

**LOCAL GOVERNMENT
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 24, 2015

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
A.B. 249 / BDR 23 - 521

City/County: Las Vegas Metropolitan Police Department Approved by: Rich Hoggan, Chief Financial Officer Comment: The estimated fiscal impact cannot be determined because it is not known what the outcome of collective bargaining negotiations with the legislative changes would be as compared to outcomes without the changes. However, the provision with the greatest potential impact is found in Section 8. Exempting fund balance less than 25% exclusive of capital expenses from negotiations or from consideration by an arbitrator is likely to improve the position of employer as it relates to ability to pay. The provision makes sense since fund balance is not recurring and should not be subject to negotiations when it is not in excessive amounts.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: Carson City Approved by: Nickolas A. Providenti, Finance Director Comment: No fiscal impact.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Churchill County Approved by: Eleanor Lockwood, County Manager Comment: The largest impact of BDR 23-521 is the way it alters how we do business regarding collective bargaining; requiring all meetings (including caucuses, it appears) to be open meetings. The major fiscal impact is the labor involved to record the meetings and produce minutes for the meetings. We can assume the Clerk to the Board needs 12 hours for each meeting (preparing agenda, posting, attend meeting, draft notes). And we can assume we average six meetings each time we negotiate, and since it is not uncommon to have one-year agreements, we would need to assume negotiations would take place each year. That means we would have 72 hours of secretary needs for the negotiations. At a "loaded" rate (including benefits) of \$32.50/hour, the fiscal impact each year would be \$2,340 each year. If we are working on deputies and dispatchers in the same year, that number doubles. That is what I can think of for now for the fiscal impact of this BDR.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$2,340	\$2,500	\$2,500	\$2,500

City/County: **Clark County**

Approved by: David Dobrzynski, Assistant Director of Finance

Comment: Fiscal impact: Unknown. However, the bill limits the ability of the arbitrator/fact finding to consider reserved and a certain % of unreserved fund balance, non-recurring revenues, and any health benefit and workers' compensation reserves when determining ability to pay. As such, it is foreseeable that such limitation could result in the arbitrator/fact-finding being less able to favor contested increases in favor of the employee group when a government can show a fiscal sustainability issue. Additionally, providing a clearer definition of fiscal sustainability could limit actions that are taken to the arbitrator/fact-finding result in lower costs to governments related to these matters.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Humboldt County**

Approved by: David Mendiola, County Administrator

Comment: This would have an impact on our collective bargaining process, but it is difficult to say exactly what fiscal impact that would be. It would allow greater flexibility to the process.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Washoe County**

Approved by: Liane Lee, Government Affairs Manager

Comment: Minimal Impact: BDR 521 requires a Collective Bargaining Agreement(CBA) be posted 21 days in advance of the Board of County Commission meeting at which it will be approved. The effect is to move the date of posting from a minimum of 3 days in advance, as required by the OML at Chapter 241, to a minimum 21 days in advance. Worst case is that the CBA must be posted twice. This should not have a significant negative fiscal impact, and could be outweighed by other changes in the bill that have the potential to affect the County's finances positively.

The change to law restricting the fact-finder/arbitrator's reach into reviewing a local government's ability to pay is a positive change for a public employer, but the actual savings is dependent on the specific circumstances of each case and cannot be determined.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **White Pine County**

Approved by: Elizabeth Frances, Finance Director

Comment: The inclusion of consideration as to whether a negotiated agreement is financially sustainable for a period of three years and the specific elimination of nonrecurring revenues plus the consideration of potential loss of revenues provides the County with ability to better control salary and benefit costs. Instead of looking at a very brief period of time in which it might be found that resources provide for increases to bargaining units, a longer-term view provides a more accurate picture. The specific amount that might be saved by these changes cannot be determined, however, there would most likely be a positive impact experienced by the County.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **City of Henderson**

Approved by: Mike Cathcart, Business Operations Manager

Comment: The fiscal impact of this legislation cannot be determined at this time.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Las Vegas**

Approved by: Michelle Thackston, Administrative Secretary

Comment: No Impact

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **City of Reno**

Approved by: Ryan High, Budget/Strat. Initiatives Mgr.

