targeted that demographic. We are seeing about a 60 to 70 percent success rate. One individual in particular had over 200 arrests and incarcerated days, and we have him down to four. The issue is determining how we move them into some degree of independence. It goes back, again, to the ACA discussion because, as you might guess, some of those individuals may never just leave our program and go straight into the workforce. What we are able to do, and that is what we are looking forward to, is determining how we grade their eligibility for social security. How do we move that process along so we can get them into either group care or assisted care?

**Assemblyman Munford:**

I was reserving this question to ask the City of Reno. I posed this question to the City of Las Vegas, but Reno is in your county. Do you have a homeless problem up there? After asking this question to the City of Las Vegas, I want to see what your situation is in Washoe County.

**Katy Simon:**

Reno will present this morning, and they can certainly address that on behalf of the city. We have a homeless assistance center that we all participated in funding the construction of—Reno, Sparks, and Washoe County. Yes, we do have a homeless problem. We have many people who require shelter on a daily basis. We have limits on the number of days that folks can stay in the shelter. We provide services, and we have three full-time social work staff members from Washoe County at the Community Assistance Center to help, as Mr. Schiller was saying, get those people on to social security, get them veteran's benefits if they need them, get them into substance abuse treatment, et cetera. The program is very successful. We have a family shelter there as well, so we have a shelter for the men, a shelter for the women, and a shelter for families. In the wintertime, because of our extreme temperatures here in the north, we have an emergency overflow shelter for the winter to get people housed so that we do not lose anyone to the cold weather. We are participating in the funding of that as well.

**Assemblyman Munford:**

What are your numbers like, as an estimate? They took a count in Clark County a couple of weeks ago, and their numbers are way up there.

**Katy Simon:**

I do not have those numbers off the top of my head. We will get them for you, but typically, we are numbering a couple thousand when we count them in the community. I do not have the numbers for the most current count. I will make sure we get those for you, and the City of Reno may be able to answer that.

**Chairwoman Benitez-Thompson:**

Thank you so much for your time. Congratulations for the nomination on the Cashman Good Government award. Now we will welcome to the table from the City of Reno, City Manager Andrew Clinger along with Mayor Cashell.

**Andrew Clinger, City Manager, City of Reno**

I have with me, Mayor Bob Cashell of the City of Reno. I will give him an opportunity to say a few words.

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

Thank you for having us this morning. We are glad to be here to share with you what is happening working with the county and the City of Sparks. Many things were done in the homeless area and has been very big in our goals as we go along. I appreciate being here and thank you all for having us.

**Andrew Clinger:**

We also have been asked to give you an overview, just an update on where the City of Reno is. A lot of the information that Washoe County presented overlaps with the City of Reno, the economic data and those sorts of things. I am going to try to avoid any duplication with what you just heard. This is just some general information on the City of Reno: the population, the public safety, education, and so forth (Exhibit D). The next slide (slide 3) is the government structure. We are a council/manager form of government. We do have a bill that you will see in this Committee. Assembly Bill 9 makes some changes to our charter. The council acts as the policy-setting board, and they appoint the city manager, myself, to run the day-to-day operations of the city. Next, you see the council wards (slide 4). Term limits had an impact on the city in the last election. We have four new council members that were elected in November 2012. We have three more members who will be termed out in two years. In two years, we potentially will have an entirely new city council. We also have a provision in our charter that states that any time our ward populations vary by more than 5 percent, we must redistrict. Redistricting in Reno occurred in 2011 after the 2010 census.

The council's vision, mission, and strategic priorities are reflected on slide 5. We had a strategic planning session that the council went through just last week and came up with a new vision, a new mission, and four strategic



priorities. These strategic priorities are to enhance communication and citizen engagement, and are similar to what the county had. How do we go out and get citizens involved in their local government so that they have a voice in the decisions that are made at City Hall? Our goal is to provide efficient and responsive city services, to provide safe and livable neighborhoods, and to promote a sustainable and vibrant economy. Those are our other strategic priorities.

The City of Reno organization chart is shown on slide 6. As I stated, the city manager is appointed by the council. The city clerk is also appointed by the council and reports directly to the council. We have an elected city attorney. The county assessor serves as the ex officio assessor of the city. The county treasurer serves as the ex officio treasurer of the city as well.

We are a full-service municipality offering a broad range of services to support our residents and visitors (slide 7). A primary function, obviously, is public safety, community support services, public works, and culture and recreation.

The fiscal year (FY) 2013 general budget overview is shown on slide 8. When we were before this Committee in 2011, there were significant concerns about the state of our finances. I am pleased to report to this Committee that while we still face significant challenges, things have stabilized for us. At the most recent meeting of the Committee on Local Government Finance, the committee praised the city for our efforts in stabilizing our finances and told us that we no longer have to report to that committee on the finances and the state of where we are at. That was good news to us; we are very proud of the fact that we have, in a short period of time, been able to stabilize our financial situation moving forward. Our budget stabilization is our rainy day fund, and we relied heavily on this fund during the recession, and know that this is one of the items that, moving forward, our challenge is to replenish those funds. Like the county, we have seen some significant declines in our ad valorem and sales tax. This has had a significant impact on our budget.

We have 535 fewer employees than we did several years ago, which has had a significant impact on our services as well. For FY 2013, this chart gives you a breakdown of the budgeted revenues and budgeted expenditures (slide 9). Our property tax, or ad valorem tax, represents 28 percent of our resources. Consolidated tax is 26 percent of our resources. You can see on the budget expenditures chart, over 80 percent of our expenditures are related to personnel.

