

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

**Seventy-Seventh Session  
April 8, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 8:07 a.m. on Monday, April 8, 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 Pete Livermore  
Assemblyman Harvey J. Munford  
Assemblyman James Oscarson  
Assemblywoman Peggy Pierce  
Assemblyman Lynn D. Stewart  
Assemblywoman Heidi Swank  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

None



**GUEST LEGISLATORS PRESENT:**

Assemblyman Randy Kirner, Washoe County Assembly District No. 26

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Jim Penrose, Committee Counsel  
Bonnie Hoffercker, Committee Manager  
Maysha Watson, Committee Secretary  
Cheryl Williams, Committee Assistant

**OTHERS PRESENT:**

Rusty McAllister, representing Professional Fire Fighters of Nevada  
Jeff Hurley, Union President, North Las Vegas Firefighters, International  
Association of Fire Fighters, Local 1607  
Scott Johnson, President, Las Vegas Firefighters, Local 1285  
Ted J. Olivas, representing City of Las Vegas  
Bob Coffin, Councilman, Ward 3, City of Las Vegas  
Dan Musgrove, representing City of North Las Vegas  
Shari L. Buck, Mayor, City of North Las Vegas  
Wes Henderson, representing Nevada League of Cities and Municipalities  
Carole Vilardo, representing Nevada Taxpayers Association  
Erin McMullen, representing Las Vegas Metro Chamber of Commerce  
Peter J. Mulvihill, Chief, State Fire Marshal Division, Department of  
Public Safety  
Tray Abney, representing The Chamber  
Brian Reeder, representing Nevada Chapter of Associated General  
Contractors  
Cadence Matijevich, representing City of Reno  
Charles Moore, Fire Chief, Truckee Meadows Fire Protection District and  
Sierra Fire Protection District  
Alex Kukulus, Acting Battalion Chief, Truckee Meadows Fire District  
Mary C. Walker, representing Truckee Meadows Fire Protection District  
Lisa A. Gianoli, representing Washoe County  
Thomas Dunn, Private Citizen, Sparks, Nevada  
Dennis Jacobsen, Private Citizen, Reno, Nevada

**Chairwoman Benitez-Thompson:**

[Roll was taken and protocol reiterated.] We are going to be taking the agenda out of order today. We will start with Assembly Bill 420, then we will hear

Assembly Bill 424, and we will end with Assembly Bill 302. I will open the hearing on Assembly Bill 420 and welcome Mr. McAllister to the witness table.

**Assembly Bill 420: Revises provisions relating to the position of fire chief in certain cities. (BDR S-1120)**

**Rusty McAllister, representing Professional Fire Fighters of Nevada:**

I have been asked to introduce Assembly Bill 420 and start a discussion about why the bill was brought forward. I have a couple of representatives in southern Nevada who would like to speak and then, if there are any questions, we can follow up from there.

I was asked if we could put forth a bill that would allow the city charters of the City of Las Vegas and the City of North Las Vegas to be amended. This bill amends the charters to move the position of fire chief from under the supervision of the city manager to under the direct supervision, or direct contact with, the city council and the mayor. This would essentially remove a layer of filtering, if you will.

The gentlemen in southern Nevada will be able to give some examples as to why they would like this bill brought forward. They came to me and asked if we could do something because of incidents that have occurred. I have had conversations with the former fire chiefs of both of these entities, the City of Las Vegas and the City of North Las Vegas, and they have both expressed frustration with the direction that has been given to them by the city managers with regard to taking away their ability to go directly to the city council and mayors to express public safety concerns. They are the top public safety officials with regard to fire, emergency medical services, and fire building codes. They have expressed they have been blocked off in certain instances in being able to do that.

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

I have been in union leadership for over 12 years. I have had the opportunity to see several city managers go through the city ranks. It has become apparent that there is an issue with the communication from our fire chief to the elected officials. The things that I have seen over the years that are disturbing to me are filtered and denied messages. It has morphed into some of the lobbyists going straight to the city manager and skirting the process that has been in place. Instead of going to the elected officials to make an educated decision, it will go to the city manager, where it will not even get up to that level.

We believe that because it is public safety, no message should be filtered and no message should be denied. Our elected officials should have as much information as possible when they are making decisions for the safety of our citizens. We spoke to Mr. McAllister and asked him to bring this bill forward so we can have complete transparency and have our elected officials make sound decisions when it comes to public safety.

**Scott Johnson, President, Las Vegas Firefighters, Local 1285:**

We speak in support of this bill. For the City of Las Vegas, we are going on our fourth fire chief in five years. We believe a large part of that is due to some of the things that Mr. Hurley and Mr. McAllister described.

Our concern is that the council and the mayor are not being fully apprised of everything they need in order to make informed decisions regarding public safety. We support this bill because we feel it is very important to the public. We believe that it does advocate for life safety. We do not think the fire chief should feel his job is in jeopardy or that he cannot fully speak on issues related to public safety without feeling he could be threatened as a result. We think there should be accountability, and we think it should be accountability to the taxpayers. We believe that through the council and the mayor that accountability would be much clearer.

I have heard from a number of our council members that the information they receive is filtered, particularly when I give them our perspective on certain issues. I think that is obviously a concern. When we had a recent International City/County Management Association (ICMA) study of the fire department, our fire chief received a vote of no confidence. That vote of no confidence was largely due to his not fully expressing the value of our Insurance Services Office (ISO) Class I, which is the highest rating you can receive from the Insurance Services Office regarding fire protection. Our members watched our fire chief be questioned by a council member regarding ISO and he basically did not stand up for it. As a result, the fire chief received a vote of no confidence from our membership. That was in no small part due to what we believe he was told to say or, more importantly, not to say on the subject of ISO.

Some of the key recommendations that have come out of that study have been delayed, and we believe it gets delayed at the city manager level. We also have some financial and equipment issues that have not been addressed because they are stopped at the city manager level, and the fire chief does not speak with the council regarding those issues. In fact, in preparation for speaking to you, I spoke with one of the council's chiefs of staff. That staff member stated our last fire chief only spoke with them two times in a two-year period. That, to us, seems unacceptable.

I would certainly be willing to answer any questions, and I appreciate the opportunity to speak to you this morning.

**Chairwoman Benitez-Thompson:**

Thank you for the testimony. Are there any questions from Committee members?

**Assemblyman Ellison:**

I see a problem with this bill. Your day-to-day line of attack should be your city manager. By bypassing the city manager and wanting to go to the city council, it may be two to three weeks before you could even get on the agenda. You are taking that away. As far as your feeling the public safety is not being addressed, that is where you have it addressed if there was an emergency or something important. You are bypassing that day-to-day operation and jumping straight to a council. Maybe you can fill me in, but that is the problem I see with this bill.

**Rusty McAllister:**

Along those lines, Assemblyman Ellison, is the problem. The current lines of communication do take place, but there are filters. There is at least one entity in southern Nevada where the fire chief has a director of public safety over him who has no fire experience whatsoever. That director answers to the city manager, who has no fire experience and who may ultimately take things to the city council.

This is obviously a very difficult situation to talk about. A problem exists or we would not be here. This bill would not be in play if there was not a problem. Mr. Hurley and Mr. Johnson certainly have concerns because they work for these people. To be honest, I have concerns because I work for one of these people. I certainly hope my job is not in jeopardy by bringing this bill. They are reticent to bring up examples, but I would like to give you a couple of examples.

One entity in southern Nevada had one of the top fire chiefs in the United States. He was the president of the International Fire Chiefs Association, elected by his peers. He had been on the North Las Vegas Fire Department for several years. He was told he needed to cut his budget because he was over the overtime budget. The instruction given to him by the city manager was to shut down units. He refused to do that. His deputy chief refused to do that. The next thing you know, his deputy chief was gone. A couple of months later, the fire chief was put on leave after a training incident that he had no play in. He did not set it up and did not run it, but it was a training session where some guys got injured. He was put on suspension, and three weeks later he was given an option to either leave or be terminated.

During the course of that time, he was told to shut down units, but he refused to do that. He was also told not to go to members of the council and tell them which units were shut down in their districts. Basically, he was told not to let them know how much service was being decreased in their areas.

Since he has been gone, they have appointed a new fire chief from within the department. He has 12 years on the job and is a great guy. He is going to be a great chief as he gets experience. However, if you have 12 years on the job, can you say no to the city manager? No. I can tell you right now, every day they are shutting down 50 to 60 percent of the units in North Las Vegas. They are not shutting down stations; they are shutting down units. They will put one two-man unit in the station and say it is open. They are shutting down 50 percent of the department every day. I do not believe the city council knows the extent to which that is happening within their respective districts or wards.

Another example in the other entity, the former fire chief told me that when he became chief he recognized that there were certain areas within the city that had holes in service. They were not being provided service in a timely fashion. The response times were around 10 to 12 minutes in some of those areas. He showed maps of where the holes were to members of the city council. Of course, the city council members, once they had that information, were very adamant that they would like to see some new fire stations in those areas. Since that time, two of those three holes in the city have been filled with new fire stations. However, after the fire chief went to the city council members and told them about that situation, he told me that he was given a direct order by the city manager not to go to the city council members anymore unless he was given a direct order by the city manager. He was also told that when he came back from the meeting, he would have to be debriefed on everything he told the council.

There is a filtering layer there. This is not unprecedented. The city attorney and the city clerk are both appointed positions and are not under the direction of the city manager. They answer directly to the council. In every county in the state, the sheriff is elected. He does not answer to any of the city or county managers. He is able to have direct communication with the people he represents to put forth public safety issues.

We initially contemplated this bill as an elected fire chief. After speaking with leadership here in the Assembly, we were directed to take this route to have this discussion.

As I mentioned, the current fire chief has 12 years on the job. The last fire chief from the City of Las Vegas had 23 years on the job. He lasted two years as the fire chief before he was gone. These chiefs do not have a contract. They are appointed, at-will employees. They are very limited in what they can and cannot say, especially when their whole career depends upon the whim of one person. If they were made a separate entity, they would have the ability to negotiate a contract with the city council and the mayor and, therefore, have some safety to be able to speak freely about the public safety issues that affect the constituents of these particular council members.

I am not sure if that answers your questions completely, Assemblyman Ellison.

**Assemblyman Ellison:**

First, the fire chief is not an elected official. He is an appointed official. Second, you still have the right, as an organization, to go in and put anything on the agenda and talk to any elected board member. This does not stop you from doing that. That is the part I do not understand. I have worked with a lot of fire departments, and anytime they do not like what the city manager has to say, they still have the right to put it on the agenda and address the board. You are trying to bypass the day-to-day operation and go straight to the council. You can still do that. You can get on the agenda at any point in time. Are you saying you cannot?

**Rusty McAllister:**

No. You cannot necessarily get on the agenda. You can speak in the public comment section of the city council meeting. I think there is some confusion here. This is not about the employee organizations being able to go directly to the city council and mayor. This is about the top public safety official for fire being able to have a discussion with the council and the mayor. There is a filter taking place, and discussion is not being allowed to happen in many instances.

**Assemblyman Ellison:**

I disagree.

**Assemblywoman Pierce:**

What does ISO mean?

