MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS

Seventy-Ninth Session April 19, 2017

The Committee on Government Affairs was called to order by Chairman Edgar Flores at 8:33 a.m. on Wednesday, April 19, 2017, in Room 4100 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 www.leg.state.nv.us/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chairman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblyman Chris Brooks
Assemblyman Richard Carrillo
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblywoman Amber Joiner
Assemblyman Al Kramer
Assemblyman Jim Marchant
Assemblyman Richard McArthur
Assemblyman William McCurdy II
Assemblywoman Daniele Monroe-Moreno

COMMITTEE MEMBERS ABSENT:

Assemblywoman Shannon Bilbray-Axelrod (excused) Assemblywoman Melissa Woodbury (excused)

GUEST LEGISLATORS PRESENT:

Senator Julia Ratti, Senate District No. 13



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst Jim Penrose, Committee Counsel Lori McCleary, Committee Secretary Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Warren B. Hardy II, representing City of Mesquite

Marilyn K. Kirkpatrick, Commissioner, Board of County Commissioners, Clark County

Robert Sweetin, City Attorney, City of Mesquite

Burton Weast, Private Citizen, Mesquite, Nevada

Allan S. Litman, Mayor, City of Mesquite

David Ballweg, City Councilmember, City of Mesquite

Brenda Snell, Director of Chamber Administration, Mesquite Chamber of Commerce

Rachel Dahl, President and Chief Executive Officer, Mesquite Regional Business

Aaron Baker, Assistant to the City Manager, City of Mesquite

David Cherry, Communications and Intergovernmental Relations Manager, City of Henderson

Kathy Clewett, Senior Analyst/Grant Manager, City of Sparks

Robert LaRiviere, Chairperson, City of Sparks Charter Committee

Holly Welborn, Policy Director, American Civil Liberties Union of Nevada

Chairman Flores:

[Roll was called. Committee rules and protocol were explained.] We have two bills on the agenda today. I will open the hearing for <u>Senate Bill 56</u>.

Senate Bill 56: Provides a charter for the City of Mesquite. (BDR S-434)

Warren B. Hardy II, representing City of Mesquite:

With me today is Mr. Weast, a member of the community of the City of Mesquite and an instrumental part of the Charter Committee that was put together in order to get the City of Mesquite Charter together. To my right is Mr. Sweetin, the City Attorney for the City of Mesquite. In Las Vegas are Mayor Litman, Councilmember Ballweg, and members of the community, Brenda Snell and Rachel Dahl. Commissioner Kirkpatrick needs to get to a 9 a.m. meeting. If it pleases the Chairman, she will provide her testimony first.

Marilyn K. Kirkpatrick, Commissioner, Board of County Commissioners, Clark County:

Thank you for allowing me to testify first. I come in support today. I have been working with the City of Mesquite. As many of you know, I overlap into many of your districts to work with the entities within our commission district. I have been working with the City of Mesquite for a little over six months on the issue of progressing from being a general law city in *Nevada Revised Statutes* (NRS) Chapter 266 to being a charter city in NRS Chapter 268. We see the City of Mesquite in the forefront as growing, and the Board of County Commissioners would like them to have the ability to act as any city and ensure it is codified within the statutes in order to keep moving forward. There are many exciting things coming into Mesquite, with the outdoor spaces being one of them. We are moving to help them along.

I would like to talk about a couple of pieces in the bill. There are some constituent concerns about the City of Mesquite changing from NRS Chapter 266 to NRS Chapter 268, having different powers than they have had in the past, and the public process going away. I want to give you a level of comfort. I have spoken with the constituents who had those concerns. To explain changing from NRS Chapter 266 to NRS Chapter 268 is a little difficult because people wonder why that even comes about. However, many municipalities start out as a general improvement district, progress to a general law city in NRS Chapter 266, and as they grow, they become an NRS Chapter 268 city where they have the ability to bring in more public input and other things. There has been some concern that it would allow cities to have more taxing provisions, but it does not.

In NRS Chapter 266, cities are already allowed to put some of that in place. This bill will allow a charter committee to be established and allow more public input. It does not allow the city to do any more. The city still has to comply with the property tax cap of \$3.64 per \$100 of assessed value. If the city wants to do bonds, it still has to come before the Clark County Regional Debt Management Commission, which I happen to chair. Changing to a charter city does not do anything different from what is already there. However, when a city is moving from one statute to another within NRS, those powers also have to be transferred. I want to make sure it is simple for folks to understand in layman terms. Any law that moves from one statute to another statute has to also have the powers moved along with it.

I do think it is time, and you probably will not see this happen very often. I would bet it has been over 20 years since a city has progressed in this manner. I would be happy to answer any questions.

Chairman Flores:

I would like the Committee to hear the entire presentation before we go to questions. Thank you for being here this morning.

Marilyn Kirkpatrick:

I am available by cell phone later this afternoon if you have specific questions for me. It is nice to be able to collaborate to help all constituents.