Next is our bond debt (slide 10). If you look at the city's total bond indebtedness, we have almost \$564 million in bonded indebtedness. While our

debt load is high, we are meeting our debt obligations at this point. If you look at the graph, the revenue bonds of almost \$383 million are the area where we face some of the challenges. These bonds are not backed by the full faith and credit of the city; these bonds were sold based on a particular stream of revenue, whether it was sales tax, room tax, or tax increment financing related to property tax. Those are the sources dedicated to those, and so those revenue bonds will not and cannot have an impact on our general operating budget or our general fund.

Some of the other challenges that we face moving forward are shown on slide 11. We do have an aging infrastructure, and we do have deferred maintenance, items that have not been funded in the past. If you look at our streets and some of other infrastructure, we have almost \$17 million in deferred maintenance issues that we need to deal with as we move forward. We do have unfunded liabilities almost to the tune of \$72 million. This would include postemployment benefits, workers compensation, and those benefits. We have our challenges moving forward, but our priorities are to begin to look at those areas and prefund those much as the county has been able to do over the past few years.

Regional shared services are shown on slide 12. Again, Ms. Simon talked a lot about the regional services that we participate in, so I do not want to go into that too much other than that we do have a Shared Services Elected Officials Committee that meets on a regular basis and looks at areas where we can share different services. We continue to work toward that.

One of the highlights of the City of Reno is open government (slide 13). I wanted to point out one of our initiatives when I first got to the city was for the city to be more open. We have established a website that has data related to the city <<http://www.dashboard.reno.gov>>. Our checkbook and our payroll information are online. As recently as this month, we were mentioned in a publication. Two cities were mentioned in the publication: City of Reno and New York. We are very proud of our transparency issues, and we will continue to add to that as we move forward.

Some of our other highlights include IBM's Smarter Cities (slide 14). In fact, we have a kickoff meeting today. As soon as we get back into the city, we will meet with some of the IBM folks who are in town to help us with this IBM Smarter Cities Challenge Grant. We are one of 100 cities in the world to receive this grant valued at approximately \$400,000. They send a team in, which is in town today, to try to take the data that we have in different silos, and create a system that brings all of that data together. What they do is they

give us a road map of how to create that system. Once they leave, it will be up to us to implement that.

We are also excited about the activity that we have seen in MidTown; this has really been something that has grown out of the community—really an organic effort. If you have not been down to MidTown, I encourage you to go down there. With all the activity and the restaurants, it has been a great addition to our city. We look forward to continuing to see that grow as well.

Finally, the last slide is our legislative team (slide 15). Cadence Matijevich and Megan Salcido, along with council members' information is included on that slide. I know I went through that fairly quickly, but we would be happy to answer any questions.

**Chairwoman Benitez-Thompson:**

Thank you so much; I appreciate that Mr. Clinger. One of the questions that I had was on slide 9 with your budget expenditures. I see that you have 50 percent listed as expenditures for salary and wages. Other counties have been breaking that out as public safety or different kinds of services. Is that just the same or just a different type of name for it, if you will?

**Andrew Clinger:**

What you see on that graphic on the pie chart, salary and wages, that is for all employees. It does not include the benefits; that is the portion in green. Are you asking for a breakdown by function?

**Chairwoman Benitez-Thompson:**

That 50 percent is salaries and wages. Does that include public safety, government services, and all of the employees within all those different departments?

**Andrew Clinger:**

It does. I can give you the breakdown of the public safety: fire represents 19.7 percent of that, police is 35.5 percent of that, parks and recreation is 6.6 percent, and then we have various others that make up the rest.

**Chairwoman Benitez-Thompson:**

Thank you.

**Assemblywoman Neal:**

I did not see anything in the slides on your redevelopment activities. I remember last time when we served on this Committee, it was a big deal,

dealing with your Sales Tax Revenue (STAR) bonds and capturing money that was spent. So, can you get into that?

**Andrew Clinger:**

Sure, we can talk about that. At this point, our redevelopment agency really is just dealing with the debt that we have, so we do not have any staffing in our redevelopment agency. It is really just servicing the debt. We are not asking for any changes to our redevelopment area. At this point, we are just making our debt payments and moving forward from there.

**Chairwoman Benitez-Thompson:**

Are there any more questions from Committee members? I want to thank you for your time and for coming down. I believe that you folks have three or four bills this session. Do you want to give an overview of those quickly?

**Cadence Matijevich, representing the City of Reno:**

The City of Reno, under statute is entitled to three bill draft requests, and we have two that you will be hearing this year. Assembly Bill 9, which Mr. Clinger referenced earlier, will be heard initially in this Committee. As Mr. Clinger said, that bill has to do with making some updates to our city charter. We engaged a citizen committee to do a comprehensive review of our city charter, which was put into place in 1971 and had not updated in nearly 15 years. That will come before this Committee in the coming weeks. In addition, we have a bill that will be heard first on the Senate side, Senate Bill 4, and that has to do with protection for public employees who may come into contact with contagious diseases in the course of their work. There are some protections in statute right now for certain employees. We are looking to expand those protections to all public employees and, in fact, to volunteers for public employers. It also shortens the process by which the testing is completed to determine if they have, in fact, been exposed to a contagious disease, so that if they have, unfortunately, had that exposure, that preventative measures can be taken as quickly as possible.

**Chairwoman Benitez-Thompson:**

I had one last question. On the IBM Smarter Cities Challenge grant, you talked about creating sophisticated analytic software, and I see you have many different partners with that. What will the software enable the city to do?

**Andrew Clinger:**

The software allows us to identify the cost of, for example, some of our infrastructure. It will also provide an economic development tool for companies who are looking to potentially come to the area. It will give them what we call geospatial information related to different parcels, and tell them what the costs

associated with those different parcels are. Not only is it a tool internally, for us and the partners in the region, but it will also be an economic development tool. The training from IBM will give us a road map of how to build this system, and it will be up to us and the other partners to put the system together.