**Rusty McAllister:**

It stands for Insurance Services Office. The Insurance Services Office establishes insurance rates for businesses specifically, but also for the public in general, based on the level of fire safety you provide. They give you a rating and that helps set the rates for your entity. The Las Vegas Fire Department is an ISO Class I, which is the highest classification you can receive.

As a follow-up regarding what Mr. Johnson told this Committee, the fire chief told us before the International City/County Management Association study came out that he would not do anything to affect ISO. When it came time to go in front of the council, he had basically forgotten that. We call it selective memory. He also forgot how important ISO is. We found that pretty interesting because just two months before he went in front of the council, he wrote a five-page article for *Fire Chief Magazine* on the importance of ISO and the fact that we were an ISO Class I department. Two months later, in front of the council, he went sideways on those comments and said it was not that important.

**Assemblyman Livermore:**

Is the city council full-time or part-time? When was the last time the city council had a personnel hearing with the city manager to discuss communications? In some cases, when the city council hires a city manager, the city manager hires everyone else. By changing this charter, will that make the city council responsible for hiring the fire chief if there were a vacancy?

**Rusty McAllister:**

The city council is part-time. You may have to repeat your other question.

**Assemblyman Livermore:**

It is an operation of the city manager. The city council hires the city manager; the city manager hires everyone else. The chain of command exists in that direction because the city council gave the city manager that authority. When was the last time the city council had a personnel meeting with the city manager to discuss communication?

**Rusty McAllister:**

I am not sure when the city council had their last meeting with the city manager to discuss those issues. I am assuming they have yearly reviews for their city managers for performance. I do not know when the last one of those took place.

As far as the city manager hiring everyone else, he does not hire the city attorney or the city clerk. Those positions answer directly to the mayor and the city council. We are just asking for the fire chief to have that same ability to answer directly to the city council.

**Assemblyman Livermore:**

Would that then place the hiring of the fire chief under the authority of the city council?



**Rusty McAllister:**

Yes. They could essentially set up a committee to hire, or they could give the direction to human resources to conduct the process of evaluating candidates.

**Assemblyman Livermore:**

I am trying to complete the loop in the chain of what responsibility the city council gives the city manager. They may support what the city manager is doing, but only because they are part-time. I do not know. That is why I posed that question to you.

**Rusty McAllister:**

That may be the case. The city council may be very pleased with the current situation. I would find it hard to believe that any city council member would want to be kept out of the loop with regard to public safety issues that directly affect the constituents who elected him. I think that would be a very difficult situation to bypass.

**Assemblyman Oscarson:**

On page 5, lines 5 through 8, it says, "The Fire Chief serves at the pleasure of the City Council . . . ." On page 5, lines 1 through 4, it says, "The Fire Chief shall report directly to the City Council, or to a committee designated by the City Council . . . ." It would seem to me that the city council could then designate the city manager to be a part of that committee, could they not?

**Rusty McAllister:**

Yes. I am assuming if they wanted to put together a committee and wanted the city manager to be a part of that committee, then yes, they could.

**Assemblyman Oscarson:**

Do you have any information on other communities that have done this type of direct reporting to a committee or to the city council, as opposed to the city manager?

**Rusty McAllister:**

I have no knowledge of that taking place here in Nevada. In other states, there are fire commissioners who are elected, and they have a fire chief who answers directly to the fire commissioner who is elected by the public.

**Chairwoman Benitez-Thompson:**

Are there additional questions from Committee members? [There were none.]

**Rusty McAllister:**

There was an article in the newspaper the other day discussing this bill. They said this bill is not going anywhere. That may be your decision after you hear the opposition and make a decision, but I am certainly glad that the media and certain people in other places do not get to make that decision for you. I am glad you have the ability to hear the testimony and make decisions on your own.

**Chairwoman Benitez-Thompson:**

I will open testimony in support of the bill. Seeing none, we will move to opposition.

**Ted J. Olivas, representing City of Las Vegas:**

First off, I guess we should say that public safety has been and will remain a top priority of the City of Las Vegas, as it is in most jurisdictions in this state and in this nation. The current system works.

We are opposed to this bill. Our city has adopted a council-manager form of government, which most of you are familiar with. Our mayor and council set the policy for the city, and the city manager carries out that policy. The City Manager's Office oversees the operation of all city functions, including fire and rescue. In the case of Las Vegas, the fire chief is responsible for the strategic as well as day-to-day operations of the department in addition to the fire budget. The direction of this critical city function needs to be overseen by the city manager just like every other city function. The city manager is then responsible to the city council for operation on budget performance. The city council is responsible for establishing city ordinances, resolutions, special orders, and other policies, which guide the functions of the city. The city manager is responsible for successfully executing those directives. Accordingly, the city manager must be empowered to direct the entire city leadership team. There is no reason or justification to change this current reporting structure and relationship.

It should be noted that this structure is consistent with most, if not all, of the cities and counties in this state. We are no different. North Las Vegas is no different. The system that we operate under is nationally recognized. It was mentioned in a testimony about taxpayer accountability. When things started going bad in the Las Vegas community, we did a fundamental service review of each and every department within the City of Las Vegas. That, of course, included the fire department. This fundamental service review process was actually a process for which Washoe County was awarded a Cashman Good Government Award.

There has been testimony about some independent staff we have, and if you look in the bill, you can see on page 2, section 2 identifies those who have to be appointed and ratified by the city council. That is section 3.070 of the Charter of the City of Las Vegas, which starts on line 7. If you look at line 30, it says that we also have a city attorney and a city auditor who are separate from the city manager. There is a reason for that. Those positions are independent, neutral staff who need to provide neutral assistance to the mayor, city council, and the city manager. That is why those two are separate.

**Bob Coffin, Councilman, Ward 3, City of Las Vegas:**

If I come up here in opposition to this bill, it puts me in the uncomfortable position of opposing a bill sponsored by my earliest and strongest supporters. I am sure you have run into that situation where, if you feel something is not right, you have to tell your friends they are wrong. In this particular case, it is actually not a bad bill, but it is poorly timed. I, frankly, did not know about this specific issue until the bill was introduced and I was notified there would be a meeting. This bill was just taken to the bill drafters a couple of weeks ago. We were not informed about the issue.

Firefighters have constant access to our offices, by the way. They are definitely not restricted from us, and they can come up every week or every day if they want and meet with us. They can come up and visit with us after our council briefings, which conform to the Nevada Open Meeting Law and in which we have private discussions with the city manager. Of course, we also have discussions with the city manager in closed labor discussions, which sometimes happen during a council meeting.

I cannot comment on collective bargaining issues with the firefighters, as I do not tell our management team directly how to specifically negotiate. I can say where we think we ought to be, but I do not get into the minutia of how to get there. I think managing the fire department is similar. If firefighters and their representatives come to me and claim that something I was told was not true, I certainly can absorb all that information. No one in our office has ever told the fire chief he should not come to see us. However, I can understand why a city manager would say, in the cohesion of our message, we have to stick together, and therefore, we cannot tell him any different than what we have discussed as a team. I understand all of that. That is team stuff. That is how you run a city. Sometimes it grinds and grates, particularly when you are in a recession, as we have been for six years. You have had to cut your budgets badly. We have been in continuous collective bargaining since I was elected 20 months ago. We have been in bargaining with all four of our bargaining units. Not a day goes by now that it does not happen. In fact, we are bargaining right now, and I think we might have to go to arbitration. Can you imagine? That is

a long time after discussions started on the current year, which ends in three months. We are overdue starting, I guess. We may have started the discussions separately for the next fiscal year, which starts in three months.

You see it is a constant state of friction and/or healthy tension. That is primarily between the unions and the management. They have access to us any time they want it. Do I want to manage the fire department? Do I want to put on another hat? Not really. That is not why I was elected. However, why I say this is not a bad bill, just poorly timed, is because we did not know that the objections were there; that they felt that they needed to cut the city managing team right out of the middle. They serve a purpose. That is what they are paid for. We have a good management team.

I hear the griping. Do not think that I do not. The previous president of the union, Dean Fletcher, had plenty of complaints, and Mr. Johnson does, as well. We listen to those things, those of us who do listen to what our unions say. We take that into account when we are meeting with the management. We do, as you would, too, because you are responsive.

It is a good bill but poorly timed and, therefore, not necessary right now. However, it has performed a very necessary function: bringing an issue to the forefront that they felt so strongly about that they needed to have a bill drafted and brought to your attention. For that, I certainly applaud them. I think that is okay.

I can say that I did not support that ICMA study because I felt that it came in the middle of collective bargaining, and it was a tool used to help leverage discussions. I support the strong ISO rating that Las Vegas enjoys, and we may be the only city in the state of Nevada that has and will always have, as far as I am concerned, an ISO Class I. That is a very high rating in addition to being accredited as a fire department. It is a measurement of response times and the quality of your equipment. I have heard some allegations of equipment purchasing being late or being delayed, and I want to find out about that because we have a reserve fund for that purpose. I need to find out if, in fact, that has happened.

Questions have arisen because of this bill. It has served a good purpose. I am delighted to have been invited to testify on behalf of the council. Certainly, it does not put me in the most comfortable position. I am looking at people who have been my strong supporters, but that is what we do when we are elected. We make that choice.

Thank you very much. I am open for questions at any time.

**Assemblyman Ellison:**

I have been in your position quite a few times. Have you ever denied a request for any organization like the fire department to come in front of the city?

**Bob Coffin:**

To the best of my knowledge, no. When they bring up the question of filtering, I think they are saying essentially that the fire chief has been told not to come to council. You have no way of knowing if that has happened, but you can give direction to your manager to say that it does not or should not happen.

**Assemblyman Ellison:**

You do have a liaison with the fire department, do you not? Each city councilman is a liaison for something. Who is the liaison working with the fire department?

**Bob Coffin:**

I am my own liaison. All of the council members are. Each person has two employees to deal with constituent complaints and difficulties in our respective wards, but no one stands between us and the manager, the chief, or the union. No one gets in the way. I do not want any more filtering.

**Assemblyman Livermore:**

I have also been in this position several times. You talk about your four bargaining units. If this were to pass, would this make it the council's responsibility to negotiate the contract if you cut the city manager out of the structure?

**Bob Coffin:**

It would add to the day. We would end up hiring the same professionals that the city manager uses to negotiate. The city manager sits in on those negotiations, but we would expect the city manager to sit in the negotiations either way. It really would not save any time. It would definitely add to the council members' time and duties. It is not something I really relish the thought of, but I do not shy away from being more actively involved. We are, when it comes to crunch time. We have our opportunities to tell the management team where we think they are wrong.

**Chairwoman Benitez-Thompson:**

Are there any additional questions from Committee members? I see none. Thank you for your testimony.

**Dan Musgrove, representing City of North Las Vegas:**

I wanted to give a couple of introductory comments before Mayor Buck gives her own personal perspective on the issue. It is unique because, again, this bill only addresses two cities out of all the cities in the state of Nevada. We all have a council-manager form of government which, as Mr. Olivas stated, is a nationally recognized method of governing municipalities. It is interesting to note that, if this was a good idea, it would be a good idea for the entire state and not just two individual municipalities. That concerns us.