Warren Hardy:

I would like to say how grateful we are in Mesquite to have Commissioner Kirkpatrick as our representative on the Board of County Commissioners. She does a wonderful job and is very hands on. We would like to streamline this presentation because we know the Committee is busy. I would like to have Robert Sweetin, the City Attorney for the City of Mesquite, walk through the bill with special emphasis on where our Charter may differ from other charters in the state. We have endeavored to mirror our Charter on other charters within Nevada. We are looking for the same powers and authorities that other NRS Chapter 268 cities have. There are a couple of areas where it is a little different, so I have asked Mr. Sweetin to be sure to put those areas on the record so you can clearly understand where the City of Mesquite is a little bit different. I would also like members of the City of Mesquite City Council, the Mayor, and members of our Charter Committee to speak for a couple of minutes each. I would anticipate our presentation to be 10 or 15 minutes.

Robert Sweetin, City Attorney, City of Mesquite:

My goal today is to very briefly run through some of the provisions and talk about some of the areas where we do have differences from other charters. Hopefully, I can answer some of the concerns the Committee raised prior to this Committee hearing. I think the most efficient way to do that is run through the bill. There are only ten articles to the Charter. I do not anticipate spending much time on any one given article, so I will move through it as quickly as possible.

As a preface, I would like to explain why the City of Mesquite wants a charter. A question was brought up yesterday as to why, in 2017, Mesquite needs a charter. Mesquite is currently the fastest-growing community in the state. Beyond that, Mesquite is growing not only as to population, but also as to businesses. We have a very good community organization called Mesquite Regional Business, which is working very hard to recruit businesses to come to the area. Those businesses have been coming into the area. We believe a charter provides the stability that our sister cities—like Sparks, Reno, Las Vegas, North Las Vegas, Henderson, and others—have and have seen as they have grown and developed.

Article I of the Charter of the City of Mesquite is essentially a preamble and puts forward the reason for the Charter. It puts forward appointed officers, but most importantly—and what I want to talk about—is it establishes our Charter Committee. We will have a mandatory Charter Committee, and this is something we spoke with Assembly members about yesterday. This is an area where we will be proposing an amendment because I believe the current language is permissive. We are going to make the language mandatory as it is the intent that it be mandatory. The way it currently stands in <u>Senate Bill 56</u> is the City Council would appoint six members to the committee at a City Council meeting after the Legislature is adjourned. The committee itself would appoint three additional members. We are going

to propose an amendment at the recommendation of Assemblyman Daly that each member of the city council would get an appointment to the committee and the mayor would get an appointment to the committee. Their appointments would run coterminous with that elected official's term in office. They can be removed at any point, but absent such removal, they would be in office as long as the elected official is in office. The members of our state delegation would also get an appointment to the Charter Committee. There would be one member who is selected by the Charter Committee itself. That would give us nine members—an odd number. The City Attorney's office would be able to appoint an ex officio member. The City Manager would have a similar ex officio member. They would be able to appoint simply in advisory roles.

Article II of the Charter deals with our City Council. It is not much different from what all other councils are able to do. The language here is generally standard with one exception, and that is the land sale provisions. I will go into those in a minute. Before I do that, I want to talk briefly about the provision on page 11, line 39 of the bill, which is a concern that was brought up yesterday. It says the City Council will be able to "Regulate and prevent in all public places." There is then a list of items. Our building block for the Charter began with the City of Henderson's charter. It became a Frankenstein charter by the end of the process because we researched further, found provisions we liked from other cities around the state, and tried to put together what cities have learned from past experience. We wanted to put something together that will work for a very long time and minimize the number of amendments we would have to bring in the future. The language to "regulate and prevent" does exist in the Henderson charter, it exists in NRS Chapter 266, it exists in the Las Vegas charter, and it exists in the North Las Vegas charter. A recommendation was made to remove the language "prevent." We have no issue with that. We would be able to regulate those provisions. We will be submitting an amendment to include that language.

As to the land sale provisions on page 16, line 35 of the bill, we have essentially adopted NRS Chapter 268 into the Charter. We have done a couple of specifications, which is why we did not simply put in language. It would be the easier route to say the City Council can sell land pursuant to NRS Chapter 268. Those include provisions related to remnant parcels, which we have a lot of in Mesquite. We are a rural community that grew very rapidly during the mid-2000s. Areas were parceled off and lines were drawn, and those lines were sometimes drawn hastily. There are remnant parcels that are very small. Going through the normal land sale process would, for lack of a better term, be overly burdensome. These are not large parcels. We are talking about a 5-foot by 10-foot area behind a house because the line was drawn in the wrong place. No one knows who owns that land right now. What we have been doing in the past is going through the long, lengthy, arduous process set forth in NRS Chapter 268 that is the same process used to sell hundreds of acres of land. We have to do that for small parcels right now.

The other provision in NRS Chapter 268 that allows for the lease of parcels less than 25,000 square feet, which is about half an acre, is an expedited process. Our Charter would include a lease or sale of those parcels. We do have Aaron Baker in Las Vegas who works for the City Manager's office. He is the expert in this area, so any questions will mostly be directed to him. The City of Mesquite currently owns somewhere in the neighborhood of 5,000 acres of land. In the 1990s, the City of Mesquite acquired a large amount of land. The City of Mesquite is looking to get out of the land ownership business and sell that land to developers. That is why we have that provision in the Charter.