**Assemblyman Stewart:**

I just wanted to take a minute and thank Mr. Clinger for his service to the State, and to commend the Mayor for his wisdom in hiring Mr. Clinger. The Mayor has been unusually quiet today; I am not quite used to that.

**Robert Cashell:**

Madam Chairwoman, when you have the talent, you just keep shut.

**Chairwoman Benitez-Thompson:**

Thank you, Mr. Mayor. The last question I have is in regards to this online checkbook that has been launched. You folks have had this launched for about six months or so now, and I am wondering what the public response is or how you find that the public is interfacing with this online checkbook and the payroll.

**Andrew Clinger:**

I have not gotten any specific feedback on it. I think for us, it is about knowing that it is out there and being able to tell the citizens that if they want to engage and go out there they can see where we are spending money. In the online checkbook, for example, you can literally go and see where every department spends their money. You can search it by vendor. Payroll is updated every pay cycle, so the citizens can literally see, year-to-date, the pay and the benefits of all the employees. I do not have any specific feedback other than the fact that the citizens know that it is there. If they have any questions, they can go look and it is easy to find.

**Chairwoman Benitez-Thompson:**

Thank you. Are there any other questions from Committee members? Thank you so much for your time. Mayor, thank you for driving up. I appreciate it. I will now welcome to the table the City of Sparks.

**Julia Ratti, Council Member, City of Sparks:**

First, I want to extend the apologies of our Mayor Geno Martini, who really did want to be here today, but is feeling a little under the weather. I am here in his stead. I would also like to introduce the other members of our team, Rocky Finseth and Jenny Reese, who are in the audience and are helping us with issues before the Legislature.

We are thrilled to be here today to tell you a little bit about the City of Sparks, and to be of any assistance that we can provide. We chose not to do a PowerPoint this time, but you should have a brochure in your packet (Exhibit E). We are the fifth largest city in the state of Nevada with a population of about 90,000. We share a border with the City of Reno. We do have a council/manager form of government, an elected mayor, five city council members, an elected city attorney, and two elected municipal judges. We do have a unique city Charter Committee that is independent of the city council and includes legislative representatives from every Assembly Member and Senator who represents the City of Sparks.

In terms of legislative and emerging issues, we did take the time to meet with all of our legislators in advance of the session. We did pass a resolution in support of the consolidated tax reform bill, Assembly Bill 68. We have no bill draft resolutions this session. We do have Senator Debbie Smith carrying some minor cleanup changes to the City of Sparks Charter, nothing significant there.

In terms of emerging issues, much like you heard from the City of Reno and Washoe County, we participate actively on shared services committees with two elected officials appointed to a joint effort. There are well over 40 shared services initiatives that happen in our region, and we enjoy a great working relationship with the local jurisdictions in our area. We do have a strong commitment to our independent form of government in the City of Sparks, but we work hand in hand with the jurisdictions that are closest to us.

Economic development is certainly a priority for us right now. I want to commend City Manager Shaun Carey, who led the recharge efforts for northern Nevada, and we have been very actively involved in the reworking of economic development efforts. Certainly, an emerging issue with us is the ability to maintain the personnel that we need to maintain an appropriate ratio for public safety. The number of police officers, to address Assemblyman Daly's question, to the county that is certainly in terms of the reductions in staffing that we experienced during the recession and the impact on services, the ability to keep that ratio appropriate for our citizens is one of our major concerns.

With that, I am going to turn it over to our City Manager, who will take you through some financial highlights.

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

It has been my privilege to serve the City of Sparks for 20 years, and I went to Sparks High School and the University of Nevada, Reno. It is a true joy in my life to serve the city that gave me a young adulthood and now a great career.

The City of Sparks has seen a great revolution. When I started there 20 years ago, we had dirt roads that are now five-lane arterials. We purposely placed the City of Sparks to change its outcomes. For 17 years, we went through our greatest expansion of economic development in our city's history. We have actually grown in a five-year period by a billion dollars. In 2007, our city was uniquely hit, as cities would be. It is not one size fits all when it comes to the impacts of the recession. The recession did hit the City of Sparks very hard. Fifty-two percent of our economy was based upon tourism and construction, and those two segments have struggled mightily. Construction is the leading area of unemployment in our state, and we have lost over a million visitors to the Reno/Tahoe area in just the last ten years.

Our city has gone through tremendous downsizing, and while revenues are projected to be flat for the future, I wish to assure you the challenge is even greater as inflation alone will place a huge burden on maintaining the services we currently provide. That gap between flat revenues and growing cost and inflation areas will require us to continue to reduce our services and push economic development to broaden the scope of jobs within our community. For the City of Sparks, this is all about jobs. We are very committed to the efforts of the Economic Development Authority of Western Nevada; we are very committed to working with Reno and Washoe County, and now, in fact, a nine-county area. We are truly a northern Nevada region with the Western Nevada Development District.

Washoe County's leadership in forming a partnership at that agency will provide more federal funds to deal with the unique high unemployment in places such as Lyon County and, yes, right there in Washoe County and in the City of Sparks. We look for those efforts to be part of the solutions we have faced.

Tremendous downsizing has occurred in this city of 90,000 people. We are only 23 square miles of the large 6,000-square-mile county, but we are absolutely the most important 23 miles of Washoe County, as we are proud to be the City of Sparks and have been for 108 years. Our residents are strongly identified with our brand of service, our personal commitment, and the fact that they can find the City Manager standing in a grocery store to take public participation to a one-on-one adventure before you head into the store. Sadly, our workforce has fallen mightily. We had 645 employees; today we have 445, and those are outside of the areas such as the sewer fund where we have to have mandated levels of service. Certainly, that is a 33 percent decrease, and our residents are seeing the difference.

We have maintained, as much as we could, our commitment to roads; in fact, in the last five years, road conditions in the City of Sparks have gotten better.