Comment: After initial review, there is no fiscal impact to the City of Reno.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **City of Sparks**

Approved by: Jeff Cronk, Financial Services Director

Comment: As this section of the NRS covers the determination of future employment contracts and negotiation processes, it's not practical to determine the fiscal impact of this proposed legislation, at least in regards to levels of future expenditures. However, these proposed changes can be expected to assist in the preservation of financial resources and ensure financial sustainability.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Carson City School District**

Approved by: Andrew J. Feuling, Director of Fiscal Services

Comment: Asking for early posting of CBA's and modifications thereof, as well as the financial sustainability of those items would have no cost. I would expect that in the fact finding and arbitration process, having the bar of "financial sustainability" being set would be of benefit to the district as it forces consideration of the long term, which is prudent. Restricting the fund balance that can be considered in negotiations at 25% would likely be another prudent move to ensure the sustainability of district operations and strengthens a district's position when looking to borrow funds for capital projects. The year-to-year impact is not clear, but I would assume it would make districts financially more stable. It may make it more difficult to keep wages competitive for districts in the short-run until adjustments can be made on the expense side, or in the long run if revenues would deteriorate.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Clark County School District**

Approved by: Nikki Thorn, Deputy CFO

Comment: CCSD does not expect any financial impact.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Douglas County School District**

Approved by: Holly Luna, CFO, Business Services

Comment: No Impact

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Esmeralda County School District Approved by: Monie L. Byers, Superintendent Comment: Administrative costs associated with implementing the requirements of the BDR.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: Humboldt County School District Approved by: David Jensen, Superintendent Comment: No fiscal impact with the proposed language. However, we would urge a reconsideration of the 21 days posting and mirror the proposal provided by Clark County allowing for a minimum 3 day posting of material for review.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Lincoln County School District Approved by: Steve Hansen, Superintendent Comment: No fiscal impact can be determined. May help the District save money in Collective Bargaining.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Lyon County School District Approved by: Philip Cowee, Director of Finance Comment: No Impact				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Nye County School District Approved by: Kerry Paniagua, Executive Secretary Comment: No Impact				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Pershing County School District Approved by: Dan Fox, Superintendent Comment: This would have a fiscal impact on the district, but with so many variables it's not possible to make a determination of what that would be.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Storey County School District Approved by: Robert Slaby, Superintendent Comment: No Impact				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Washoe County School District Approved by: Lindsay E. Anderson, Director of Government Affairs Comment: 1. The proposed language will drag out the collective bargaining sessions due to bolstering and playing to constituents, rather than trying to get to settlement. Parties likely to get locked into positions and unable to make compromises to get to settlement. Will go to mediation arbitration each bargaining year. So, assume bargaining sessions increase three fold. Currently about 6 sessions before impasse or settlement. Multiplied by 3 = 18 session or 12 new sessions. District Bargaining teams have 6 members at ~ \$450 daily rate of pay. For 5 CB Units that equals ~\$262,000 impact. (6 x \$450 = \$2,700 x 12 days = \$32,400 x 5 units = \$162,000. In addition each year med/arb cost of ~ \$20,000 x 5 units equals \$100,000. For ~\$262,000 increase due to protracted process. 2. Administrative costs for posting and recording all bargaining meetings ~10,000 per unit x 5 units = ~\$50,000. 3. Anticipate erosion of labor relations due to eliminating candid discussions with unions will bring more contract and discipline arbitrations and EMRB cases costing ~\$20,000 per unit to defend x 5 units = ~\$100,000.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$412,000	\$412,000	\$412,000

City/County: **White Pine County School District**

Approved by: Paul Johnson, CFO

Comment: Open and public collective bargaining make the process much more transparent. There would be additional costs for meeting materials and agendas, postings and possibly advertising but the costs would be negligible. The protections with respect to fund balances would help school districts preserve and stabilize operations and avoid increasing perpetual operating increases (such as wages and benefits) with a finite fund balance.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$500	\$500	\$1,000

The following cities, counties and school districts did not provide a response: Douglas County, Elko County, Esmeralda County, Eureka County, Lander County, Lincoln County, Lyon County, Mineral County, Pershing County, Nye County, Storey County, Boulder City, City of Elko, City of Mesquite, City of North Las Vegas, Churchill County School District, Elko County School District, Eureka County School District, Lander County School District, and Mineral County School District.