We do have a provision that is different from NRS Chapter 268 which is, in our opinion, more taxing. *Nevada Revised Statutes* Chapter 268 allows the City Council to make a determination to sell land for economic development with a majority vote. Our Charter would require that the City Council actually create a long-term plan. They have to create a matrix for what type of land and what type of parcels qualify for economic development. This is very different from a redevelopment district. This is land outside of a redevelopment district but still land the City Council would want to sell for development purposes.

On page 19, line 21 is a provision in the Charter that governs the use of a real estate agency in selling the land because we do have quite a bit of land and are a relatively small organization.

Article III of the Charter deals with our executive branch. The Charter would officially change our form of government. *Nevada Revised Statutes* Chapter 266 provides for a "strong mayor" form of government with the mayor as the chief executive. That makes a lot of sense when a city has 5,000 or so residents and 20 to 30 employees. When there are 150 or more employees and the elected officials only serve part-time, it is very burdensome on the mayor. We currently have a city manager by ordinance. That city manager acts as a city manager would in a normal city. This would simply put into the Charter what we have been doing in practice for quite some time.

Article IV deals with our judicial branch. Article IV does allow for the removal of the municipal court judge. A question did come up as we met with Committee members yesterday as to whether removal exists for municipal court judges anywhere else. I would note that our municipal court judge is a part-time judge. The way our Charter is structured is once the justice of the peace for the Mesquite Township, which is also a part-time position, is elected, the municipal court judge would essentially be whoever is elected to justice of the peace unless the City Council decides differently. It would default to whoever the justice of the peace is, which is the case now. We currently have a very good judge who serves that role. Boulder City has the same set up we have now where the justice of the peace and the municipal court judge are the same person and serve part-time in both roles. Boulder City does allow for removal of the municipal court judge by the City Council, as does NRS Chapter 266, which we are currently governed under.

Article V deals with elections. All elections will be at-large for specific seats. Seats will be numbered one through five for council positions, then the mayor's seat. I would note there was concern about language on page 28, lines 21 through 23 of the bill, relating to the power of the City Council not being abridged as to what is called "supplemental registration." That was also language similar to what I talked about earlier in other charters. That language is actually found in the charters for Henderson, Las Vegas, and Sparks. We have reached out to those entities. My understanding, and what I have been able to gather from reading the legislative history, is most of these charters were done in the 1960s and 1970s. It is not really language that is relevant anymore. The suggestion was made to us and in our amendment we will propose to remove that language. We have no problem with removing the "supplemental registration" language.

Article VI deals with local improvements. Those are standard functions to be able to put in curbs, gutters, sewers, and things of that nature. Article VII deals with local bonds and franchises. This is also standard language, and I would be happy to answer any questions on this section. Article VIII deals with trusts for furtherance of public functions. I want to touch on this briefly. There is only one city in the state that I am aware of that has this provision, and that is Henderson. The reason we chose Henderson to start our Charter process—and then turned it into the Frankenstein charter—is because Henderson was about our same size when their charter was done in 1973. They were also similarly situated in that they were located next to a big city. The way things have grown, Mesquite is located between two big cities. Mesquite has significant business contacts with Las Vegas and all the other municipalities in Clark County, as well as with St. George in southern Utah. We have a lot of business development that happens from both directions. The way Henderson has used that very effectively is they use it to work as an issuer of tax-exempt bonds. In order to spur economic development, there are trustees who can essentially take out a lower-rate bond through the city. That bond has to be—as it is laid out in our Charter collateralized by whoever the beneficiary of the bond is going to be. It saves some points on the interest rate. In my research, I think that is how Henderson brought in Ocean Spray Cranberries, Inc., Ethel M Chocolates, and Levi Strauss & Co. We believe for the City of Mesquite and our unique location, situation, and current posture as to future development and business opportunity, this is a provision that could help us substantially.

Article IX deals with revenue. Commissioner Kirkpatrick did a good job of lining this out. Our Charter does not provide the City of Mesquite any additional taxing authority whatsoever. The reason this is a two-thirds bill is because we are taking the language from NRS Chapter 266 having to do with property taxes and putting it into our Charter. That is the same language that exists in the Henderson charter and the same or substantially similar language that exists in every other charter in the state. I would note the one thing about our language and Henderson's language is that it sets any caps at whatever the Legislature decides those caps are going to be. We do not think it effectively changes anything.

Article X deals with miscellaneous provisions. One thing I did want to note here, because it did come up yesterday, is we do include in our Charter the language that was passed and is currently in law that once a city drops below a 25 percent reserve fund balance, those funds are not subject to an arbitrator in negotiations with the collective bargaining unit. The reason for that is the City of Mesquite's annual general fund is somewhere in the neighborhood of \$20 million, which is relatively small when we look at our sister cities, Clark County, or Washoe County. For Mesquite, 25 percent is very different than 25 percent for some of those larger cities. We have been told by the Legislative Counsel Bureau to hit this head on, so if this language were to change at some point or there were some amendment, they would come back to our Charter and likely change that as well. We would just like it in our Charter so if there is a change, we would be able to at least make our arguments and show our numbers. It really could be devastating to our organization if those numbers were to drop below 25 percent. I would note that we do have three collective bargaining units. Our pay is pretty much on par with what other cities pay in Clark County.