Granted, I respect Mr. McAllister. I respect the issue being brought forward, but it is tragic that we could not have brought it forward at our own level. It is too bad that we have to come and bring it in front of you during this time when we have deadlines ahead of us. As you have heard testimony from Councilman Coffin and will hear from Mayor Buck, there is nobody who does not have access to the council.

The key is, as Assemblyman Ellison brought up, the council is restricted by both the Open Meeting Law and the fact that they only meet every two weeks. If there is a true emergency or if there is something going on that needs the council's attention, it would have to be agendized, posted, and then the council meet on it during a public meeting. That is not a bad thing, but the trouble is that it does not allow for immediate action. That is why a part-time council, which North Las Vegas has, acts just like a board of directors in a major corporation. You have a board of directors, who hires their chief executive officer (CEO). In this case, we have a council that hires their city manager, who carries out the day-to-day responsibilities of running a government. They hire a professional manager to carry out their wishes, their directives, and their policies. They sit as the legislative body making those policy pronouncements, and they ask their executive to carry them out on a day-to-day basis.

If we need better communication, we will absolutely work on that. I appreciate the union bringing this to us. I do not think there is anyone at the City of North Las Vegas who does not want open lines of communication, but I think it is so paramount that this legislative body I am speaking to right now understands how important it is to maintain that council-manager form of government. It is what works, especially when you have part-time councilmen just like you who are out in their communities, making a payroll, raising a family, and being close to their constituents so that they can then set policies, which their professional staff carries out on their behalf.

At this point, I would like to turn it over to Mayor Buck.

**Shari L. Buck, Mayor, City of North Las Vegas:**

I am happy to have the opportunity to come and speak with you today. Taking this down to a very basic level of sitting on a city council, when you have hired a city manager who is responsible for the day-to-day operations of the city, the city council, of course, is responsible for the policy. I have sat with city council members in the past who have wanted to overstep their bounds and be directing staff members. I can tell you, it is chaotic. If you have a fire chief who then is being directed by five council members who could all be going in different directions, it does not work. It is total chaos to have five bosses telling directors different things to do. It does not work. That is why we work through the city manager. He understands the policy that we make in a public meeting, and he goes forward with those policy directions.

I agree with what Mr. Musgrove said. If there was any kind of emergency or anything that needed to be handled right away, we would have to get a council together to avoid violating the Open Meeting Law. We cannot be talking to each other about what we would want to do, or the direction we would want to go, unless we are in an open meeting to agendize that. To get us all together to solve that problem in a timely manner just does not work.

I would not want any of our directors placed in a political position. Politics are not what they should be involved in or should have to be involved in, and in the past, I have seen some directors become stuck in the middle of those conversations. It is not pleasant or good for them. Mr. McAllister brought up our fire chief who, unfortunately, had to be let go. He was a good man. I know that there were council members who were politically motivated and who wanted him to be gone sooner than he was. Luckily, we had a strong city manager who reminded them that it was not their place to direct that fire chief or to give him any direction at all. That city manager was able to save that fire chief's job for another year.

Our fire department is actually functioning very well. We have one fire station that might be browned out occasionally. When you heard Mr. McAllister talk about 50 to 60 percent being shut down, those are rescue units we are not transporting anymore.

We get reports every day from our city manager on what is going on in the fire department, how many employees are employed on a given day, how many are on sick leave, et cetera. We know day-to-day operations. We have been able to cut down \$3.8 million of overtime in one year from when our previous fire chief was here. Our new fire chief now has us at \$800,000 in nine months. Because our city manager had the ability to go in and make the changes that he

needed to as the CEO of our city, we are being more fiscally responsible, taking any politics and personal feelings out of that.

Looking at this at a basic government level, to have five council members directing a fire chief would be disastrous. The fire department—and any employee within the city—has every opportunity to talk to council members. We reach out to them. We ask them constantly how things are going and what we can do better. Those lines of communication are open or should be open. If there is a feeling that there is not communication going, that certainly can be changed.

I appreciate the opportunity to be here today and just ask you to consider open meeting violations, part-time employees, and the fact that we do have a council-manager form of government that works very well.

**Assemblywoman Neal:**

In the testimony presenting this bill, they talked about how North Las Vegas went through four or five fire chiefs. Now, you said that the fire chief for the City of North Las Vegas was let go, but he was let go because of the fiscal constraints in the city, correct?

**Shari Buck:**

No. He was let go for other reasons. There were several things that led up to it. The last thing that led up to it was the training that took place in North Las Vegas that he was in charge of that was actually very dangerous. A couple of firefighters were injured and had to be hospitalized from it. Unfortunately, our fire chief did not have control of that situation.

When they were talking about four or five fire chiefs, I believe that was the City of Las Vegas.

**Assemblywoman Neal:**

Did this fire chief serve under two city managers? He did not serve directly under Mr. Hacker, did he?

**Shari Buck:**

He served under three city managers, I believe.

**Assemblywoman Neal:**

Okay. Is there an issue in terms of the city manager not knowing what is the appropriate behavior or standard for the fire chief? I am trying to understand. You say he is the CEO of the city, but you had a fire chief whom you let go because of, I do not know, some abuse in his duties. Is that not correct?



**Shari Buck:**

I am not going to answer that question. I cannot get into personnel issues as far as why someone was terminated. I do know that there was an issue with a botched training that contributed to his termination, but I am not going to get into any more personnel issues.

The city manager, of course, is the CEO of the city. He is trained. He hires, he fires, he evaluates, and he is responsible for implementing the policy direction that the city council gives him. Of course, the city council has given him the direction to keep all of our residents safe and to have an active, viable, and working fire department, police department, community development department, et cetera. Our city manager has that directive to follow the policy instructions of the city council.

**Assemblywoman Neal:**

I will leave that alone. You talked about the savings that were gained over the year. I wanted context for the savings. The savings were gained because the city was in a financial situation where they had to cut back on certain things, right?

**Shari Buck:**

The city council made a policy decision that we were going to cut overtime in every department, and we were going to watch how the dollars were being spent. We gave directive to the city manager to pay special attention to overtime and how we could do things more efficiently as a city and within these departments.

**Chairwoman Benitez-Thompson:**

Right now, within the world of public safety, the fire chief responds to the city manager. I think it might be different for Las Vegas versus North Las Vegas, but the sheriff is independent, right?

**Dan Musgrove:**

One thing you have to understand is the sheriff is the sheriff for all of Clark County. It is an elected position. Las Vegas and Clark County merged their two police departments, but in the situation of North Las Vegas, we have a unique police department. We have our own police chief who answers to the city manager. City of Henderson has their own police department. It is the same with Mesquite and Boulder City. It is just Clark County and Las Vegas that merged back in 1973 to become the Las Vegas Metropolitan Police Department (Metro), in which the sheriff acts as both the police chief for Las Vegas and the sheriff for Clark County.

**Chairwoman Benitez-Thompson:**

Maybe Mr. Olivas could answer this. Having the sheriff of Clark County with Metro, do you feel like there is a disconnect with that level of autonomy?

**Ted Olivas:**

We have representation on the Fiscal Affairs Committee, which oversees the operations of our Metropolitan Police Department. We have two members from the County, two members from the City of Las Vegas, our elected officials, and one independent person. We do not feel disconnected at all. We work very closely with the sheriff, and the merger has served us well.

**Dan Musgrove:**

One thing that I failed to point out was in both the Las Vegas City Charter and the North Las Vegas City Charter, which are reflected in this bill, while the city manager has hiring and firing abilities, when he appoints directors or people at this level, each of those positions goes in front of the council for ratification. You have to understand that there is no city manager who operates in a vacuum. He has a responsibility to answer to his city council as well as to his own employees, but he is not going to be making decisions that are not going to be approved by his council. Again, it is his responsibility to follow their direction. If he does not, believe me, the council will replace that city manager, but then that is the only person they have to worry about. As Mayor Buck talked about, those five part-time folks just have to worry about the duties of one person and making sure that he follows their direction. That is why the council-manager form of government works so well throughout the country.

**Chairwoman Benitez-Thompson:**

Are there any questions? [There were none.]

**Wes Henderson, representing Nevada League of Cities and Municipalities:**

There are two types of cities in Nevada. There are general law cities and charter cities. Twelve cities in Nevada have chosen to adopt a charter. One of the reasons for adopting a charter is so that you can choose the structure of your governing body. You can have a strong mayor type of body, or you can have a council-manager form of government, which is the most common.

I would like to remind this Committee that last Friday you passed Assembly Bill 9 out of the Committee to amend the Charter of the City of Reno, and that bill was brought forth by Reno with changes they wanted made to their charter. Also on Friday, the Senate Government Affairs Committee heard bills that would amend the charters to two other cities. Again, those bills were brought forward by the cities. We believe that it is the proper role of the

Legislature to review, perhaps modify, adopt, and occasionally deny charter amendments that are brought forward by the cities.

The bill before you here today, A.B. 420, would do more than just change who department heads report to. It would fundamentally change the government structure that has been adopted in the charters of two cities. We are opposed to this. We are opposed to the precedent this bill sets, and we ask you to not process the bill. I am happy to answer any questions.

**Chairwoman Benitez-Thompson:**

Are there any questions for Mr. Henderson? [There were none.] Is there any additional testimony in opposition?

**Carole Vilardo, representing Nevada Taxpayers Association:**

I rise in opposition to the bill because I think, traditionally, the council-manager form of government that we have is what works. I am not going to repeat the testimony you heard, but I think the important part is that the council is a policy-making body. You do not normally have a policy-making body that gets down in the trenches and then administers their own policy. I think what we have has worked. I think there are avenues other than this bill that can be used to improve communications, if there appears to be a lack of communication. I cannot speak to that directly, but for those reasons and many that you heard from prior opposition testimony, we oppose the bill.

**Chairwoman Benitez-Thompson:**

Are there any questions from Committee members? I see none.

**Erin McMullen, representing Las Vegas Metro Chamber of Commerce:**

In the essence of time, a lot of our points have already been said, but I would suggest that we are in opposition to this bill. As Ms. Vilardo mentioned, we believe the day-to-day and budgetary issues should be kept with the city manager so he is able to control the overall day-to-day budgetary and cost management of the city.

**Chairwoman Benitez-Thompson:**

Are there any questions from Committee members? [There were none.] Is there additional testimony in opposition? Seeing none, we will move to neutral. Seeing none, I will invite Mr. McAllister back up for closing comments.

**Rusty McAllister:**

Obviously, you either really like the bill or you really do not like it. There is nothing neutral about it. If I could, I would like to address a couple of questions that Assemblywoman Neal brought up, one being the release of the former chief

of North Las Vegas. We found it interesting. They talk about this training accident. The gentleman who was in charge of that was a deputy chief or an assistant chief with North Las Vegas. He wrote an article that basically said this accident was 100 percent preventable, that it was on him to take care of it and he did not. Ultimately, he still has a job, but the fire chief does not. That is the impetus that they used to move forward with terminating him or asking him to leave.

With regard to the savings and revenues, yes, they are saving money. They are saving money because they are shutting down units. However, the calls for service have not decreased. The calls for service are still the same. There are two other entities that surround North Las Vegas that are now picking up that slack. Because the units are shut down, the City of Las Vegas and Clark County fire departments are both running more calls into North Las Vegas to pick up that slack through cooperative agreements. Essentially, they are saving money for the taxpayers of North Las Vegas, but the taxpayers of Las Vegas and Clark County are paying for it.

