

**MINUTES OF THE  
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Seventy-Seventh Session  
May 2, 2013**

The Senate Committee on Revenue and Economic Development was called to order by Chair Ruben J. Kihuen at 1:40 p.m. on Thursday, May 2, 2013, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Ruben J. Kihuen, Chair  
Senator David R. Parks, Vice Chair  
Senator Moises (Mo) Denis  
Senator Debbie Smith  
Senator Ben Kieckhefer  
Senator Michael Roberson  
Senator Greg Brower

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Bryan Fernley-Gonzalez, Counsel  
Mike Wiley, Committee Secretary

**OTHERS PRESENT:**

Douglas C. Gillespie, Sheriff, Clark County  
Chuck Callaway, Police Director, Las Vegas Metropolitan Police Department  
Patrick E. Moers, Chief of Police, City of Henderson  
Joseph Chronister, Chief of Police, City of North Las Vegas  
Troy Tanner, Chief of Police, City of Mesquite  
Lisa Foster, City of Boulder City; Nevada League of Cities and Municipalities  
Yolanda King, Director of Budget and Financial Planning, Clark County  
Chris Collins, Executive Director, Las Vegas Police Protective Association;  
President, Southern Nevada Conference of Police and Sheriffs

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Elizabeth N. Fretwell, City Manager, City of Las Vegas  
Virginia Valentine, President, Nevada Resort Association  
Richard Boulware, First Vice President, NAACP Las Vegas  
John T. Jones Jr., Chief Deputy District Attorney, Clark County  
Frank Hawkins, President, NAACP Las Vegas  
Karen Keller, Chief Financial Officer, Las Vegas Metropolitan Police Department  
Wendell Campbell  
Brian McAnallen, Las Vegas Metro Chamber of Commerce  
Steve W. Sanson, President/Director, Veterans In Politics, International, Inc.  
Tod Story, Interim Executive Director, American Civil Liberties Union of Nevada

**Chair Kihuen:**

We will open the hearing with Assembly Bill (A.B.) 496, known as the More Cops Initiative.

**ASSEMBLY BILL 496 (1st Reprint)**: Makes various changes relating to the Clark County Sales and Use Tax Act of 2005. (BDR S-1068)

**Douglas C. Gillespie (Sheriff, Clark County):**

I am going to ask Director Chuck Callaway to cover A.B. 496, and then we will answer your questions.

**Chuck Callaway (Police Director, Las Vegas Metropolitan Police Department):**

I have a presentation on the More Cops Initiative, the Clark County Sales and Use Tax Initiative of 2005 ([Exhibit C](#)). In 2004, a public safety advisory question before the voters in Clark County was approved for up to a 0.5 percent sales tax increase to hire and equip police officers. The Legislature approved and gave us 0.25 percent through the Clark County Commission. We were asked to return in 2009; with the poor economy, we were unsuccessful in receiving the second. In 2011, the State was facing a \$3 billion deficit, and we thought it inappropriate to ask for the funding.

We have reached a point where it is at a critical level, so we are asking for a portion of the second 0.25 percent to be enacted. The current initiative funds 510 officers. Assembly Bill 496, section 1 suspends supplanting language until July 1, 2016. Section 2 would adjust the base rate for the fiscal year for the purposes of determining supplanting language in 2016. Section 3 allows the Clark County Commission, with a two-thirds vote, to enact up to 0.15 percent of the Clark County Sales and Use Tax effective October 1. Section 1 also

requires detailed reporting of expenditures during the suspension of supplanting language.

We had a 36 percent decrease in property tax revenue which came directly to the Metro; this produced a \$60 million annual loss in revenue since 2009. Since fiscal year (FY) 2009-2010, 426 police officers have been eliminated. The authorized staffing ratio has been reduced from 2.06 to 1.72 per 1,000 residents. These are the lowest staffing levels since 2003. Crime has increased 12 percent between 2011 to 2012, and crime is up 4 percent in 2013. As a former community policing officer, I can say when we have more officers on the street, we can do more crime prevention and also be more proactive in reducing crime instead of reacting to calls for service.