That is a combination of a commitment our council made in the early 1990s to reverse depreciation in our road system. Our road conditions or pavement condition index has actually risen, so that is an area of success. We also committed permanently a section of our franchise fees with our power company to go to parks rehabilitation because, frankly, parks often are overlooked in a recession. We have been able to go in and take out 25-year-old playground structures and shelters and asphalt paths, which were a danger to our residents, because we know the connections that neighborhood parks make to our community. We have not missed our investment in capital, but where we have had to drop back is in levels of service.

As you can imagine, the foreclosures that have occurred in our city are just like everywhere else; it is a very dramatic part of our community's new reality. It is in that new reality that we must move forward with more code enforcement efforts. We went from five code enforcement officers working in this city of 90,000 people down to one because of this recession. We have now doubled that with two employees, but, obviously, that kind of commitment in the face of a downturn so severe has been insufficient in maintaining the quality of our neighborhoods and protecting the blight that so often finds its way into our communities.

Property taxes are down in our community as well, but we are an older community. Much of the construction in our community occurred after World War II, and depreciation of our property taxes has been a huge factor. While I strongly support the State Legislature looking very closely at taxes, I wish to assure you that property taxes have an unlimited downside and they control the upside, meaning that property taxes can only go up 3 percent or 8 percent. This places us in a true challenge when it comes to finding a path forward to restore services, which we desperately need.

In the case of our fire department, we have dropped from four-person staffing to three-person staffing. That is a 25 percent decrease in the actual on-time arrival strength that we have to put out fires. It has drastically changed what it takes to respond to a structure fire in our community. When you have four persons on a truck, you can send three trucks. When you have three persons on a truck for a standard structural fire, you need to send four and five. We have five stations in Sparks and seven engine companies, so you can imagine the change in service that our residents are seeing.

In our police department, the numbers continue to be a great challenge. We need 50 additional officers to reach the International City/County Management Association (ICMA) recommended number of officers per thousand, and it is something that is not available to us in terms of a local choice. We do not have



the ability to raise taxes any further in a meaningful way that will meet that challenge. I looked often to my neighbors and cities in southern Nevada where they have dealt with the situation by providing a separate sales tax for public safety, and I feel that that is an opportunity for my community to truly find a way out of its public safety dilemma.

However, I want to assure you that the answer is not consolidation. We are a very efficient government in northern Nevada. We are very proud of our heritage, and we like the fact that our local elected officials are making all of our decisions. It is not about turning over decisions to others; it is about making sure we can invest in parks, streets, firefighters, and police in a way that gets us the kinds of outcomes, in this terrible economy, that our community really, truly desires.

As we look forward and we look at our unemployment rate, which has finally fallen below double digits—it is at a lofty 9.6 percent in December—we hope and want to continue to work with our Legislature to see more funding go to economic development. It is imperative that the nine-county northern area receive additional funding so that we can bring more jobs home to our region. Without that, the future remains quite challenging. In my opinion, you will be able to see much of our performance in our annual report (Exhibit F), which was provided to you online. You will also see a carefully crafted, if you will, strategic plan that addresses head-on the challenges we are truly facing. I would say to you that we like our regional partners. What you read in newspapers about fire consolidation and shared services does not necessarily reflect the very cooperative and positive attitudes that are occurring. I think we are leading the state today in creating a true business license system which will be much more flexible for local businesses. Just yesterday, our council updated our business license code for the first time since 2005, and it sets forth the ability for us to truly build a business system that will provide a future.

Reno, Sparks, and Washoe County will also be working very diligently in the coming year to address our emergency medical system, which has performed at such high levels, but must address the real changes that have occurred now that we are in a new decade. Washoe County and Reno have been great partners; in fact, tomorrow the Reno City Council will accept a grant which will allow the City of Sparks to get on the same business platform that is used in a dispatching system. Those are good partnerships and things that are providing great results.

I wanted to touch on the fact that we have had one of the best regional efforts to deal with homelessness in the state of Nevada. It was led by Mayor Bob Cashell. In the downtown quarter, as often happens in cities, with

its attractions and its ability to offer things that lead to concentrations, they took the lead. There was an existing facility in downtown Reno, and we made a regional decision to build a resource center that did not just deal with a hot meal and a place to sleep, but it has been truly integrated with Washoe County Social Services and great leadership by the City of Reno. The homelessness problem in the City of Sparks has been improved by this regional relationship. We have Interstate 80 and a railroad track through our community. We have homeless families that stay in our weekly hotels. Homelessness knows no boundaries. It was a great opportunity for us to work regionally to find a solution. Yes, there is more that can be done, but at least our organizations came together and addressed the problem. It has been, truly, one of the remarkable outcomes that I have seen in the last ten years, this regional cooperation leading to that center.

We have two redevelopment agencies, and they are both struggling. They are struggling because of the loss of property values; 44 percent of our values have been lost. Our downtown redevelopment district, which is on Victorian Square in the casino area, is actually Nevada's oldest redevelopment area, and it will expire in the year 2023. It is not likely to attract investment. There are so many new opportunities and such high vacancy rates in offices and in commercial opportunities in our community, so it is not likely that anyone would choose the high cost of building in our downtown. We intend to continue to improve our platform to do what we do best in downtown Sparks, which is to be a platform for special events.

Last year, we attracted over one million visitors to Victorian Square. Our largest event is the Best in the West Rib Cook-off, and if you are free for Labor Day this September, the place for the best barbecue in America is at Victorian Square in Sparks, Nevada. We will serve approximately 220 tons of ribs in a six-day period in Sparks, so I could not tell you the number of gallons of barbecue sauce that we go through. It is a great place, and we look at Victorian Square as the living room of our community and really of our region as the platform provides a great opportunity for cities to come together.