We would not be bringing this bill if there was not a problem. There is a problem. If nothing else, hopefully this will open up some better communication. I do not know if it will. It may actually close it up even more. At this point in time, there is a problem, and it needs to be addressed. Councilman Coffin was very eloquent, and he has certainly done a great job as our councilman. He has brought a breath of fresh air because he asks questions. I hope he will continue to do so.

With that, Madam Chairwoman, I would be open for questions.

**Assemblyman Ellison:**

I know sometimes that dialogues break down, but I will put a suggestion out there that might help. I was the liaison between the police and fire chiefs in Elko. Even though it was a smaller unit than what you have, the city manager, the chief on both departments, and I would meet every Friday away from the departments. We would sit down, have a cup of coffee, and talk about what happened the week before, that week, and what might happen in the upcoming week. We had a weekly dialogue. That opened the bridge of communication on the problems we were having. You might try that. At least it is a dialogue.

**Rusty McAllister:**

If that were to take place, I am sure that the gentleman who testified earlier in southern Nevada would be more than happy to participate in that kind of dialogue with the city manager and a designated person from the council to

have those discussions. If that is what comes out of this, then that is an accomplishment in itself. I think it is a great idea.

**Chairwoman Benitez-Thompson:**

Thank you. Seeing no more questions from Committee members, I will go ahead and close the hearing on A.B. 420. I will open up the hearing on Assembly Bill 424 and welcome to the table Mr. Mulvihill.

**Assembly Bill 424: Authorizes the State Fire Marshal and the State Board of Fire Services to issue administrative citations. (BDR 42-1151)**

**Peter J. Mulvihill, Chief, State Fire Marshal Division, Department of Public Safety:**

I am here to present Assembly Bill 424. This bill was submitted as part of the State Fire Marshal Division's budget package for budget account number 3816. [Continued to read from ([Exhibit C](#)).]

Section 2 of the bill is the administrative citation and fine mechanism. Section 3 is how a licensee would contest a citation or a fine levied on them. Current law states that any decision of the state fire marshal can be appealed to the State Board of Fire Services. That remains with this bill, as well.

That is it. If you have any questions, I would be happy to answer them.

**Assemblyman Elliot Anderson:**

The question I had was about the contest procedures after a citation is issued. Do you have a hearing process already set up for different violations?

**Peter Mulvihill:**

Yes, we do. We follow the Nevada Administrative Procedure Act, which I believe is *Nevada Revised Statutes* (NRS) Chapter 233B. We process our current administrative actions through that.

**Assemblyman Elliot Anderson:**

To be clear, the contest procedures that are referenced in this bill would go through that process that you already have established.

**Peter Mulvihill:**

Yes.

**Assemblyman Oscarson:**

I know some of the rural communities utilize your services for some things that have happened. Would this be piggybacked on top of any fines or fees that they may have also assessed, or would this just be an independent action?

**Peter Mulvihill:**

Usually, if it is an action against a licensee, the local jurisdictions would refer the complaint to us, and we would conduct the investigation. In some of the larger jurisdictions where they have undertaken an investigation, we would work cooperatively with them. Normally, one agency would take the lead. The company would not get double-tagged. Usually, an action by a local jurisdiction would be a misdemeanor citation or criminal complaint of that nature. If we were the lead, we would still have that ability to do a misdemeanor citation or a gross misdemeanor citation, depending on what it is, but right now we cannot do an administrative fine. We can only slap their wrists at the end, revoke their license, or suspend their license for up to 24 months during which they cannot do any business, which effectively puts them out of business.

**Assemblyman Oscarson:**

In the essence of time, could you very quickly give me a couple of examples of the infractions that you are speaking about?

**Peter Mulvihill:**

Sure. I want the Committee to understand there are only a few contractors who run afoul. Most of the industry is very responsible. One case that we run into is what is called "rag and tag" on servicing of portable fire extinguishers. Every year, the extinguisher is supposed to be broken down, the powder emptied and sifted, the clumps taken out, and the O-rings checked. It is supposed to be serviced, put back together, repressurized, and given a new tag. It has happened occasionally where a contractor who is either too busy, too hurried, or too lazy just takes a rag and wipes the dust off the top of the extinguisher before hanging a new tag on it. There is an internal inspection tag that is put on the inside of the extinguisher during the normal full teardown, and that is how we can check to see if it was properly serviced. That would be a case where somebody paid a company or contractor \$35, for example, to service a fire extinguisher, and all he did was take his rag out and wipe the top off. That customer has been cheated. The fire extinguisher was not properly serviced.

Another case that we come upon is hood and duct cleaning where a contractor will clean the visible parts of a kitchen hood system up by the fan but not deal

with the ductwork. You then get an accumulation of grease in there, and it can be a hazard.

One of the facilities out at the Tahoe Reno Industrial Center in Storey County actually had a fire up its grease duct in the employee kitchen, which caused a substantial amount of damage because the contractor did not properly clean. Again, he is working off the business that thinks they are getting a clean system out of it.

In those cases where contractors are taking shortcuts and pocketing the money, we want to take away that advantage and encourage them to do the right thing and treat their customers fairly. Those are the two classic examples of what we would be targeting with this.

**Assemblyman Ellison:**

It is hard to get a set of plans down to your office now. This is just going to create another layer on top of that, mostly in the rural areas. Let me give an example. We had a commercial business in Wells for which I had to bring in your department, and we were held up for months trying to get this business open. You have the authorization for citations for general contractors. How far does this thing go?

**Peter Mulvihill:**

This only addresses contractors who are licensed through our division. This would not apply to contractors with the State Contractors' Board. They have their own system. In fact, we have patterned this after their mechanisms and their discipline process. It would not apply to architects or engineers. It is only for those businesses and individuals licensed by our division in the fire protection industry.

**Assemblyman Ellison:**

In other words, it is like the people who do the ANSUL systems and fire extinguishers. This is strictly for those divisions only, then?

**Peter Mulvihill:**

Yes.

**Assemblyman Daly:**

Along those same lines, this applies to licensees who provide services that you require businesses to maintain, such as servicing fire extinguishers and cleaning grease hoods, as you mentioned. I understand that. This is set up to deal with a rogue employee or an employee who did bad work. Damage was not really intentional. Errors happen. You want to give a citation, but you do not have

anything in between "Sorry, do not do it again" and "You are out of business." This would go under NRS Chapter 233B. It would be the contested cases. Is that where this is going? How you will run the appeals and hearings?

**Peter Mulvihill:**

Yes, exactly. Our Deputy Attorney General advises us on all of these processes and makes sure that we stay within the prescribed limits.

**Assemblyman Daly:**

Thank you. I just wanted to make sure that I was getting all the information that was being put out.

**Chairwoman Benitez-Thompson:**

I think what we are trying to get at is the scope of who requires a license and who you oversee as the state fire marshal. That is in NRS Chapter 477, but I do not think it is language that we see here in the bill. Later on in the chapter, it states that you issue licenses for anyone who does maintenance, installation, or sale of fire extinguishers, fire alarms systems, or fire sprinkler systems and anyone who uses explosives in any commercial construction or commercial fireworks displays. For my clarification, when you were talking about hood and duct cleaning, does that fall inside or outside of the scope for a business that you would license?

**Peter Mulvihill:**

In NRS Chapter 477, there are the different occupations that we license. They are detailed in there. Hood and duct cleaning is one of them. Sprinkler system installation, service, and maintenance, storage of explosives, et cetera are in there. There are exceptions, for example, for the mining industry and the federal government. It is detailed in NRS Chapter 477.

**Assemblyman Livermore:**

I am trying to understand how this works. I was in the restaurant business for years. I had a service that provided hood cleaning and things like that. Typically, they would come in, disarm the system, and take it apart, and there was always that fusible link that was embedded in there. One of the times, we changed systems, and the new company came in to do the hood and duct cleaning. The fusible link has a date attached to it, and it turned out the old company had been reusing those fusible links. Now, how would you find that out normally? How would you issue a code if a consumer was paying for the replacements of those things? How would that information come to you?



**Peter Mulvihill:**

We receive complaints from the consumer or from other contractors who go into businesses. For example, maybe they had given a competitive bid and the business owner changed something. If the contractors find something, such as the links that you mentioned, they would report that to us. Actually, the industry complains more about their competitors than anybody else. We hear pretty frequently from them. Also, if we are in a building for one reason or another, maybe doing an inspection on something, our inspectors or officers will take a look at some obvious things and other systems in the building. If they see something that is out of place, they will initiate an investigation by one of our officers at that point.

We do get a variety of sources for our complaints. We document all complaints we receive, and we follow up on them.

**Assemblywoman Neal:**

I had a question on section 2, subsection 5, and subsection 3. How do these two components work together? Subsection 5 says, "The failure of an unlicensed person to comply with a citation or order after it is final is a misdemeanor." Subsection 3 says, if a person is issued the written citation, they may contest within 15 business days after the date. Which one happens first? Do you have 60 days or 15 days? In section 3, they also allow an extension of time. I am not understanding how the two work together. Can you talk me through how that functions?

**Peter Mulvihill:**

Sure. Subsection 3 gives them 15 days to notify us that they want to contest the citation. That is the first trigger. In subsection 5, if they have not contested the citation or do not want to go through the administrative hearing process in NRS Chapter 233B, they have 60 days to pay the fine or it becomes a judgment against them. If they contest within the first 15 days, then there is a whole calendar of dates and series of actions that we have to respond to. They have to respond back, reschedule a hearing, and give their side of the story for a hearing officer.

**Assemblywoman Neal:**

In your normal process before this bill, when you issued a fine, how was it treated? You have the new language that it will be treated in the same manner as the judgment issued by the court. What was the process before? What was the level of execution?

**Peter Mulvihill:**

Currently, when we send them a notice that they violated our code, we cannot issue them a fine. We ask them to come before a hearing officer for a possible suspension or a revocation of their license. If we are not going to go that far, then what we do is send them a letter that we put in their license file, saying that they did something bad on a certain date and should not to do it again. If they get caught three times, we will have to get really serious and look at a suspension or revocation. What we do not have right now is the ability to do something in the middle, such as issue them a \$500 fine and tell them not to do it again.

**Assemblywoman Neal:**

Why was revocation of a license for an unlicensed person not good enough that now we want a court judgment? Subsection 5 says "the failure of an unlicensed person to comply with a citation," meaning they never had a license. I am assuming you are revoking a future potential to get a license?

**Peter Mulvihill:**

Yes. I am sorry. I misunderstood the first question. For an unlicensed person, there is no license to revoke. They are not supposed to be doing that business in the first place. This will give them a longer time period, since they may be hard to track down. They may not be familiar with our system. They are given a longer time period of 60 days to respond to the citation and request a hearing. They would have all rights and abilities under the Administrative Hearing Act.

**Assemblywoman Neal:**

If you were having problems giving notice before, how is this problem going to be fixed now with the 60 days? If they are hard to find, how do we work that out?