**Sheriff Gillespie:**

When asking for an increase in sales tax, we need to discuss a couple of issues. First, where is the support? This tax was voter-approved in 2004, and we embarked on the process for this Legislative Session to reach out to all local municipalities impacted by this tax. Each municipality completed a resolution in support of A.B. 496, including Clark County ([Exhibit D](#)), the City of Las Vegas ([Exhibit E](#)), the City of North Las Vegas ([Exhibit F](#)), the City of Boulder City ([Exhibit G](#)), the City of Henderson ([Exhibit H](#)) and the City of Mesquite ([Exhibit I](#)).

The second issue is our track record. We said we would hire more police officers, and we hired close to 600 positions. When tough economic times came and sales tax revenue declined, so did the number of positions we were able to support. Many questions were asked in 2004 about our ability to hire that number of officers, but we fulfilled that obligation. We made the statement that crime would go down when we hired these officers. Our officer-to-resident ratio rose and crime per capita was reduced. During these hard economic times, our ratio has gone down and crime has started to increase.

We are not going to hire an additional 510 officers with this new revenue stream. We will take the revenue and put it toward our current \$30 million deficit. The money will go toward the current 300 positions and ensure they will be there tomorrow. With the 0.25 percent sales tax money, we will be able to hire 40 to 50 police officers. As an organization, we will continue to look for ways to work more efficiently and effectively with the amount of money we

have to keep Clark County safe. This tax is more important today than any time in its past.

**Chair Kihuen:**

What is the time line? Once you hire an officer, is he or she ready for the street?

**Sheriff Gillespie:**

It takes 1 year.

**Patrick E. Moers (Chief of Police, City of Henderson):**

We have 61 officers supported by the fund. I thought it would support 117 officers under the original proposal. The initiative did what it was supposed to do—make Henderson the second safest city in America. We focused on three main areas: having more cops on the street for better response time; bolstering the specialized units that are proactive in preventing crime; and developing partnerships with the other police departments. In addition, we work with other police departments in regional programs we have developed for traffic, drug resistance and the Nevada High Intensity Drug Trafficking Area Southern Nevada Drug Task Force.

**Joseph Chronister (Chief of Police, City of North Las Vegas):**

Property tax has declined in North Las Vegas by 60 percent, and our budget has been reduced by \$40 million over the last 4.5 years. We reduced police officers by 52 and have 64 officers in the fund—we have seen an increase in crime. We have 1.17 officers to 1,000 residents. We support this bill.

**Chair Kihuen:**

How long does it take to train a new officer to be on the street?

**Chief Chronister:**

It is a 12-month process.

**Chief Moers:**

It is a 12-month process.

**Troy Tanner (Chief of Police, City of Mesquite):**

Our crime rate has increased 7 percent since FY 2011-2012. Our current ratio is 1.58 officers per 1,000 residents. We support this bill.

**Lisa Foster (City of Boulder City; Nevada League of Cities and Municipalities):**  
Boulder City and the League of Cities and Municipalities support this legislation.

**Yolanda King (Director of Budget and Financial Planning, Clark County):**  
The Clark County Board of County Commissioners and the County Managers support this bill.

**Chris Collins (Executive Director, Las Vegas Police Protective Association; President, Southern Nevada Conference of Police and Sheriffs):**  
I represent the 4,000 police officers at Metro below the rank of sergeant. On behalf of these officers, I am asking for your support on this bill.

**Elizabeth N. Fretwell (City Manager, City of Las Vegas):**  
This is a critical piece of legislation for southern Nevada. We urge your support so we can maintain the services our citizens deserve.

**Virginia Valentine (President, Nevada Resort Association):**  
Our board met after a briefing with the Sheriff Gillespie, and we support this bill.

**Richard Boulware (First Vice President, NAACP Las Vegas):**  
We support this bill with a proposed amendment. The amendment asks that 7 percent of the revenue this bill produces be set aside for cameras. Increasing the number of officers does not equate with greater safety. We need accountability, training and monitoring to ensure the additional officers and the officers on the street have the information they need.

Few tools can increase community confidence, officer safety and public safety at the same time. Body cameras can do that. Studies support that having cameras can streamline prosecutions. We need accountability with additional officers.