I think I have run through the Charter and bored you all enough with those details. I will defer to some of the other presenters.

[Assemblywoman Neal assumed the Chair.]

Burton Weast, Private Citizen, Mesquite, Nevada:

I was a member of the City of Mesquite's Charter Committee. With the Committee's approval, I would like to very briefly talk about who was on the Charter Committee, the process we used, and how we deliberated.

The Charter Committee consisted of eight members and was very representative of the community as a whole. We had an interesting cross section of people. We had a young attorney who had just moved to Mesquite and who had municipal law experience in the state of Washington. We had an accountant, the president of a local manufacturing company, a volunteer at the fire district, the head of our economic development agency, and people in the community who volunteer in various nonprofits, including myself. The eight of us represented a broad cross section of our community. We also had three ex officio members: the City Attorney, Mr. Sweetin; the City Clerk; and an assistant to the City Manager to provide advice.

We met weekly for several months, and sometimes more than weekly. All of our meetings were noticed, and we followed the Open Meeting Law. In fact, we exceeded it. We allowed open comment during our meetings so any citizen who wanted to comment on anything we were discussing could do so. We did not make people wait to talk until the end of the meeting or have them only talk at the beginning of the meeting. Our meetings were attended by our local newspaper, *Mesquite Local News*. Their representative was at every meeting, and the paper reported the results of our meetings and noticed upcoming meetings in the paper. There were many local articles to keep people aware of what we were doing.

We made a decision early on as a committee not to try to reinvent the wheel. We used Henderson's charter as a template, but as we went through each section, we also looked at the charter provisions for other communities to make sure we were exposed to other ideas as we made our deliberations. We tried as much as possible to use provisions that are in use elsewhere so we could benefit from that experience.

The Charter Committee reached a unanimous decision. We recommended to the City Council unanimously what the Charter should be. It went to a public hearing with the City Council. The City Council made one small change to what we had done, and that is a change that requires the City Manager to advise the City Council and seek the City Council's permission before hiring or firing a department head. We listed six department heads. That was the only change. The majority of the committee was present at the City Council meeting. We caucused and supported that change after reviewing it. There was no public opposition to the Charter at the City Council meeting, and it was passed unanimously by the City Council.

In conclusion, I will simply say that we worked hard, we represented the community, we certainly operated in a transparent manner, and our goal was to create a stable charter and a charter that reflected a very fast growing community. We are continuing to grow even beyond the 5 percent rate we grew last year, and we felt it was imperative that we move to a charter system of government. On behalf of the Charter Committee, I urge this Committee's support of Senate Bill 56 with the amendments discussed by Mr. Sweetin.

Warren Hardy:

We have Mayor Litman and Councilmember Ballweg, who actually started out as a member of our Charter Committee and was then elected to the City Council. I would like the Committee to hear their brief testimony.

Allan S. Litman, Mayor, City of Mesquite:

This is a great thing for Mesquite. This was done openly and very publicly. Our prior City Council was 100 percent in favor of this. We have had elections since, and our current City Council is 100 percent in favor of this.

Mesquite is the fastest-growing city in Nevada right now, and we will continue to grow for quite some time. I believe going to a charter city from NRS Chapter 266 is something that is extremely necessary if we are going to move our community to the next level. I believe the codification and the clarity of a charter city will make it much more efficient in the operation of our daily city affairs. I would be happy to answer any questions.

David Ballweg, City Councilmember, City of Mesquite:

I am currently a member of the City Council of Mesquite. I was also on the original Charter Committee. In the descriptions of the different members already listed, I was the manufacturing owner. I have a manufacturing business in Mesquite and have been involved with quite a few past committees. I was one of the founding directors of Mesquite Regional Business, which is our economic development arm and, I think, one of our greatest

accomplishments. I have been involved with many city processes over the years. I want to reiterate how important this is for Mesquite to move forward. It will stabilize our government. The process was very open. We had robust discussions during those meetings. As Mr. Weast stated, we allowed public comment and nonmember comment participation almost at the level of a Charter Committee member. Every aspect of the committee process was unanimous before we moved on. It was well vetted and well thought out.

At the time I was a Charter Committee member, I was very much in favor of the Charter, and I have not changed my position as a city councilmember. I am very strongly behind this to help move Mesquite forward. Thank you for your time, and I would be happy to answer any questions.

Vice Chairwoman Neal:

Mr. Hardy, are you ready for questions now?

Warren Hardy:

We have two additional members of the Charter Committee who will take just a moment to testify and then we will stand for questions.

Brenda Snell, Director of Chamber Administration, Mesquite Chamber of Commerce:

I would like to let you know that there were several Mesquite Chamber of Commerce members who participated on the Charter Committee. The Chamber is in support of this Charter. We believe the stability of this Charter will only help our business community thrive

Rachel Dahl, President and Chief Executive Officer, Mesquite Regional Business:

Mesquite Regional Business is an organization that contracts with the City of Mesquite to provide economic development services. I would like to go on record in support of this Charter, specifically the sections that allow the ability to make economic development better and easier.