**Peter Mulvihill:**

If it is something very serious they have done, we probably would have pursued a criminal citation and not used the administrative hearing process. If they are crossing the border from a neighboring state, which has come up in two different locations, and are not licensed in this state but are a service company out of Utah or California, we would use this to get their attention. We would ask them to get their secretary of state's business license, get their contractor's license from the state contractors' board, and get our license.

**Chairwoman Benitez-Thompson:**

Section 2, line 13, says the administrative cost is not to exceed \$50,000. Can you talk to me about how you or the State Board of Fire Services would determine what that fine amount is?

**Peter Mulvihill:**

Certainly. We would anticipate holding hearings with the regulated industry and developing a suggested matrix of fines based on the severity of the offense. I have not scoped out what that matrix would be. I really want the input of the industry as to what they feel it should be for regulation of their members. For the fine not to exceed \$50,000, that will be the top end. I believe that came from similar numbers used by agencies such as the State Contractors' Board. We would go through the rule-making process, and we would solicit the input from the industry and have them tell us what they feel the appropriate fine levels are.

**Chairwoman Benitez-Thompson:**

That is something that you are going to flesh out, a separate process away from the language of the bill.

**Peter Mulvihill:**

Yes.

**Chairwoman Benitez-Thompson:**

With section 2, talk to me about what the difference is in the two processes. I see that, in line 6, either the state fire marshal or the board may issue the citation. How are those two processes different if you issue that citation versus if the board issues the citation?

**Peter Mulvihill:**

The current NRS Chapter 477 allows the State Board of Fire Services to hear all appeals of decisions of the state fire marshal. For example, if I make a decision against the licensee right now and the licensee does not like that decision, even though the administrative hearing officer may have determined something, they are allowed to go to the State Board of Fire Services. If the board is hearing an appeal and wants to take a different action or determination than what the state fire marshal did, they can do so by either decreasing the fine, increasing the fine, or not revoking a license but putting a fine in its place. Any combination that you can think of, this verbiage would allow them to do that. It would be part of the appeals process of a decision or determination made by the state fire marshal. It gives the board the same authority and ability to make the determinations that I can make.

**Chairwoman Benitez-Thompson:**

Thank you. Could you talk to me a little bit more about section 2, subsection 2, paragraph (c), line 14, regarding reimbursement of the state fire marshal or board for the amount of expenses incurred to investigate a complaint? What does a typical complaint investigation cost? Can you ballpark that for

me? At least tell me, for the last couple of complaints that you have investigated, what those costs have been so we have an idea.

**Peter Mulvihill:**

It can vary depending on the extent of the investigation. It may be a couple of hours of an officer's time, driving from Carson City to somewhere in the middle of the state. The typical rag-and-tag fire extinguisher thing probably involves 48 hours of an officer's time in terms of the actual personnel cost to the State.

About three years ago, we undertook an investigation of a fire alarm contractor in southern Nevada about whom we had received multiple complaints. There were six different properties down there. We accrued 921 hours of an officer's investigative time, which we tracked through the course of that investigation. In that case, we reached a consent agreement with the contractor as we had begun the process to suspend his license. He agreed to eight or nine different items, such as training, education, and documentation. One item was to reimburse the State for 900-plus hours of the officer's time, and that came out to \$38,000 in that case.

**Chairwoman Benitez-Thompson:**

For clarification, it is going to be up to \$50,000, plus the investigation dollar amounts, as well. It sounds like when you are talking about expenses incurred, you are talking about staff time and mileage. Those are the two big components that you would be using to determine the cost of the investigation.

**Peter Mulvihill:**

Yes, and for every complaint that comes in, we open an incident number on it. The officers put their investigations and documentation into that. That system also enables the tracking and auditing of their time so that we can compile these costs.

**Chairwoman Benitez-Thompson:**

For your intent, the tracking and auditing of whose time? Is it one staff person's time, two staff persons' time, or staff and clerical time? Could you clarify how you determine these costs? Is it one investigator and one investigator's mileage, or is it two investigators and clerical?

**Peter Mulvihill:**

It would be whichever officer or officers may have investigated the case. On a very large and complicated case, we may have multiple officers involved. If the alleged offense by a contractor occurred in different parts of the state, we have officers located in Elko, Las Vegas, and here in Carson City. We may use somebody from another part of the state. The lieutenant who supervises the

officers may have a little bit of time in directly reviewing and preparing the case for the hearing officer. If the hearing officer is not the state fire marshal but an outside, independent person because the state fire marshal is conflicted in some way or privy to some of the evidence, then it may be the cost of the hearing officer if there is one.

**Chairwoman Benitez-Thompson:**

Thank you for clarifying what that investigative amount would encompass. Are there additional questions from Committee members? [There were none.] We will go ahead and open up for testimony in support. [There was none.] We will move to testimony in opposition. [There was none.] Are there comments in neutral for the record?

**Tray Abney, representing The Chamber:**

I want to apologize. I had signed in as opposed when I came in here today, but we are neutral after listening to the comments and the dialogue back and forth. I should apologize to the fire marshal. This just came on my radar screen this morning, and I had not had a chance to talk this through with him. We were initially concerned with the \$50,000 fine language, but after hearing the legislative intent and the fact that there are going to be workshops and a tiered approach, we think it makes sense to have a middle ground between a simple warning and pulling somebody's business license. We thought that \$50,000 was a very high number without any detail attached to it. After listening to the dialogue about the workshops, we would like to be part of those. We would appreciate it. I have changed my position to neutral.

**Chairwoman Benitez-Thompson:**

I think it might be worthwhile for the bill sponsor to possibly consider additional language to flesh that out a little bit in the statute. I am not sure how it would read exactly, but we want to capture that intent somewhere.

**Brian Reeder, representing Nevada Chapter of Associated General Contractors:**

We also apologize. We had signed in as opposed, but after hearing the testimony and learning that there are going to be workshops and things like that, our concern about the \$50,000 fine is not as great. We appreciate what the fire marshal is trying to do here. We just want to make sure we are able to participate in the workshops and, as you stated, Madam Chairwoman, maybe have some additional language to lay that out.

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

We, too, are neutral on the bill and very much appreciate the question from Assemblyman Oscarson relating to how this bill would impact local government's ability to continue to enforce the provisions of NRS Chapter 477,

particularly those pertaining to fire safety for existing structures. Those are NRS 477.110 through NRS 477.170. It is our understanding that the bill does not seek to preempt any existing local ability to enforce the provisions of that chapter. With that, we are neutral.

**Chairwoman Benitez-Thompson:**

Are there any questions from Committee members? [There were none.] Is there any more testimony in neutral? [There was none.] I will invite the bill sponsor back up for closing comments.

**Peter Mulvihill:**

I have no additional comments. If you have any questions, I would be happy to answer them.

**Assemblywoman Pierce:**

Where would the money from the fines go?

**Peter Mulvihill:**

It is my understanding it would go to the General Fund. I really do not want to have a budget item that requires me to take in X dollars of fines every fiscal year. I do not want to get that type of reputation.

**Chairwoman Benitez-Thompson:**

We will close the hearing on A.B. 424. We will open up the hearing on Assembly Bill 302, and I will welcome to the witness table the bill sponsor, Assemblyman Kirner.

**Assembly Bill 302: Provides for the merger of certain fire protection districts in certain counties. (BDR 42-270)**

**Assemblyman Randy Kirner, Washoe County Assembly District No. 26:**

What we want to talk about is Assembly Bill 302. Essentially, this bill has gone through a metamorphosis. There is one amendment (Exhibit D), which is quite simple. Let me get to that point right away.

Section 4 has been deleted from this bill. What remains then, and the intent of the bill, is to complete the merger between the Truckee Meadows Fire Protection District and the Sierra Fire Protection District. The bill only affects these two districts. As you may or may not know, these districts, in some respects, have already merged or have appeared to have merged, since they have one chief. In reality, it is simply an interlocal agreement or a contract agreement to put them together. This bill is enabling legislation to complete that.

I am going to let the fire chief and the battalion chief speak to those issues.

**Charles Moore, Fire Chief, Truckee Meadows Fire Protection District and Sierra Fire Protection District:**

As Assemblyman Kirner mentioned, this is a proposed merger of Sierra Fire Protection District and Truckee Meadows Fire Protection District only. I am not aware of any other districts that this would affect within the state of Nevada. Through an interlocal agreement between Sierra Fire Protection District and Truckee Meadows Fire Protection District, we are essentially engaged. What this bill would propose to do is allow us to get married.

There are some inefficiencies of having this interlocal agreement whereby we have to do two audits. We have to prepare two budgets. It is difficult for the board of fire commissioners to keep separate the matters of Sierra Fire and Truckee Meadows Fire. In the interest of good government and fidelity to the taxpayer, we believe that a merger of Sierra Fire and Truckee Meadows Fire is the right thing to do.

Prior to the Great Recession, we were faced with a 25 percent reduction in assessed value. That was going to affect the Truckee Meadows Fire Protection District budget by a negative \$4.1 million. What we were faced with was having to close up to four stations if the interlocal agreement between Washoe County, Truckee Meadows Fire, and the City of Reno was to continue. The reason why the deconsolidation happened was that the board of fire commissioners determined it was in the best interest of the taxpayers to keep all of our fire stations open.

Through great discussions with our Local 3895, we decided that we would best serve our taxpayers through a reduction of four-person crews to three-person crews, such that our budget would become financially sustainable both in the short term and the long term. We have been able to do that. We are servicing all of our fire stations 100 percent of the time. It is significant because over 70 percent of our fire calls are medical calls regarding chest pains, strokes, car accidents, and all kinds of trauma and illnesses that affect our taxpayers. The reason for a four-person engine company would be strictly limited to structure fires, and structure fires are only half of 1 percent of our total call volume. If you take that statistic a little further, one-quarter of one-half of a percent are fires that require two-in/two-out. We would have to spend 33 percent more in order to maintain three-person engine companies. The City of Sparks and Carson City Fire Department, which protects this building, are three-person companies. It really is the way that many jurisdictions have found that they can sustain fire services in an equitable way.

Prior to the deconsolidation, the tax rates between Sierra Fire and Truckee Meadows Fire were equalized. They are the same. What prevents us from being able to merge is the existing law that says that the assessed values of both districts have to be substantially equal. Unfortunately, they are not substantially equal. I believe Truckee Meadows Fire's assessed value is some \$100 million more than Sierra Fire's.

Again, this proposed legislation does two things. It allows us to merge so that we have efficient government, and it allows the emergency fire fund to increase from \$1 million to \$1.5 million, specific to our district. The reason for that is we have a substantial wildland fire risk to our constituents and our homes. If we were to merge both districts, we feel that \$1 million would be inadequate, and so we are proposing an increase to \$1.5 million.

**Alex Kukulus, Acting Battalion Chief, Truckee Meadows Fire District:**

I would like to briefly provide a little bit of history on the components of the existing statute that we have concern with. I was part of developing that in the 2007 Session with Assemblywoman Kirkpatrick, who was the Chair of this Committee at the time. We developed the current language based on a situation of two different fire districts in Washoe County that were operating separately and contemplating the potential swap of territory to better reflect annexations and current boundaries that had become outdated. For that reason, the language was instilled that we would have equal assessed valuation in any swap or merger. That way, either entity would be minimally impacted by that in their budget. Of course, it was not contemplated at that time that we would be in the situation that we are in now where we have, effectively, one fire department operating both districts. Through the current interlocal agreement, there is one group of staff and one group of resources.