**Chair Kihuen:**  
You mentioned 7 percent. How did you come up with the figure?

**Mr. Boulware:**  
The figure came up from conversations with the Metro regarding how much it would cost to roll out cameras on an ongoing basis to one command.

**Senator Brower:**

I see your letter ([Exhibit J](#)), but I do not see the proposed amendment.

**Mr. Boulware:**

I thought it had been uploaded. We will get it to you.

**Chair Kihuen:**

We do not have the amendment, just the letter.

**Mr. Boulware:**

The amendment was in section 3 of the bill, and the essential language was something like “of the additional funds that would be received under this amendment, at least 7 percent would need to be set aside and spent on equipping police officers with body cameras.” We lowered the number of officers to 100.

**Senator Brower:**

I am skeptical that this is the right vehicle for imposing an operational requirement on Metro. It would be better if completed by the County Commission in consultation with Sheriff Gillespie.

**Mr. Boulware:**

We will work with the County Commission.

**Chair Kihuen:**

Would your amendment only apply to Metro?

**Mr. Boulware:**

It would also apply to Henderson and North Las Vegas. The amendment was changed to include these departments.

**John T. Jones Jr. (Chief Deputy District Attorney, Clark County):**

We are in support of this bill. We worked closely with all the law enforcement agencies and appreciate the work they do.

**Frank Hawkins (President, NAACP Las Vegas):**

I would like to address the supplanting language. We understand the need for the tax increase; however, we think it should be fair and beneficial to everyone.

We have requested, based on previous discussions with Metro, that the 7 percent increase would allow two area commands to roll out cameras. It was agreed to in 2012 by Metro, which planned to use seizure monies. Assembly Bill 496, even with the supplanting provision, has language concerning equipment, and it is our contention that cameras would fall under the equipment language. We are in support of the bill with the friendly amendment, which we will send to you. For the last year and a half with all of the issues about not using the inquest, the American Civil Liberties Union and NAACP have worked with Metro collectively on behalf of the community. If cameras are not funded through the Legislature, they will not be funded. If the Committee allows the supplanting language, it relieves the County and the City from using their general fund dollars. We understand money is tight and we want to work with Metro. We do not think 7 percent is too much to ask.

**Chair Kihuen:**

Have you worked with Chief Gillespie and the other chiefs about the amendment?

**Mr. Hawkins:**

We have been working with the Sheriffs. Over the past 8 months, we have also been testing different types of cameras.

**Mr. Boulware:**

We have been in an ongoing conversation with the Sheriff, and Clark County representatives as well, on how to fund cameras and on having a sunset provision for the amendment. We needed to jump-start this process, so we offered a sunset provision of the amendment that expires in 3 years.

**Chair Kihuen:**

Sheriff Gillespie, what are your thoughts on the amendment?

**Sheriff Gillespie:**

I have made my commitment for the use of cameras, and we have embarked on a process to move forward on this commitment. We have found a vendor for the body cameras. The vendor will also provide technology support for archiving the data. It will not be a departmentwide implementation but will be done in stages. There are logistical aspects in regard to rolling out the program. We have uniformed officers who are challenging the requirement to wear the cameras as part of their jobs. We have officers who will volunteer, and it will be

a requirement for all new hires. My concern with earmarking a portion of this out of the sales tax is that we have only a portion of our force where we can use the funds.

This will only affect a small percentage of our 2,500 police officers. I am committed to the process, and Mr. Boulware wants to add more accountability, so I will continue to work with him and Mr. Hawkins on how we implement the program. Much of the information available on cameras is about car cameras and body cameras. We will continue to work with community as a whole to bring a level of transparency to the Department.

**Chair Kihuen:**

Are these cameras visible?

**Sheriff Gillespie:**

Some are and others not, but officers will let people know they are on video.

**Senator Brower:**

I see the advantages to your officers, and I encourage you to keep talking.

**Chief Moers:**

The City of Henderson uses approximately 150 cameras in our cars and we were able to receive them through a grant of \$2.5 million to \$3 million. This program would cost around \$400,000. I do not think this should be part of the tax initiative for the 7 percent.