In terms of redevelopment, we added a second district, which was centered on the Sparks Marina. The Sparks Marina was a gravel pit that was excavated for many years by the Helms family. It was actually what created most of Interstate 80, its embankments and fills. It is also a very tough industrial site to redevelop. They took the overburden, the soils that were bad, the waste materials, and they left a little over 247 acres that were very distressed. We formed a redevelopment agency particularly to take on that challenge. That led to the creation of the beautiful Sparks Marina. We call that the center of the tri-lake region in our community; it is between Lake Tahoe, Pyramid Lake, and

the Sparks Marina, so we feel we are the center of Nevada's aquatic opportunities.

We also have been successful in creating an economic engine for our community, and that is through the creation of Nevada's second Sales Tax Revenue (STAR) bond districts: the Legends development, which is built right on Interstate 80 near Sparks Boulevard. That is a 147-acre district that was specifically designed to address the challenges of California gaming and the loss of visitors that we were seeing. There was every indicator that you could have that we needed to add a better shopping experience. Forty-eight percent of the visitors who came to the Reno/Tahoe area wanted to have places to go that were unique and offered a blend of development. We have not been able to find that single project as the answer to our economic challenges in tourism, but it has made a tremendous difference. We have, today, the world's largest sporting goods store located in Nevada's fifth-largest city, and that is the Scheels development. If you have a chance, visit that project. Once you walk through the doors, walk under that saltwater aquarium, and see what that does. You will know that it has added to the wonderful experience tourists can have in northern Nevada.

It has not been without challenges. This project was hard to fit into an economy that was faltering, and our STAR bonds were an absolute necessity to put into tourism attraction. We did so at a time when our nation's economy collapsed. Across the country, developers retreated on all fronts. Stores were building at high rates pre-recession, but when the recession hit, you could hear a pin drop on the number of people who were signing letters of intent to come to Nevada, and especially to come to challenging and new and emerging markets. Our dreams have not been realized and more work needs to be done, but we believe we did the right thing. We did create something that will be unique and will be there as our community begins to restore.

Our remarks may have sounded negative today, but I also think they provide a very honest opinion that the challenges that local communities face today are very great. We are up to the challenges. The leadership of the City of Sparks and my mayor and city council are taking an honest look at what we need to do. Our biggest initiative is project innovation. We know with flat revenues, we must cut \$2 million additionally from our budget. That is a fact, and we want to do that without losing additional employees. We have started a process innovation, looking at every single business we do with the idea of keeping our employees working because, let us face it, what cities do is provide service one on one. Eighty-five percent of our budget today goes to employees. They are the engine. They are the product. They are the service provider. They are the ones that make sure our citizens are safe and have parks to go to.

At the end of the day, we produce the smiles on the faces of those who visit Victorian Square that make Sparks a real community. I would be happy to answer any questions you may have.

**Chairwoman Benitez-Thompson:**

Thank you very much, Mr. Carey. I appreciate your presentation. Ms. Ratti, please let the Mayor know that we do not in any way hold any ill will against him for being ill. There are two Committee members out today, and I am bound and determined not to be the third one to go out. It is very catching. I will be happy to note for the legislative record that with the addition of Assemblyman Daly, your community has somebody sitting on Government Affairs Committee; I think that is good representation for our northern folks. Are there any questions from the Committee?

**Assemblyman Stewart:**

What was the initial cost of the homeless center, the Community Assistance Center? What is the annual cost? Do you have any ballpark figures on that?

**Shaun Carey:**

The City of Reno took the lead on construction, and it is a marvel to see what they have done. They leveraged this by using our community development block draft funds, and we all came together and did that. I would misspeak if I gave you a number for that, but I will make sure that City of Reno provides that in a summary email to all of your Committee.

**Assemblyman Stewart:**

Can you give us a kind of ballpark of what has happened with consolidating services on a regional basis with licenses and other such services?

**Shaun Carey:**

Absolutely. I think our consolidations go back over 50 years when Reno and Sparks got together and built a Truckee Meadows Water Reclamation Facility, closed two city plants and built something that has served us faithfully and cost-effectively. In fact, it was judged to be in the top 10 percent of efficiently operating plants in the United States of America. We have continually worked diligently to find services, in the most recent times consolidation was discussed amongst fire districts, and the City of Sparks chose not to participate in that. There is a clear reason we did not do that: we do not wish to have a fireboard make decisions regarding something that is a public safety service. We wish to have the city council continue to make those decisions. We also find great barriers to effective consolidation in existing labor laws. Labor laws that bring in existing contracts, would impose new standards in costs and service levels, and would take into account the management giveaways that have occurred in

30 years in other agencies and bring them to the table. It, frankly, would have cost the city a fire station in order for us to consolidate our fire service. We have participated and will continue to discuss those matters, but it is an input and output equation whereby, labor being your principal cost, you find yourself losing service for your residents and not gaining anything.

We are very focused on building our fire department based upon a business plan and standards and, frankly, have designed our city and master planned our city where we know where our fire stations are going. In fact, the last two fire stations have been built through impact fees, and that is two out of the five stations we have. We have also used redevelopment to rebuild our headquarters. We have no debt associated with our fire department whatsoever. We do have a great fear that others will look to take advantage of our master plan and long-range strategic thoughts on the fire department, and our service levels would fall.

However, we are at the table. We are working on business licenses because we see that to be something where the customer service must change so that a person can click on a screen and apply for their Reno business license and their City of Sparks business license in the same business transaction. We have great partners in that. Washoe County has taken the lead at using their information technology department to find a new database that will actually support a broad group of business planning activities.

We looked at our human resources systems, and for us, being small and not at a time when we are growing or foreseeing growth, we did not see that it would do a lot to save money. Again, we are controlled by 13 specific contracts with labor groups that are different from the contracts in other agencies. The similarities are not there for the consolidation of that.