The impact now of merging that territory would not negatively impact either. In 2007, we knew that was a stepping-stone to where we needed to go. Assemblywoman Kirkpatrick was a strong advocate for mergers, consolidations, and making more efficient use of government. We did achieve one of the pieces that we needed of transferring one of the fire districts to a more modernized version of that fire district. We are now having to address the rest of the situation to wrap this thing up.

**Assemblyman Kirner:**

Technically, today we have two fire departments that are contracted together. They look like one. They sound like one. In the press, they are one. In reality, we have two audits that have to be done, one in each fire department. We have the \$1 million. We really have to have \$2 million, but we want to take it down to \$1.5 million because we will combine the districts. We have a



situation where it looks like one department, but we really have two. We want to, as the chief says, complete the marriage. We are open for questions.

**Assemblywoman Pierce:**

My comment is really just a drafting thing. Every so often, this language about "a petition signed by a majority of the owners of property" pops up in statute, and we always change that to "electors." I mean, I will not vote for anything where only property owners get to vote. That is very 19th century.

**Chairwoman Benitez-Thompson:**

Could you talk a little bit more on record about why you specifically have the "owners of property" language versus total voters within the two districts? I want to make sure the legislative record captures your intent, Assemblyman Kirner. I think Assemblywoman Pierce is referring specifically to section 3, subsection 2, paragraph (a), which is line 15 on page 2 of the bill.

**Assemblyman Kirner:**

This is a drafting thing, and to be quite honest with you, I really do not know whether it is property owners or electors. I suspect it is property owners because there is an ad valorem tax, but I do not know that for a fact.

**Chairwoman Benitez-Thompson:**

I just want to make sure because there is a big difference in the population that we are talking about. I think it has a lot of implications whether it is property owners or voters. Perhaps you could, at some point, circle back to the Committee on that.

**Assemblyman Kirner:**

We can sort that out, Madam Chairwoman.

**Assemblyman Daly:**

I have several questions, if you will indulge me. When you start talking about these mergers and consolidations, the devil is always in the details. If I understand correctly, you have two different governances, two different groups of people who get taxed and whose districts are funded through property taxes. I know the gentleman said that those have been made equal here lately. What were they before? How did that happen? Does one entity have more money than the other? When we were talking about water districts not too long ago, one of them had funds. We had language in there talking about merging all of that together. One entity was saying they did not want the other entity, which may not have been as flush, to take all of their money and then cause their rates and property tax to go up in order to pay for the service. They wanted their tax rate kept low until they used down their money.

Where, who, and how are all of those things going to be addressed? You have a governance board with Sierra Fire and with Truckee Meadows Fire, and neither one of those governance boards are the county, from my understanding. Now it is all going to go to the county. What happens to those other boards? Why did the rates go up? One was lower, and now they are both the same. It just seems to me like one group of citizens might end up paying for services on the backs of another group of citizens, and they were separate. In other words, there are a lot of details here that are not addressed in the bill but which have to be before I am comfortable with doing something like this.

**Charles Moore:**

The board of fire commissioners is the governing board for both Sierra Fire Protection District and Truckee Meadows Fire Protection District. There is only one governing board. When the deconsolidation occurred, the board of fire commissioners equalized the tax rates between Sierra Fire and Truckee Meadows Fire so that we could establish a uniformed service level between the two districts. You will find that engine company staffing service levels are fairly equal between Truckee Meadows Fire and Sierra Fire.

The problem with budgeting is that the capital needs to be funded through Sierra Fire and Truckee Meadows Fire separately. Since it is essentially one department, it really does not matter what fire truck goes to what part of the district, but Sierra Fire cannot fund much more capital out of its existing capacity. We have not heard any feedback from our taxpayers and our constituents that there is inequity with doing this, and in fact, most of the feedback has been very positive. They like the idea of one fire district serving them and that it is redundant to have two districts.

Our budgets are essentially consolidated. Our operations are essentially consolidated. Our service level is essentially the same. What is left is just the complexity of government, of having to do two separate audits and to keep matters on the agenda separate when they need to be kept apart. It is just really cumbersome to have two districts but one fire department.

**Assemblyman Daly:**

In that, you gave me some information that I was not clear on. Thank you. However, when you say they were equalized, and you can correct me if I am wrong, Truckee Meadows Fire was with the City of Reno in that consolidation. It then got deconsolidated. Which rates got equalized? Did they go down to equalize, or did they go up? Those are the things I am looking at and saying one district has capacity and one district does not.

I understand there has already been some level of integration or consolidation. When Truckee Meadows Fire came out of Reno, there were issues related with that and whether or not it saved anybody any money. That will be a bone of contention for a long time. All of the politics between the county and the cities are not really what we are here for, but I just want to find out. It is similar to the water districts. One side is going to win, and one side is going to lose. Someone is going to feel like their district is working just fine and had the resources to do what their district needed to do, but now tax rates have gone up. I doubt they went down. Do you understand where I am trying to figure this out?

**Chairwoman Benitez-Thompson:**

We have the map here that you folks provided ([Exhibit E](#)). There are a couple of different fire districts listed here, but we are talking specifically about the green areas and the pink areas, which are the Sierra Fire Protection District and the Truckee Meadows Fire Protection District, respectively. We are talking about merging the pink with the green. To help clarify, circling around Assemblyman Daly's question, I see my assembly district here in the pink. This looks to me to be, and correct me if I am wrong, my constituents of Sun Valley and some of the North Valley areas. There are great people in that working area, but it is definitely a lower-income area.

Then we see the green, which, when you were talking about existing law and assessed value, has to have comparable assessed value. What this law would do is allow for a different, broader range of property values to be thrown into the mix. When you talk about equalization, how does that work out between some of the green areas, which have higher property values, versus the Sun Valley District area, for example? How does that end up equalizing?

**Charles Moore:**

The service levels are equalized. What happened, speaking to Assemblyman Daly's question, was Sierra Fire went up 2 cents and Truckee Meadows Fire went up 6 cents to be equalized at 54 cents. The question was not equalizing taxes; it was keeping our fire stations open. That \$4.1 million deficit that we were faced with under the agreement with the City of Reno would have forced the closure of three or four fire stations. The board of fire commissioners felt compelled to make sure that all of our fire stations remained open.

When you look at this map, in Truckee Meadows, our density is dispersed over a wide area. We are not the City of Reno where there is an urban density. We are a suburban and rural density. Closing any one of our fire stations would have an enormous impact on response times and being able to serve our

constituents. We are then faced with wondering which of the four fire stations is going to close. Some of our constituents would be hugely impacted.

With respect to our existing fire stations, whether they are in Sierra Fire Protection District or Truckee Meadows Fire Protection District, what has equalized is the tax rate and the service level, giving us financial sustainability not only for the short term but for the long term. We are absolutely convinced that, with the economy starting to recover, we are financially stable. As revenues continue to grow, then the board of fire commissioners has the option of reducing taxes, increasing service level, or doing a little bit of both if they can.

**Assemblyman Livermore:**

Last session, Assemblywoman Kirkpatrick was disappointed that the consolidation from the session before had not occurred. I think the Great Recession is bringing an equalizer to this arrangement. It makes sense to me that a county government has one system or one department or this sense of how to deliver that service. The cost of this operation is really the boots on the ground and where the service is being delivered. It is not up in administration and all the other components that you talked about, duplicating down the line.

I look forward to seeing this map when it is a different color. It appears to be a consolidated service providing county residents with one system of fire service, and then Reno and Sparks have their areas of operation out there. I really appreciate Assemblyman Kirner for bringing this bill forward. I think that, hopefully, if all the pieces fall together this time, the 78th Session will be the last time Government Affairs will have to deal with this.

**Assemblyman Stewart:**

This sounds like a good bill to me. Chief Moore, will you be the new chief, then? What will the name of this new district be? What will happen with the board? Has that all been worked out?

**Charles Moore:**

Yes, there will only be one fire chief. I assume that will be me. Sierra Fire would go away. It would be named Truckee Meadows Fire Protection District. Going forward, then, the board of fire commissioners and the board of county commissioners have the option of expanding this one district to include other areas of the county that are not currently served by a fire protection district. Those areas are everything north of Township 22, which runs through Palomino Valley all the way to the Oregon border, which is protected by Truckee Meadows Fire but only through an interlocal agreement with the

county. There are so many interlocal agreements, sometimes they make your head swim. We are just trying to consolidate the interlocal agreements to one solid and established board and one district. That is where we are going in the future with consolidation.

**Assemblyman Ellison:**

When you were giving your presentation, you said that it was a three-man station. Are you not bound by a two-in/two-out regulation? That threw me off.

**Charles Moore:**

We are bound by two-in/two-out, but only when the atmosphere within that burning structure requires that we wear a self-contained breathing apparatus (SCBA). We can be dispatched to a fire and have a fairly small fire, which would not necessarily prohibit us from having two-in/two-out. When we are aware that someone is trapped and needs to be rescued, and we have good evidence that if we do not intervene, someone would die, we are allowed by law to go ahead and access that structure with three people.

Again, only one-half of 1 percent of our calls are structure fires, and at only one-quarter of 1 percent of our fires when we arrive do we find that we have to have two-in/two-out. I will also add we have contained the fire to the room of origin in 100 percent of those two-in/two-out cases because we use something called a transitional attack, which is an evolving tactic. We are able to fight the fire from the outside, suppress it, and as we are able to assemble a crew of four, then we make entry.

Those are our limitations, but that is also our success in almost a year of operations. We have been very effective in keeping property loss to an absolute minimum.

**Assemblywoman Bustamante Adams:**

You said that you worked with Assemblywoman Kirkpatrick. What session was that?

**Alex Kukulus:**

What I was referring to was the 2007 Session when much of the language that we are addressing today was drafted.

**Assemblywoman Bustamante Adams:**

What bill number was that?

**Alex Kukulus:**

It was Senate Bill No. 288 of the 74th Session, if my memory serves me correctly.

**Assemblywoman Bustamante Adams:**

Okay. I would be able to find the minutes from there to understand exactly what you were trying to do, correct?

**Alex Kukulus:**

Yes.

**Assemblywoman Bustamante Adams:**

Did you do anything in 2009?

**Alex Kukulus:**

In regard to this specific language, I am not aware of whether or not there were other adjustments to NRS Chapter 477. I am not 100 percent on that.

**Assemblywoman Bustamante Adams:**

On section 2, line 8, where it says "Dedicated ad valorem funding of those services," can you expand on that?

**Assemblyman Kirner:**

I would like to remind the Committee that these two fire districts have already merged. They have one fire board, which is the board of county commissioners. They have one chief, who is Chief Moore. This bill comes forward because we have not finished the task. When we put "dedicated ad valorem" in the language, what we are really trying to say is that in the county we have an ad valorem tax. The City of Reno, for example, does not. Therefore, they do not really have a dog in the fight. I am not sure about Sparks, but I do not believe Sparks has an ad valorem tax either. They do not have a dog in the fight.