**Chair Kihuen:**

Have any of you reached out to the federal government for grants to purchase body cameras?

**Chief Moers:**

Our original money came through the U.S. Department of Justice. The grants are becoming difficult to obtain because of the economy.

**Sheriff Gillespie:**

We reached out for a grant in 2012 for the camera project. We were not successful in obtaining funding under the grant proposal. We have submitted another grant proposal, but it does not cover the entire cost of the camera system.



**Senator Parks:**

I would like to know from the entities in Clark County as to how they manage their accounting for More Cops. I met with Chief Moers today, and he indicated Henderson has a special revenue account for the entire accounting of the Henderson More Cops program.

**Karen Keller (Chief Financial Officer, Las Vegas Metropolitan Police Department):**

We use a separate fund to track all revenue as well as all of the expenditures associated with More Cops.

**Senator Parks:**

Do you have a position control system to track the position instead of the individual?

**Ms. Keller:**

Yes. The positions are identified as the More Cops positions, and they are charged to the More Cops fund. People may transfer in and out of More Cops as their careers progress.

**Senator Parks:**

As a person's career progresses, does the money follow the individual?

**Ms. Keller:**

The money does not follow the individual officer. If an officer moves into a position outside of the More Cops program, he or she would be moved into a general fund position.

**Senator Parks:**

What about the Cities of Mesquite, Boulder and North Las Vegas?

**Chief Chronister:**

We also have special revenue funds designated for More Cops. All revenue and expenditures are tracked.

**Senator Parks:**

When officers' duties change, they move in or out of the More Cops funding.

**Chief Chronister:**

Most of the officers we have in the More Cops funding are patrol officers. We have a few officers in other positions, but funding is position-related, not individual-related.

**Chief Tanner:**

We have seven police officers and little movement on the More Cops program.

**Senator Parks:**

Did you account for your funds through a special fund?

**Chief Tanner:**

We have a special account set up for More Cops.

**Ms. Foster:**

I do not know all the accounting procedures Boulder City is using, but I can get back to you.

**Senator Parks:**

I would like to direct my next question to Metro concerning cash flow. You indicated you have a reserve of \$120 million.

**Ms. Keller:**

That is correct. More Cops has a fund balance of \$123 million.

**Senator Parks:**

What will be your balance on July 1?

**Ms. Keller:**

We are using \$3 million a year of the fund to balance our costs.

**Senator Parks:**

The 0.25 percent is around \$55 million? If we used the additional 0.15 percent on October 1, it would appear to generate around \$25 million for the rest of FY 2013-2014.

**Chief Tanner:**

On an annual basis, we would generate around \$33 million, so for a 9-month period, that would be right.

**Senator Parks:**

If I added all the amounts together over the next fiscal year, including your reserve and the new revenues, there would be over \$200 million.

**Ms. Keller:**

The piece missing would be anything supplanted out of the general fund budget to pay for existing officers and the \$30 million deficit on our books.

**Senator Parks:**

From the reports you submitted, it seems you are spending in the range of \$60 million a year for your current More Cops program with 510 officers. If we were to allow your department to take the \$200 million, subtract \$30 million to cover the deficit and then \$60 million for your current officers, that would leave you with approximately \$110 million to hire additional officers.

**Ms. Keller:**

We have a spreadsheet that projects the additional costs, revenues and how many additional officers we will be able to hire.

**Sheriff Gillespie:**

After all the numbers are added up and we subtract the operating costs, we end up with \$110 million. It appears to be money available to hire additional officers, when, in fact, the \$123 million in the initial 0.25 percent is needed to support the 510 officers throughout their careers. The tax sunsets in September 2025. We must be careful when talking about the fund balance, paying for More Cops with the 0.25 percent or using it for things other than supporting the existing positions.

**Senator Parks:**

It is great to have an ending balance, but the voters wanted cops on the street.

**Sheriff Gillespie:**

The community understands the tax will sunset in 2025, and people expect us to pay for those positions into the out years. We need to be careful about dipping into the fund balance which may impact the ability to fund those positions.

**Senator Parks:**

Would you like to set aside the supplanting language to cover the \$30 million deficit? How would you account for the revenue?