We looked at information technology (IT), and our IT programs being different, on a different platform, a different system, it was not timely for that.

Right now, our main focus, as I said, is to work on our emergency medical system, which is something that is truly regional. We have Reno, Sparks, Washoe County, the North Lake Tahoe Fire Protection District, and our private service provider, Regional Emergency Medical Services Authority, and, most importantly, with our medical expertise at the health board. They have all come together around a consulting report that will lead to improvements at a time when they are needed. We want to take advantage of the partnerships and the ability to make sure that our very good emergency medical system gets even better. I think that is our greatest challenge in the year ahead.

**Assemblywoman Pierce:**

About two years ago, we had a presentation about flood control and recontouring the Truckee River so that it was more in its natural path. How is that going? Is it done? What is the status on that?

**Julia Ratti:**

It is not done. The flood project is an incredibly complex process that involves working with the Army Corps of Engineers at the national level. The plan that you are referring to is called the Living River Plan. It looked at flood improvements that were made ages ago, that were about putting in cement and making the river a channel to protect folks. We took a completely new look at that in our modern age which is the perspective that the river knew what it was doing and putting back some of those meanders. We have had some great partnerships with conservancy agencies that have put in some of that natural contouring in the river to the east of Sparks. The flood board still works diligently; it is another example of some great cooperation that is going on in our region where Washoe County, Reno, Sparks, and other affected parties are at the table working on it. At this point in time, we are working on how to get that project through the Army Corps of Engineers to bring home the project we need in our region. We have been able to make some significant improvements, some land acquisitions that have served us well. We dodged a bullet recently. Those of you who are in the north know that we came very close to a significant flood incident, so it is something that is an imperative in terms of public safety, but we need the federal dollars to get it done.

**Assemblyman Daly:**

I really just had a comment. I want to welcome my friends from the City of Sparks. The one area that we have to work on is that we only have one female city council person in Sparks, where the majority of the other boards in the county are female dominated. We have a woman Speaker and a female Committee Chairwoman here. That is an area that we have to work on improving.

**Assemblywoman Neal:**

Your domestic violence rate is reflected in the report at about 1,900 victims that were assisted in 2012. What are the demographics of that group? Then I was wondering if that is related to your unemployment rate? Are those factors integrated?

**Julia Ratti:**

We do not have the demographic data here before us today, but I have a background in health and human services and can speak to the topic, generally. First, I want to commend the City Attorney's Office in the City of

Sparks. Part of the reason that you have that data is that he has consistently gone out and found funding to have a victim advocate, and we are able to do some important work in terms of making sure that victims feel comfortable moving through the prosecutorial process and taking their abusers to court. He has done some impressive work there.

In terms of demographics, certainly, the unemployment rate has been a challenge, and we are seeing an increase of domestic violence in our region because of that. The economy has been a stressor for many reasons. While Ms. Simon was not able to speak directly to the poverty numbers, we do know that 50 percent of our children in Washoe County are living below the poverty level. Also, we know that many of those households are headed by single females who are challenged in a number of ways, domestic violence being one of them. It is certainly an important issue in our region. There are some great collaborative efforts in the north to address it. We do not have the specific demographic information, but we can get it to you.

**Chairwoman Benitez-Thompson:**

Thank you so much. I want to thank those of you who are taking the time to come up and present today. I very much appreciate it.

At this time, I would like to welcome from the IVGID, Mr. William Horn, who is the General Manager, and Mr. Joe Wolfe, who is a Board of Trustee member. I thank you for coming today because part of the purview of Government Affairs are general improvement districts, which, outside of cities and counties, can be a big piece of the pie in relations to Government Affairs and a lot of us are not very savvy about that.

**William B. Horn, General Manager, Incline Village General Improvement District (IVGID):**

Madam Chairwoman, to my right is our Vice Chairman, Joe Wolfe. Joe, would you like to say a few words?

**Joe Wolfe, Vice Chairman, Board of Trustees, Incline Village General Improvement District (IVGID):**

Madam Chairwoman, members of the Committee, thank you very much for allowing us to come here today. And I want to thank you for your attention. I have been observing you as you have listened to the other three presentations, and I am greatly heartened by your attention span and your intelligent questions afterward. When Mr. Horn is done presenting, if I can help answer any questions, I will be delighted to do so.

**William Horn:**

Thank you for inviting us today. Our Chairman, Bruce Simonian, is traveling back to Washington, D.C. with our public works director to work with the Nevada Congressional Delegation to continue efforts toward the Lake Tahoe Restoration Act, which would provide \$450 million of funding to making sure that there are no catastrophic fires at the lake and that the clarity of the lake continues to increase from where it has been in the past. So, he apologizes for not being with me today.

We have also been asked, and we are honored for the third or fourth time in a row, to represent the other general improvement districts (GID) in the state of Nevada (Exhibit G). A GID is a quasi-municipal corporation formed by a Nevada county. They are formed by county commissioners under NRS Chapter 318. A county commission can grant 21 basic powers to one of these quasi-corporations. I will just name a few of them: recreation facilities, water purveyor, processing sewage, swimming pools, television stations, lighting of streets, fire protection, and roads and street maintenance. Two of the larger GIDs in northern Nevada that have three or more services that they provide are the Sun Valley GID—and we are pleased to have a great relationship with them and we thank you for allowing us to represent them as well—and then there is the Incline Village General Improvement District or IVGID. The Washoe County Commissioners founded IVGID in 1961. Crystal Bay, which is part of our jurisdiction, will be celebrating its eighty-fifth anniversary this summer, and Incline Village will be celebrating its fifty-second anniversary.