This is a perfunctory exercise that we are going through to try to complete the merger so we are not doing two audits, so we do not have two bonding agencies, and so we do not have two budgets. In effect, we are already one fire department. We are trying to close that gap right now.

**Chairwoman Benitez-Thompson:**

I have a question on some of the language in the bill. With section 3, subsection 2, there are a couple of ways in which you list how a consolidation can be initiated. The first is a petition by "a majority of the owners of property located within the fire protection districts that requests the consolidation of the

fire protection districts." I am wondering why we have that language later on in the chapter in section 19, where it talks about the boundaries of two or more contiguous fire protection districts. The language there on page 9 of the bill, line 21, says "A majority of the owners of property located within the portions of those districts directly affected by the proposed adjustment of boundaries."

The way I read the difference in the language is, under the status quo, you would have to have a majority of the owners in each respective district approve it versus your suggested language, which is just a majority of the owners and the total proposed district. Why the change?

**Charles Moore:**

What limits us, as you read from that line down, is we are also bound by having to have the assessed value substantially equal between the two districts. That really prevents us from having a vote of the people or the board of fire commissioners acting on this with a resolution.

**Chairwoman Benitez-Thompson:**

Yes. We are talking about the assessed values, and obviously, there is a big difference between the pink and the green areas on the map, pink being predominantly lower-income folks and green being those with a little higher income. There is a big difference with the language change in the proposed section 3 from what we have in section 19. Section 19 would say that you have to have a majority of support from each of the districts. The way I read section 3, subsection 2, paragraph (a) is that you would just have to have a majority from those two proposed districts combined. You could have everyone in green vote yes but not have much consent from the pink area, and you would still have the consolidation. Let me know if I am reading that wrong or at least what your intent is.

**Charles Moore:**

I believe that is correct. It would just be a simple majority of both.

**Chairwoman Benitez-Thompson:**

What is the rationale behind why you would want it to be a simple majority from the two areas versus majority from each area?

**Charles Moore:**

I think the rationale is the feedback from our constituents; that they perceive the department as one. It operates as one. It is essentially one except with two separate districts.

**Chairwoman Benitez-Thompson:**

I am only asking because I have more pink in my district than green. I have to watch out for my constituents. Is the feedback from those constituents from public hearings and public workshops? Is it from outreach or surveys that have been conducted?

**Charles Moore:**

That feedback was collected during the process of deconsolidating in the public hearings that the board heard in favor of deconsolidation and forming one county fire department. Those public hearings occurred for about a year prior to July 1, 2012.

**Chairwoman Benitez-Thompson:**

Let us go into the second way in which a consolidation can be initiated, which is "A resolution proposing the consolidation of the fire protection districts that is approved by the board of county commissioners and by the governing body of each fire protection district." We have the board of county commissioners, so then how many votes would that take? Is it just a simple majority of the county commissioners? Would it take three county commissioners to say yes through a resolution process?

**Assemblyman Kirner:**

That is my understanding.

**Chairwoman Benitez-Thompson:**

Okay. The third way, once again, is the board of county commissioners hearing a notice and adopting an ordinance after that hearing for the proposed boundaries for the fire district. There are a couple of different ways to skin this cat in terms of this policy, but when we come down to it, we are talking about the same group of people. The county commissioners are the fire board, and the fire board is the people who would make a resolution or pass an ordinance. Was there any thought about going back to more of a citizen-elected fire board, as it was before? Could you at least put on the record the legislative intent for sticking with the county commissioners versus representation from the two different areas that are being merged?

**Assemblyman Kirner:**

Actually, in the original drafting, we were talking about creating a separate fire board. After discussions with numerous people, I came to the conclusion that it would be better just to leave the county commissioners as the fire board and complete the process that we had started, rather than creating a separate governance, trying to pull it away from the county, going through an election process, et cetera. We were there at one point, but after many discussions,



I came back to the idea from a governance standpoint to leave it at the county. That is what this bill reflects.

**Assemblywoman Neal:**

I was going back and reading the minutes on S.B. No. 288. When it was shifted over to Assembly Government Affairs, there was the discussion about consolidation, which is section 3, subsection 2, paragraph (a) of your bill, where you have the petition signed by a majority of the homeowners. In the original language, it looks like they had 25 percent. They wanted 25 percent of the homeowners in the fire district to agree on consolidation. Why the shift? Why are we going to a majority from the 25 percent that was in the original S.B. No. 288, which was the modernization? It brought the fire districts together, and then this bill you say is the next step, which is to have a dedicated funding source to take care of this fire district. That is how I see it. Talk to me about section 3, subsection 2, paragraph (a). Why the shift?

**Alex Kukulus:**

From memory, the 25 percent, I believe, was the original method to initiate any kind of merger or partial annexation from one district to another. That was if it were to be initiated amongst the property owners. That would require them to sign that petition to get things going. It would still have to go to the board of commissioners to then effect it.

Why it changed to a majority I cannot entirely say, other than I know that the discussion we had was predominantly around taking portions of one district and giving it to another, wanting to make sure a majority of affected constituents on both sides would have a say in that. Again, that was if there was going to be two separate departments. That is what was contemplated at that time. People would be transferring from being serviced by one entity to another, and they would then give an affirmative vote on that. In this case, we are not transitioning their services to a different entity. They are already receiving those services from that entity.

**Assemblywoman Neal:**

When this was initially modernized in 2007 and passed, what was the funding source that was dedicated to the consolidation? Why are we now needing to dedicate ad valorem, specifically?

**Alex Kukulus:**

There always has been dedicated ad valorem funds to both fire districts. That has not changed. What was there then is there now. The rates have changed over the years, but both Sierra Fire and Truckee Meadows Fire have always had roughly two-thirds of their budgets come from ad valorem taxes.

**Assemblywoman Neal:**

Is one of the current rates in the fire districts now less than in the other? Ms. Walker is shaking her head no. It is new language in the bill. Why, then, do we need to set it apart?

**Alex Kukulus:**

It used to be differing tax rates between the two districts. They are the same now at 54 cents. Whether or not any of this language changes in this bill, it will not affect what they are currently paying. The rate is set for all constituents on both sides. It would not be affected by this, regardless of the demographics. All we are talking about is that there is a limitation right now with the assessed valuation having to be equal for us to make the exchange.

For example, if Truckee Meadows Fire is going to absorb \$100 million worth of assessed valuation from Sierra Fire, with what was originally written in this bill, the \$100 million would have to be given back in a separate area. We were jurisdiction swapping to align it better with the fire stations. We have two fire stations that are effectively on the border of these two districts. It speaks to some of Assemblyman Daly's questions as far as inequities. We might have a taxpayer for Truckee Meadows Fire who is actually receiving services from a Sierra Fire station. There could be objection to someone saying he is getting services from a district that he is not paying taxes to. What this bill would do is level that so that everyone is paying their taxes to one entity and there is no inequity that way. To sum things up, it is not going to affect rates on the individual property owners.

**Chairwoman Benitez-Thompson:**

For clarification for the record, when the two initially went into the memorandum of understanding (MOU), there was that rate differential. My folks up in Sun Valley were kicking in 6 cents versus the Sierra Fire Protection District, which only had to give 2 cents. I think that is the problem I have with how the agreement came together. My lower-income, hardworking family folks ended up having to kick in more than the other district did. I think issues of parity like that are perhaps why the NRS talks about similar assessed property value. When you have people throwing into the pot, you have people with like means and ability so you do not end up with low-income neighborhood rates going up, initially having higher costs than other folks.

I just wanted to clarify another thing for the record so that the legislative intent is clear. Assemblywoman Kirkpatrick very much cares about looking for efficiency in government, but I do not think that we have had direction from her either way on this specific bill and this specific language. I know she is not

here in the room to say anything. I did not want to leave an impression about anything for the specific language of this bill.

**Assemblyman Daly:**

I am still just trying to get this. When I look at section 19, which is mostly existing law, it says, "The boundaries of two or more contiguous fire protection districts located within a county . . . ." You then have subsection 2, which says how you would do that. There is a merger process. There is a consolidation, however you want to do that, to put these areas together. There is a two-step process there. We have to have a majority of the property owners located within the portions of those districts directly affected by the proposed adjustment of boundaries. In this case, it would be all of the property owners in both districts. You then have the word "and" on line 23. We have to have resolution of the board of county commissioners in the districts.

When I go back to what you are proposing here in section 3, you changed that. You say "the consolidation may be initiated by." You circumvent the existing process and say you can get a petition, and then on line 17 on page 2, you have the word "or" before "a resolution proposing the consolidation of the fire protection districts that is approved by the board of county commissioners." Section 19 was an "and," where the property owners got the say. This one is an "or," where it does not really matter what the property owners say. They get to initiate, but the county commission can do it without the property owners' say. It just creates a problem. Do you not feel you can get it done under existing law?

**Charles Moore:**

The answer is no. We do not believe we can get it done through existing law because it would require the resolution as well as the assessed values having to be substantially equal on the petition.

**Assemblyman Daly:**

I did not see the assessed value part. Can you point that out?

**Charles Moore:**

That would be on page 10, line 1. It says, "The total assessed valuation of taxable property in the districts . . . ." The problem for us is that Sierra Fire and Truckee Meadows Fire are not substantially equivalent. There is probably a two-thirds to one-third ratio, approximately.

**Assemblyman Oscarson:**

I am going to switch gears here. It looks to me like you have about 11 volunteer stations within those two districts. How will that affect your

volunteers? In addition to that, I see a fiscal note of savings of about \$30,000 because you will not have to do duplicate audits. Originally, this was \$2 million in the reserves with the two districts, if I am not mistaken. You have dropped it down to \$1.5 million. Is there a reason that is not showing in the fiscal note, as well?

**Charles Moore:**

The volunteers will not be affected. In fact, I think that would improve. We have some volunteer companies that are Sierra Fire Protection District volunteers and some that are from Truckee Meadows Fire Protection District. Our long-term goal is to consolidate volunteers into one volunteer company for our entire district for the same reasons that we want to combine these two taxing districts. That would also allow us to do that with volunteers. It would operate as 1 fire department in the long term, instead of 11 or 13 different volunteer companies and 2 separate fire districts. It is really an efficiency thing that will help us improve the way that the fire district is managed and operates over time.

With respect to the fiscal note, I may have to defer to Mary Walker, our financial consultant, on that. I am not able to say why it is not in the note. However, from the total aggregate amount, we believe that \$2 million was likely excessive and \$1 million was not enough. In an administrative determination, we felt that \$1.5 million would be adequate when we combine the wildfire risk between two districts.

**Chairwoman Benitez-Thompson:**

Are there additional questions from Committee members? I see none. Thank you for answering our questions and for clarifying legislative intent. I appreciate it. We will go ahead and open up for testimony in support.

**Mary C. Walker, representing Truckee Meadows Fire Protection District:**

I am a certified public accountant, and I have handled both districts' finances, Truckee Meadows Fire for the past 15 years and Sierra Fire for about the past 10 years. In regard to the reserves, the reason why that is not in the fiscal note is the board has the ability to change it now. The board can actually move that without the bill. That is an option we have today because it is a "not to exceed" of \$1.5 million.