Vice Chairwoman Neal:

Are there any questions from the Committee?

Assemblywoman Joiner:

I appreciate all of the testimony, and I think you did a great job of explaining the differences between the NRS chapters and how you think this might change things for you. I am trying to get a handle on the big picture for Mesquite residents. What are the three main reasons Mesquite needs to be a charter city for your residents?

Bob Sweetin:

The primary reason is long-term stability. In all fairness, I think NRS Chapter 266 is structured to be this way. For a much smaller town, it should be a little more adaptable and versatile when a new mayor or a new council comes in and believes things have not been working and wants to change things. That is not a bad thing. It is a bad thing and a potentially harmful thing when the city is growing very quickly and has over 20,000 residents.

The second reason, which Ms. Dahl talked about, is the economic development potential with a charter city. Expediting and clarifying for this City Council and future councils the methods by which land is sold, and clarifying that for developers who are looking to come to the city.

The third reason would simply be more efficient running of city government itself and not having to go to NRS Chapter 266, which in all fairness I think is drafted broadly for a reason. If you compare city charters to NRS Chapter 266, they are very different—much more specific and tailored to the needs of the community. The inherent problem in that is it depends on who the councilmembers are, who the city attorney is, and who the city manager is as to how provisions of NRS Chapter 266 are interpreted. The Charter clarifies many of those questions, and the operations of city government are much more efficient.

Warren Hardy:

An NRS Chapter 266 city is the starting point after a general improvement district. There is broad leeway in the chapter for what a city council and mayor can do, and that is there for a reason. The concern is when a city gets to be the size of Mesquite, a city council should not be able to change the constitution on a whim. It should be a much more thoughtful, deliberative process that includes participation from the community. A charter committee provides that kind of community participation and deliberation. Under an NRS Chapter 266 city, a councilmember or a mayor could fire all the department heads at his or her own discretion. Our community wants a little more certainty in their governance. They want a constitution they can rely upon on a regular basis that cannot be changed without a deliberative process. Charter cities under NRS Chapter 268 provide that type of stability. That is the primary reason. The other reasons Mr. Sweetin pointed out are important, but our community is longing for that kind of stability. It is particularly important when it comes to economic development.

Assemblyman Daly:

Thank you for spending time with me yesterday. We spent about an hour going over several sections. You did speak to some of those today, but there are a few things I want to get on the record as well. I get what you just said about a general law city versus a charter city, especially when it comes to the governance of the city manager and how it is all set up. Those are all decisions that are outlined in the Charter. I do not disagree if that is the decision your community is making. However, I do want to make sure if Mesquite is going to go to a charter, it is consistent with as many of the other charters' general provisions as possible. I do understand that each one of those city charters are slightly different and they

all came through a different evolution and different periods of time, but there are things to be learned from the other cities that we need to make sure are incorporated as we move forward with the charter. For instance, I asked you the question about why you would put the candidate's name in bold type on the ballot. That is something unique to Mesquite.

One thing I have seen in other charters is civil service commissions. There is nothing about a civil service commission in your Charter. I know that is in the Sparks charter. When we talked about the Reno charter a couple of years ago, there were a lot of questions about which positions are appointed and which positions are classified and not subject to the whim of the city manager. Could you give us a little information on how you plan on handling that because it would be useful.

[Assemblyman Flores reassumed the Chair.]

Bob Sweetin:

Our Charter does not have a civil service commission, as Assemblyman Daly noted. Mr. Burton can speak on behalf of the Charter Committee about any reasoning he may remember regarding that issue. However, the reason for that is because the City of Mesquite has slightly fewer than 150 employees. Civil service commissions exist in larger organizations with many employees, such as Sparks, Reno, Henderson, North Las Vegas, and Las Vegas. We have three unions we bargain with, which are the general city employees' union, the fire union, and the police union. Everything that was included in every provision of a civil service commission charter was essentially covered by our collective bargaining agreements. As we looked into the legislative history of how those came to be, much of it was because local government unions were in their infancy when those provisions were adopted. Not in all cases, but in most cases. The civil service commission governs things like step payment programs for employees, working hours, and how management and promotions work. Those items are currently governed very stringently by our collective bargaining agreements and our union friends with whom we have a very good working relationship.

Assemblyman Daly and I did speak about this, and we can work together to figure out specific language in ensuring that certain classes of employees are not harmed, left out, or forgotten in this process. We intend to fully work that into any amendment we propose so this Committee is happy.

Assemblyman Daly:

At some point in time, as Mesquite grows, there may be things the civil service commission addresses. One thing I know is in the civil service language that may or may not be in your agreement relates to people wanting to transfer between departments. That may or may not be an issue currently. There are also issues regarding nepotism and how people are selected for promotions in classified positions. We did speak about the Charter Committee and the makeup of the Charter Committee, and you addressed many of those issues. I think you have to have a civil service commission. I think the appointments are critical. Would you please speak to the autonomy of the Charter Committee to make recommendations on those

changes? I know that has been a big issue. Sparks does it slightly different than Reno, Carson City, and Henderson. We want to make sure you are willing to have the Charter Committee be as independent as possible. In other words, the City Council cannot have veto power over a recommendation of the Charter Committee.