We have 4,200 water, sewer, and trash customers. We have approximately 8,200 recreation customers. The population from 2010 dropped from almost 10,000 down to 8,900. One of the challenges that our community has is that in 2001, 50 percent of our homeowners were full-time; today that has dropped down to 35 percent, which is fairly common around the Lake Tahoe Basin. The value of GIDs is the more efficient and effective delivery of services when communities are not centered in the middle of Washoe County. As you know, we are 35 miles from Reno and Sparks, so it is a round trip of 70 miles for all of those who live there.

We have an outstanding partnership with Washoe County, and I wish that Ms. Simon were in the room to receive my compliments to her. We started a senior program about seven or eight years ago. It is an award-winning senior program, so our older generation does not have to get in their cars or into a bus and travel to Reno to receive services. They can actually receive those services in Incline Village. We also have a great partnership with the Regional Transportation Commission (RTC) where we actually provide senior transportation around our community. You can go to a doctor appointment, to



Reno, to Carson City, or shopping. That was provided by a grant from the federal government as well as the operating expenses provided by RTC.

This last summer, since we last testified in front of this Committee, we have had some exciting things happen. The federal government decided that there needed to be two sources of purifying water, so for \$6 million this past summer, we upgraded our ozone water treatment plant and added the second processing with ultraviolet. Those projects used funding generated within the community. We have an effluent export pipeline that is in its final stages of renovation, and there is a final six miles to be renovated. We have received over \$18 million in grant funding from the federal government to work on this project, which has allowed our committee members not to have to fund the renovation of this 32-mile pipeline that was about 40 years old when it first joined the district.

If you enjoy disc golf, in collaboration with the North Lake Tahoe Lions Club, Tahoe Incline Foundation, and Boy Scout Troop 37, we have put in an 18-hole disc golf course. It is very, very popular; although, since we run a ski resort, we certainly want plenty of snow all the time. The college students sometimes are a little bit disheartened in the middle of December when they cannot go out and play disc golf.

We operate four beaches, and one of those beaches is a boat-launching site. We were forthright in providing support for Tahoe Regional Planning Agency's (TRPA) restrictions about invasive species, so we cooperate with TRPA all the time.

As small as we might be, we have a budget this year of \$45 million. Only 5.5 percent of that budget is funded through any form of tax. We get a little ad valorem, or property tax, and we get a little bit of the consolidated tax. The rest of the 95 percent is raised through user fees. We are extremely proud that we have a AA bond rating. We also have one of the lowest debt percentages to assets in the entire state of Nevada, at 12.7 percent. One of the things that we did back in 2001 to work toward these types of things is that we typically do not do any 20-year bonding; we all do 10-year bonding. It makes it a little bit more expensive from the standpoint of paying those bonds off twice as fast, but we get lower interest rates as well as being able to pay our bonds off long before we have to replace the asset again. We think that is a great thing. All of these public funds are used for our 3,200 waste, water, and sewer customers, our 8,200 recreation users, as well as our 8,900 residents, and our 500,000 visitors that we receive each and every summer to all of our recreation venues.

We are really proud of some of the collaborative efforts. We collaborate with businesses, educational institutions, and all the government agencies around the lake to spend public funds in a judicious, cost-effective way as well as making sure that we watch over our portion of Lake Tahoe and the beautiful mountains where we live.

One of the divisions within Public Works that we are really most proud of is a division called Waste Not. Waste Not's responsibility, with their three-person team, is to make sure that IVGID is on the top of protecting the environment. We have partnerships with the Nevada Department of Wildlife, Nevada Division of Environmental Protection, the TRPA, and the Tahoe Transportation Department (TTD). One of the exciting things that we are doing with them is in the final six miles of the effluent pipeline; we are working with TTD to be able to put a portion of the pipeline under the planned bike trail. As a result, we are going to be able to cut down the total cost of construction of that bike trail that desperately needs to be built around the lake. We think those are the kind of partnerships that are really fantastic.

With the grant funding that we have received from the U.S. Army Corps of Engineers and the federal government, we have been able to do environmental projects like Incline Creek, Clear Creek, and Rosewood Creek—with about \$3 million in grants. In addition, what we have been doing there is restoring those creeks to what they were 20, 30, 40 years ago when they were not pumping all types of dirt and debris into the lake, which affects clarity.

With that, I thank you for the opportunity to represent all the GIDs in the state of Nevada as well as to tell you a little bit about IVGID. Do you have any questions for us today?

**Chairwoman Benitez-Thompson:**

Thank you so much. With my newly redrawn Assembly District 27, I do have Sun Valley and the Sun Valley General Improvement District up there, so I had a chance to become a little bit more familiar with how GIDs are very specific and almost have a surgical approach to the type of work that they do in communities. Are there any questions from Committee members?

I did have a question, and it was going back to the funding source; you mentioned that you folks have a \$45 million budget, but only 5 percent of that is coming from taxes. Then, the remainder is coming from user fees and such. Did I hear that right?

**William Horn:**

Yes, you did. Ninety-four and one-half percent of our \$45 million budget comes from user fees that we collect from our water, sewer, and trash customers as well as all of our recreation customers. For example, Diamond Peak Ski Resort, which we operate, has a revenue source of about \$6.5 million when it snows. It is a bit of a challenge, as it was last year, when we do not get the snow that we need, but that is an example of where that 94 percent comes from.

**Chairwoman Benitez-Thompson:**

In that case, because it is so dependent upon seasonal activities, do you folks have quite a bit of variation in your income from year to year, or does it tend to be more stable than one might think?

**William Horn:**

The greatest variations really happen with the ski resort, but we carry adequate reserves, knowing that there are going to be years when it does not snow. Over the last five years, we had one year that we did not get enough snow. Another year, during the Christmas vacation, the electricity was out during the Christmas week. Almost \$1.5 million is spent at our ski resort just around Christmastime, so sometimes it is snow, and sometimes it is Mother Nature knocking out electrical power.