In regard to the tax rate and why Truckee Meadows Fire went up by 6 cents and Sierra Fire only went up by 2 cents, the reason is simply because of the economy. It had nothing to do with the consolidation. The Truckee Meadows Fire Protection District lost 25 percent of its revenues due to the recession. In a two-year period, we lost \$1.1 billion of assessed value. It was a tremendous

loss. In total, it was \$4.2 million we lost in ongoing revenues at the Truckee Meadows Fire Protection District.

**Chairwoman Benitez-Thompson:**

To clarify, say that one more time.

**Mary Walker:**

The Truckee Meadows Fire Protection District went up by 6 cents. It was because it had a loss of revenue of \$4.2 million. The Sierra Fire Protection District lost \$2.1 million. They lost basically half of what Truckee Meadows Fire lost during the recession. The Sierra Fire Protection District, in order to keep them financially solvent, only had to go up by 2 cents.

**Chairwoman Benitez-Thompson:**

I still see an inequity there. If you are merging, then you are putting everyone into the same boat. How you load the people into the boat is problematic for me. Yes, there may have been a recession, but we are still looking at the Truckee Meadows Fire Protection District folks coming to the table with much more cash in hand than the Sierra Fire Protection District.

**Mary Walker:**

It is correct, Madam Chairwoman, that one went higher than the other. Prior to the raising of those rates, the Sierra Fire District was at 52 cents. Truckee Meadows Fire was at 47 cents. Truckee Meadows Fire was much lower than Sierra Fire. However, if we had not consolidated them, we still would have had to have a 6 cent increase for the Truckee Meadows Fire Protection District simply in order to counter the \$4.2 million loss in our revenues. We lost 25 percent of our revenues in a two-year period.

**Chairwoman Benitez-Thompson:**

Are there additional questions? [There were none.]

**Lisa A. Gianoli, representing Washoe County:**

I just want to stand up in support for the bill as stated for the administrative and fiscal improvements that would come from the merger of the two organizations.

**Chairwoman Benitez-Thompson:**

Are there any questions? [There were none.] Are there any additional comments in support? Seeing none, we will move into opposition.

**Thomas Dunn, Private Citizen, Sparks, Nevada:**

I am a resident of Washoe County, specifically Spanish Springs in the Truckee Meadows Fire Protection District. I signed in as opposed to this bill for

several reasons, a lot of which you folks have already brought up today. Starting off with page 2 of the bill, section 3, lines 15 through 17, the new language requires a majority of property owners to sign a petition. This is a substantially higher number than the 25 percent or more required under NRS 474.020 to form a new fire district. I think there is an inequity there that you have to overcome in order to start this petition moving forward.

Section 3, lines 18 through 21, as it currently sits right now in Washoe County, the board of fire commissioners for both Sierra Fire Protection District and Truckee Meadows Fire Protection District is the board of county commissioners. Basically, as it stands, five elected people get three votes each, depending on what issue they are voting on and how it impacts the fire districts. At some point, it becomes a question of where the board of county commissioners ends and where the board of fire commissioners begins.

Section 3, lines 22 through 29, as it stands right now, the county commission holds the voting power and the voting bloc without a vote from the residents or property owners, whether or not the district should be consolidated. Conversely, there is no provision in this bill whatsoever as to how to divorce the fire districts once they are consolidated. As we all know, recently within Washoe County, there was a fire divorce, and it has raised some contentious issues for both the city and the county.

Moving on, I have a question on section 9, lines 43 through 45 on page 5. How does this bill potentially impact other fire protection districts and other fire agencies, not only within Washoe County but in corresponding counties? You have Reno, Sparks, and the Reno-Tahoe Airport Authority, which all have fire departments. The board of county commissioners and fire commissioners are on the record as saying that they are interested in regionalizing with other fire districts, as well, both across state lines and county lines.

I have a question on page 7, section 10, lines 1 through 7, which was previously addressed. If there is a consolidation of the fire districts and each is required to maintain \$1 million for an emergency fund, is it a wise move to decrease the amount of the emergency fund upon consolidation when the actual size of the district and the risk also increases?

If you look at the existing NRS Chapter 474 language, there are two standards for elected representation. The first is under NRS 474.070, where an elected fire board can be created for a new fire district. The second is under NRS 474.460, when a district is created by a board of county commissioners. If there is to be a consolidation of fire districts, why is there no independent elected board for the new fire district?

The new bill draft potentially goes around NRS 474.385, where an election is to be held in order to change or alter fire district boundaries. Why is there no election to consolidate fire district boundaries?

As a resident of Truckee Meadows Fire Protection District, I was for the consolidation of the City of Reno and Truckee Meadows Fire. For full disclosure, I am employed by the City of Reno as a firefighter, and I am also an elected representative of the Reno Fire Fighters International Association of Fire Fighters (IAFF) Local 731. However, all of my comments today are specifically for my purposes and intent as a resident, property owner, and voter of Truckee Meadows and Washoe County.

When the deconsolidation went forward, I did not get a vote on whether or not the two entities should deconsolidate. I did not get a vote when Truckee Meadows Fire Protection District and Sierra Fire Protection District had their potential functional consolidation. Back in 2010 there was an advisory question Washoe County won regarding consolidation of services, and it passed with a majority in Washoe County. I did vote for a consolidation of services. I felt it was the best thing for the county as a whole. In 2012, there was a question on automatic aid and whether or not it should be provided across the board regardless of boundary or jurisdiction. That also passed with a majority.

What I did not get to vote on was an increase in my taxes regardless of the assessed value of my house. I am on the record at several county commission meetings, as well as my local community advisory board meeting, saying I was for an increase in my fire tax if it improved my level of service or if it maintained my existing level of service. Unfortunately, with the deconsolidation between the City of Reno and Truckee Meadows Fire Protection District, my level of service went down. It went down from four persons on an engine company to three persons on an engine company.

I did not get a vote on whether or not my fire district gets to consolidate with anybody else, and according to this bill moving forward, I still do not get a vote. I also do not get a vote on my decrease in level of service.

In closing, the only vote I do get is at the ballot box on voting for my county commissioner. Otherwise, I have no other vote on any representation in my district.

**Chairwoman Benitez-Thompson:**

Are there any questions or comments from Committee members? [There were none.] Is there any other additional testimony in opposition?

**Dennis Jacobsen, Private Citizen, Reno, Nevada:**

I, too, am a Reno firefighter and the elected president of the Reno Fire Fighters IAFF Local 731. I stand today and address this body as a taxpaying resident of the Truckee Meadows Fire Protection District. It is under that direction that I would like to make a couple of comments. I will not take a lot of the Committee's time. Many of my comments and concerns have been addressed through some of the questions from the Committee to the representatives from the county, as well as from Mr. Dunn.

I will point out a couple of concerns I have that I would like to make sure that are aired very clearly. Assemblyman Daly has been very much on point, in my opinion. I am one of those individuals, such as those in the Chairwoman's district, who have had their fire tax raised some 6 cents, which I believe equates to a 14.8 percent increase. I, too, have had a reduction in service from four-man companies to three-man companies. Furthermore, I had no say in that matter. I do have grave concerns that, because of the inequities that have been pointed out between the two districts, some of my tax dollars are being used to move across an imaginary division line to support fire services and emergency services in jurisdictions that are not currently my tax base. I certainly like paying for my services. I like having my family protected, particularly when I am off for 48 hours at a time. I want to know that my family is safe and protected, but it is also comforting to know that my tax dollars are going to my neighborhood and not to some other location within the county.

The second thing that concerns me—and is probably my largest concern—is the new language in section 3, subsection 2, paragraph (b). This is the ability of five individuals, solely, to make a decision without the input of the public. This section is noted approximately 19 times throughout the new language. What is the necessary reason to put this power within the body of this bill, which has already been identified earlier today as a very comprehensive law? The current law, as it states, has a number of protections built into it. It provides a number of places where the public can identify and be involved in the process and actually take a vote on what happens in their own jurisdictions. Yet, with the insertion of this section 3 language throughout this entire bill, it circumvents that. It is enabling a board of a few individuals to make decisions outside of the public will.

I know that the bill was drafted in 2007, and a lot of concern was taken then. I believe it was a very good law, and it has served quite well. As was identified earlier, it was actually modernized in 2007. How many times do we have to modernize something? It is working. The provisions work. Yes, it is cumbersome to get some of the boundaries adjusted, but they were meant to be cumbersome. They were meant to allow everybody to have a say in it.



It is for those reasons that I stand in opposition to this bill. Thank you.

**Chairwoman Benitez-Thompson:**

Are there any questions from Committee members? [There were none.] Is there any additional testimony in opposition? [There was none.] Is there testimony in neutral?

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

We are the yellow on that map ([Exhibit E](#)). I wanted to indicate to the Committee that the city council has adopted a neutral position on this bill, as was stated earlier. As the bill is drafted, we do not have a dog in the fight. With that, we are neutral. Because there had been so much conversation about the deconsolidation with Reno, I wanted to clarify that.

**Chairwoman Benitez-Thompson:**

Thank you. Are there any questions? [There were none.] Is there any additional testimony in neutral? Seeing none, I will invite the bill sponsor back up for closing comments.

**Assemblyman Kirner:**

I will defer to Mr. Moore for a moment, and then I will speak.

**Charles Moore:**

I would like to summarize by saying that this bill is simply a merger of Sierra Fire and Truckee Meadows Fire. It is nothing that would affect the City of Reno, City of Sparks, North Lake Tahoe Fire Protection District, or the Reno-Tahoe Airport Authority. It is simply a merger of two districts that are functionally working as one fire department. It creates more efficiency in government and less cost to the taxpayer, quite frankly.

Madam Chairwoman, I would like to add one more comment to your question about the inequity of tax rates. I believe it is true that for the vast majority of taxpayers, even though the tax rate went up, the tax bill was still less than what it was before the Great Recession. The lower the taxable value on a home, the lower the tax bills. This deconsolidation allowed us to sustain service so that we did not close any fire stations. I think that is a compelling reason for why the rates went up. We had to stabilize the staffing of our fire stations so that no one fire station would close.

**Assemblyman Kirner:**

The chief has said a number of things that I would have said. The key here is that this bill only completes what is already in progress. This bill allows the fire stations to remain open, even in your district, Madam Chairwoman, when these

would otherwise be browned out or closed. This bill serves our community better. This bill provides the kind of protection that our citizens need. That is why this bill has come forward.

**Chairwoman Benitez-Thompson:**

With that being said, we will close the hearing on A.B. 302. We will open up the microphones for public comment. [There was none.]

Meeting adjourned [at 11:11 a.m.].

RESPECTFULLY SUBMITTED:

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Maysha Watson  
Committee Secretary

APPROVED BY:

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Assemblywoman Teresa Benitez-Thompson, Chairwoman

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

**EXHIBITS**

**Committee Name:** Committee on Government Affairs

**Date:** April 8, 2013

**Time of Meeting:** 8:07 a.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 424	C	Peter Mulvihill / State Fire Marshal Division	Testimony
A.B. 302	D	Assemblyman Randy Kirner	Amendment
A.B. 302	E	Assemblyman Randy Kirner	Map