Bob Sweetin:

That is our intent. Because of the nature of the Legislature being every other year, the Charter Committee will exist in perpetuity. The Charter Committee will be able to convene meetings, hold meetings, and bring recommendations to the City Council and the Legislature if that is needed. The committee will have representatives from both the Senate and the Assembly and will have a direct connection with state legislators and a path to do that.

Assemblyman Daly:

I want to touch on the economic development area. My understanding is Mesquite has a redevelopment agency that will be governed under NRS Chapter 279. There was some language in the proposed Charter that caused me some concern. You explained about the other parcels of land, but for the record and for the Committee, could you expand on that. Your Charter allows the City of Mesquite to sell land at less than fair market value for economic development. That provision is in other charters and it is also in NRS Chapter 268. We want to make sure we align those issues with NRS Chapter 268 so every local government is the same. I told you I would not try to make your Charter different than any other charter so you would have fewer rights than other NRS Chapter 268 cities, but we do not want Mesquite to have more rights either. We need to make sure we get a handle on that. Could you give us a little more information about why you want to do that, how it might work, how the redevelopment agency and the nonredevelopment agency areas are going to mesh, and how you are going to stay in compliance with NRS Chapter 268 to not have advantages other cities do not? I want to make sure that is clear going forward.

Bob Sweetin:

That is the primary driver behind the provision for economic development. As you read through the Charter, you will see the language we have adopted is very similar to NRS Chapter 268. It is identical in most parts. In order to counterbalance that concern with all the land we have, the City Council cannot say it is not in a redevelopment area and is not subject to redevelopment conditions and just operate under NRS Chapter 268 to sell the land to whomever they want whenever they want. It is required under the Charter that the City Council has to set forth a program and a plan that essentially deals with a long-term solution toward economic development—a checklist, if you will. Certain requirements must be met, a certain number of jobs need to be created, and there must be a business plan.

Currently, the City of Mesquite has a project that is very similar to this in a nonredevelopment district. This is not anything different than what our City Council has been doing. There was a land sale, and the City Council made sure an X number of full-time jobs would be created and X amount of improvements would be made on the land. Those issues were all negotiated. That was the driver behind the economic development provision, to make sure it is not willy-nilly and deals cannot just be made. I will defer to Mr. Weast.

Burton Weast:

Two years ago, the City of Mesquite created a committee to study economic development incentives. The committee met for several months and developed a 50-plus page report. Included in the report was a matrix for how to evaluate the sale of City land because, quite frankly, many of us in the community shared the same concern you have. We did not want to see a particular city council or mayor just give land away or sell land to anyone who came along. There was a very specific matrix in that report that itemized the number of jobs, the wages paid, and the incentives or decrease in the price of property. The City Council adopted that matrix. That matrix was used in the one land sale that Mr. Sweetin mentioned. In the Charter Committee, we specifically referenced the requirement that there be such a matrix to ensure the sales were properly handled outside of the redevelopment agency. It is the policy of the City Council today to use the matrix that was developed by the Charter Committee.

Warren Hardy:

To get directly to Assemblyman Daly's question, it is our practice to follow with exactness the requirements of NRS Chapter 279 where they are applicable. It is also our practice to follow with exactness the provisions of NRS Chapter 268. That is not being proposed to be changed. I will establish that on the record today. There is nothing in the Charter that I am aware of that gives us any extracurricular powers with regard to that issue. If there is, we will file an amendment to remove it. It is our intention to follow those statutes with exactness.

Assemblyman Kramer:

One thing I noticed that is in Carson City's charter that is not in your Charter is an auditor who reports to the City Council and not the finance director. I am wondering if that was a conscious decision or if you felt external auditors would suffice.

Bob Sweetin:

You are correct on the latter, Assemblyman Kramer. We do have external auditors that are required under NRS, and we have chosen to take that route.

Assemblyman Brooks:

You stated you used the Henderson charter as your template. I noticed under Article V you will have at-large elections of your councilmembers. This session and last session there have been several bills trying to change that from cities that have grown or the city found it does not adequately represent their residents. Was there a thought process on which way to go with that? Why did you choose at-large elections over direct ward representation?

Warren Hardy:

Assemblyman Brooks asked an excellent question, and it really is the reason we want to move to a charter. When I describe the process for election in Mesquite, you are going to be astounded. It needs to be changed desperately. Currently, all candidates run at-large for all the seats. The top three vote-getters, if there are three open seats, are elected. It is a confusing process for the public, and it is a process that the public complains about

regularly. What we are proposing in the Charter is that the council seats are at-large so every voter votes for every councilmember, but they run in individual districts. The mayor runs at-large. The reason we chose at-large instead of wards is because we are a small community, and it would be potentially difficult to get candidates in each ward. It is a citywide election, the councilmembers are elected from districts, but each member of the public votes. The system we have now is convoluted and complicated for the public to understand.