**Chairwoman Benitez-Thompson:**

Are there any questions from the Committee members?

**Assemblywoman Bustamante Adams:**

On page 7 of your handout, you talk about the demographics of your two communities and the reduction in the full-time homeowners. What is your occupancy right now if you were at 50 percent in 2001, and then in 2013 you were down to 35 percent?

**William Horn:**

The best example of what it has created is that when I arrived there in 2001, we had about 1,600 children in the three public schools. Today that is down to 1,200 and declining. Fortunately, our second-home owners still spend their summers there; they spend their three-day weekends there. The real challenge for IVGID is that the golfer that is now a second-home owner is not there when we open the golf course in May and is not there after Labor Day. We have the same problem with the ski resort. Now, from the perspective of water, sewer, and trash, it does not have the same impact because everybody needs to be hooked up to water and sewer, and they also need to have trash collection. The revenue ups and downs that we have received over the years

are impacted by that, but in 2001, we saw that the demographic was changing. Long before other government agencies started to do more with less, we started to cut back the number of people. Even though our 4.1 percent staffing is less today than it was 2001, we were not overstaffed and our service levels have increased by 55 percent. In other words, when we do 500,000 venue visits for all of our recreation venues now, that was about 250,000 just 11 or 12 years ago. We are certainly not the Sun Valley of Idaho, but we are a destination resort. We have an outstanding partnership with the Hyatt Resort and Casino, and we certainly try to serve all of the customers who come to Incline Village and Crystal Bay to make sure that they have all their recreational needs met.

**Assemblywoman Pierce:**

What is the snow level right now? How are things going this year?

**William Horn:**

We were fortunate to have a great, lengthy snowstorm around Christmastime, and fortunately, that put about 8,400 inches at the top of our ski resort and about 36 to 40 inches at the bottom. Fortunately, we have been able to maintain that. We have been on a great pace with our customer base. We are a boutique ski resort; we are not Squaw Valley or Northstar. There are many consolidations around the lake. We get about 125,000 skiers, and if we do that, we are able to pay all the bills and pay the debt. Most importantly, we are parcel owner driven first; we are there to serve the people who live in our community as well as our second-home owners. Skiing requires a lot of tourists. Golf does not require as many tourists. I would say it is a good snow year. I have noticed the lake is filling back up a little.

**Chairwoman Benitez-Thompson:**

Are there any additional questions from Committee members? Seeing none, thank you for coming down and presenting for us today.

I will go ahead and open the hearing on Assembly Bill 57. We have with us from Las Vegas, Mr. Michael Baltz.

**Assembly Bill 57: Revises provision governing the biennial report of the activities of the Nevada Equal Rights Commission. (BDR 18-373)**

**Michael Baltz, Chief Compliance Investigator, Equal Rights Commission, Nevada Department of Employment, Training and Rehabilitation (DETR):**

I am here to introduce A.B. 57, a bill submitted by the Department of Employment, Training, and Rehabilitation (DETR) on behalf of the Nevada Equal Rights Commission (NERC). Assembly Bill 57 is a housekeeping bill to clarify

whose responsibility it is to submit the biennial report to the Governor and Director of the Legislative Counsel Bureau.

*Nevada Revised Statute 233.080* had previously read that the responsibility belonged to the Commission. Assembly Bill 57 would clarify the responsibility rests specifically with the Administrator.

Again, thank you for your time and consideration in this matter, and I am available to answer any questions.

**Assemblywoman Bustamante Adams:**

I think that is the shortest presentation I have ever heard, so congratulations. Can you give me a little bit of background explaining why there was not the clarity before and why it has become an issue for you to bring the bill forward?

**Michael Baltz:**

There was confusion about the use of the term "Commission" and whether NRS 233.080 referred to our board of commissioners or actual employees of NERC. Historically, the Administrator of NERC has submitted this report as they have immediate access to the information necessary to complete it.

**Assemblyman Daly:**

I think he just answered my question effectively. This is what you have been doing anyway. The Administrator has probably been preparing the report, the commission reviews it, says yes, and the Administrator has been doing this work all along anyway. I think that is what you just said. I just wanted to clarify that there is probably no real effective net change other than the change in the words like we see in the bill. Is that the case?

**Michael Baltz:**

Yes, you are correct. There is no effective change other than the wording of the bill.

**Chairwoman Benitez-Thompson:**

Are there additional questions from the Committee members? Seeing none, I will go ahead and open up for testimony in support of A.B. 57. Mr. Baltz, you are the only one down there in Las Vegas; is that correct?

**Michael Baltz:**

Yes, that is correct.

**Chairwoman Benitez-Thompson:**

Seeing no testimony in support, I will open for testimony in opposition. Seeing none, I will move on to testimony that is neutral. Seeing none, I will close this hearing on A.B. 57. Thank you Mr. Baltz for waiting so patiently down there; I appreciate it.

**Michael Baltz:**

Thank you, Madam Chairwoman for allowing me to be here.

**Chairwoman Benitez-Thompson:**

I will now open up the microphones for any public comment from either Carson City or the Las Vegas area. Seeing none, I will close this session of the Committee on Government Affairs. Meeting adjourned [at 10:07 a.m.].

RESPECTFULLY SUBMITTED:

---

Jennifer Dalton  
Committee Secretary

APPROVED BY:

---

Assemblywoman Teresa Benitez-Thompson, Chairwoman

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

**EXHIBITS**

**Committee Name:** Committee on Government Affairs

**Date:** February 12, 2013

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

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Katy Simon / Washoe County	PowerPoint Presentation
	D	Andrew Clinger / City of Reno	PowerPoint
	E	Julia Ratti / City of Sparks	Strategic Plan
	F	Shaun Carey / City of Sparks	Annual Report
	G	William Horn / Incline Village General Improvement District	Handout