**Ms. Keller:**

Our intent is to move the positions. They would become More Cops positions which the fund would support.

**Chair Kihuen:**

What kind of public support is there for this legislation?

**Sheriff Gillespie:**

I do not have any recent polling regarding the sales tax initiative. Past polls have shown support for enabling the second 0.25 percent.

**Wendell Campbell:**

As concerned citizens, we expect a commitment on the body camera initiative. It is for the protection of police officers as well as citizens.

**Chair Kihuen:**

Are you in support of the bill with the amendment?

**Mr. Campbell:**

Yes.

**Chair Kihuen:**

Is anyone in opposition?

**Brian McAnallen (Las Vegas Metro Chamber of Commerce):**

Our opposition to A.B. 496 is bifurcated. We are supportive of section 1 of the bill, removing the supplanting language for the first 3 years until July 1, 2016. After having a discussion with Sheriff Gillespie, we should remove the supplanting language for a temporary time period and allow the reserves to be used to adjust the problem. The impact the economy is having on Clark County and the City of Las Vegas is the reason we support removing the supplanting language. We do not support section 2 and going forward with additional language.

**Steve W. Sanson (President/Director, Veterans In Politics, International, Inc.):**

Nevada leads the Nation in unemployment, foreclosures and homelessness. Another tax increase requested by the Sheriff on the backs of already struggling Nevadans to give pay raises to employed officers seems unfair, insensitive and blatantly disrespectful to some. The Sheriff and the Police Protective Association made a deal to get \$26 million to pay employed police officers who also receive additional benefits.

The Sheriff went before the Metro Fiscal Affairs Committee to ask for the money. In 2004, Nevada voters passed an initiative to hire more police officers; this vote was done while former Sheriff Bill Young was in office more than 9 years ago, but things have changed with our economy. Sheriff Gillespie has wastefully spent taxpayers' money only to ask for more. The Sheriff spent over \$42 million on a faulty communication system which allegedly contributed to the death of veteran Stanley Gibson. The sheriff spent over \$1 million a month on rent to pay for the headquarters building on Martin Luther King Boulevard. Having eight police officers sit on the executive board of the Police Protective Association costs taxpayers \$1.2 million in salaries.

The Veterans In Politics would like to see a forensic audit before we provide additional money for the Sheriff. We need to know exactly where the dollars are being spent. There is no outside independent investigation to account for the money. Until we know where the money is going, we are against giving Metro additional funds. When the Sheriff testified before the Assembly Committee on Taxation, he said crime has gone up, but a report on the Metro's Website does not support his claims.

The information is on the Las Vegas Metropolitan Police Department's Website, <<http://www.lvmpd.com/Portals/0/pdf/2011Annual%20Report.pdf>>

Based on the report, crime is going down. In 2011, 158 officers retired. My question is why? Before we give more money to Metro, we need more transparency as to where the money is being spent.

**Chair Kihuen:**

Anyone in opposition or neutral?

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**Tod Story (Interim Executive Director, American Civil Liberties Union of Nevada):**

We are neutral on A.B. 496 but support the NAACP amendment.

**Chair Kihuen:**

With no further business to come before the Senate Committee on Revenue and Economic Development, the meeting is adjourned at 3:56 p.m.

RESPECTFULLY SUBMITTED:

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Mike Wiley,  
Committee Secretary

APPROVED BY:

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Senator Ruben J. Kihuen, Chair

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

<b><u>EXHIBITS</u></b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness / Agency</b>	<b>Description</b>
	A	1		Agenda
	B	5		Attendance Roster
A.B. 496	C	9	Chuck Callaway	More Cops Initiative Presentation
A.B. 496	D	1	Clark County	Resolution
A.B. 496	E	2	City of Las Vegas	Resolution
A.B. 496	F	2	City of North Las Vegas	Resolution No. 2487
A.B. 496	G	1	City of Boulder City	Resolution No. 5984
A.B. 496	H	1	City of Henderson	Resolution
A.B. 496	I	1	City of Mesquite	Resolution No. 756
A.B. 496	J	2	Richard Boulware	Letter