Burton Weast:

I have always wanted to correct Mr. Hardy, and I believe this is my opportunity. The Charter Committee consciously decided not to elect by district because we felt we were too small. With a population of 20,000, a Sun City by Del Webb in our community, and various homeowners associations (HOAs), we would be pitting HOAs against HOAs in our retirement community. We decided to elect at-large by position. I am sure that is what Mr. Hardy meant. There are positions one through five, but they are elected at-large by the entire city.

This was an important change for the Charter Committee. Mr. Hardy is correct in that in the last election there were seven candidates for three positions. Six of those candidates went to the primary. Mass confusion was one of the primary drivers for the Charter Committee. Also, we had two candidates for City Council on the Charter Committee, and they pointed out the difficulty to run against six other people for three positions. If there was a particular councilmember that a voter disagreed with and that voter wanted to run against that member, it could not be done directly. It was a mass election running against everyone on the council to get a seat. One of the things the Charter Committee felt unanimously and strongly about was citywide elections would not be by district but by seat and position so candidates can run against specific members if they did not agree with that person's policy. However, all of the councilmembers represent the entire city.

Warren Hardy:

I apologize for the confusion. That is what I meant by district. I understand using the term district is confusing. I appreciate that clarification.

Assemblyman Ellison:

I appreciate your spending time with me yesterday to go over the taxing abilities, where you are, and where you are going. I think you did a wonderful job today on the presentation. I would like to see where you are going to open land for sale for redevelopment to improve the economy even better than it is. My concern is water. The entire state is looking at ways to handle the aquifers. Could you speak to that issue? In addition, how much land do you have for sale?

Bob Sweetin:

The Virgin Valley Water District governs the water for the Virgin Valley, and they do a very good job. The City's involvement with water essentially extends to our very good working relationship with the Virgin Valley Water District and to our own reuse that comes through our sewer systems. Studies have been done, and the City of Mesquite has plenty of water for future development. Besides the Virgin Valley Water District, we do have a couple of irrigation companies as well: Mesquite Irrigation Company and the Bunkerville Irrigation Company. Those three entities working together do a very good job of making sure water is preserved and used in the best fashion. The City does have a good working relationship with all three of those entities.

Assemblyman Ellison:

How many acres do you have for redevelopment in the future?

Bob Sweetin:

About 5,000 acres.

Assemblyman Carrillo:

I have a two-part question. On page 26, line 16 of the bill, it specifies that the municipal judge must not be required to be a licensed member of the State Bar of Nevada or have any previous legal training. It is ironic that the next bill we are hearing [Senate Bill 202] is actually the opposite. Is this because of a population issue and keeping the pool larger?

My other question relates to page 3, line 7. I am trying to understand "The masculine gender includes the feminine and neuter genders."

Bob Sweetin:

As to the second question, that is simply language that exists in other charters. We kept the language in case there is any confusion. My general approach is I hate that type of language because I think it is outdated, but I understand that it is sometimes necessary. I would defer to the Legislative Counsel Bureau (LCB) on that issue. I will work with LCB on an amendment if that is necessary and to the extent we are able.

As to the municipal court judge, once a department is established, it does create a process looking with an eye to growth. Once we do have a full-time municipal judge, that municipal judge would be required to be a licensed member of the Bar. The reason we do not have that requirement in the Charter now is exactly what you highlighted. The City of Mesquite has a population of between 20,000 to 30,000 depending on the time of year and the snowbirds. There are only about four or five lawyers who live in town. It is a very small pool. Of those five lawyers, one is an appointed city attorney; there is a large law firm whose lawyer makes so much money he would be crazy to run for judge; and there are a couple of younger lawyers who receive training and then leave. What we do have in Mesquite are a number of retired attorneys from other states. Our current judge is a member of the State Bar of Nevada and was a very talented attorney. The reason is simply to keep the

pool large enough. That provision is consistent with Clark County and other justice courts around the state. Based on the size of our city and the part-time nature of the position, the applicant would not have to be a member of the State Bar of Nevada. When it is part-time, if the justice of the peace were not an attorney, he would still be able to be the ex officio municipal court judge.

Assemblyman Ellison:

I know the justice court judges all have to be members of the State Bar of Nevada, but a justice of the peace is supposed to be the court of the people. That bothers me. We have another bill coming up after this hearing [Senate Bill 202] regarding this issue. We fought for many years to keep the justice of the peace from being a licensed attorney. The reason for that is because the position is supposed to be the voice of the people. I hope you remember that because that is one of my biggest problems.

Assemblywoman Neal:

On page 9, line 33 of the bill, where it says, "In cases of emergency or where the ordinance is of a kind specified in section 7.030 . . . ," which is borrowing money. It goes on to say, ". . no notice of the filing of the copies of the proposed ordinance with the City Clerk need be published." I want an explanation around that because if the city is borrowing money, even if it is an emergency and by unanimous consent, there should be notice.

Bob Sweetin:

That was language taken from other charters. My estimation would be the policy behind that is in order to use those funds, there would not be some sort of prerequisite. For example, if city hall was destroyed in some sort of event, the city would not have to fulfill that requirement in order to use those funds. To the extent that the Charter does not allow that those papers have to be filed at a later date, we will work that into our amendment. I do not believe that in perpetuity those papers never have to be filed.

Assemblywoman Neal:

Just because another city is doing it, we do not typically spend our days reading through the language in their charters. It does say in cases of emergency "or" where the ordinance is of a kind specified. That brought up an issue for me to perhaps deal with that in other charters, not just yours.

My second question is related to Article VII. Beginning on page 30, line 38 of the bill, there is a list of what is considered to be counted as indebtedness and what is not to be counted as indebtedness. What I realize is you do not have revenue bonds or short-term securities being counted in your indebtedness. Is there a reason why?

Bob Sweetin:

I will defer that question to Aaron Baker in Las Vegas, as this is his area of expertise with the City of Mesquite.

Aaron Baker, Assistant to the City Manager, City of Mesquite:

Our definition of debt limit is actually more conservative than any other definition in Nevada. The revenue bonds are included in that definition on page 30, line 38, "Any liabilities of the City that are due in more than 1 year." We included revenue bonds and short-term notes that extend over the course of a year. If you would like us to add those in specifically, we can, but we tried to capture anything that we possibly could. Our community has stated this is a value that they have and they want to count full debt for the City of Mesquite. That is why we included "Any outstanding personnel-related liabilities" as well on line 39, which is not mentioned anywhere else. We are trying to be more conservative.

Assemblywoman Neal:

I appreciate your bringing that up because I have a question around the one year as well. I also want you to explain more about what you mean by "personnel-related liabilities."

Aaron Baker:

The outstanding personnel-related liabilities are related to the Public Employees' Retirement System (PERS). There is an unfunded liability that each city has as it relates to PERS. We would calculate that into our debt limit calculation. The one-year mark for us is what we would define as long-term debt. If it is already budgeted in the current budget for that fiscal year, we do not count it in our debt limit because it is already programmed to be paid for. If it extends past one year, we do want it counted in the debt limit.

Assemblywoman Neal:

You said it is limited to PERS, but the language says "Any outstanding personnel-related liabilities." We have seen collective bargaining agreements end up being a liability when a city does not have any money. How can we either streamline that or help it to mean what you intend it to mean? "Any outstanding personnel-related liabilities" could be more than PERS in interpretation.

Aaron Baker:

I appreciate that question, and you are correct. That is why we also put the clause on page 30, line 42 that states, "Any other liabilities that are identified as part of the annual audit of the City and determined by the Director of Finance to be appropriate to include as indebtedness." If there are union-related issues or collective bargaining issues, they would be counted. We are trying to be as conservative as we possibly can on this issue, and that is why we have used the language we have. We tried to make it broad on purpose in order to include that.

Assemblywoman Neal:

What city did you pull that language from? I did not see it in the charters I looked through.

Aaron Baker:

We actually did not pull this language from another city charter. This language is unique to the City of Mesquite. I would highlight that this is something we did draft as an organization. We are trying to count everything we can possibly count. We are not trying to exclude anything; we are trying to include everything. We did not see that type of behavior in other jurisdictions.

Assemblywoman Neal:

I know that personnel-related liabilities became an issue in North Las Vegas around collective bargaining. They had to bargain down when there was a financial issue. There was a fight, and there were other things happening. It is something to think about.

I have another question. I was thinking you may have added short-term securities in Article VIII under Trusts for Furtherance of Public Functions because I saw some securities language in other charters in that area. However, you did not include short-term securities, and I saw that language in several other special-chartered cities. Why do you have that excluded?

Aaron Baker:

Again, we tried to include that in "any" liabilities of the city that are due in more than one year. Short-term securities would be included in that. That is also why we included the phrase about the finance director deeming it appropriate as indebtedness in order to include those short-term securities. We tried to go broad. If that makes you uncomfortable, we can specifically enumerate those as well. That would not be an issue if you would like us to include that in an amendment.

Assemblywoman Neal:

I was reading section 7.010 and then section 7.030 of Article VII, which is the "borrowing money" provision. I kept looking for language in other areas. On page 31, line 23 it states, "Any property tax levied to pay the principal of or interest on such indebtedness must be levied upon all taxable property within the City" On page 30, line 40, the statement "Any special assessment bonds, if the full faith and credit of the City is pledged to the payment thereof" is included as a part of your debt. On page 31, line 3, the statement "Any special assessment bonds if the full faith and credit of the City is not pledged to the payment thereof" is not counted as a part of your debt. It is in and then it is out.

When we talk about the property tax levy on page 31, line 23, you seem to be capturing all of the properties. I am trying to get a broader explanation about what you were looking to do. I have seen a limitation around property, maybe the property was pledged, but this language states "must be levied upon all taxable property."

Aaron Baker:

We are using the property tax amount as our cap. We are saying our indebtedness cannot exceed the ratio set forth to exceed that amount. That establishes our ceiling and is why we use "all property" there.

In regard to the special assessment bonds, we have several developments in town that are called special improvement districts, and they have issued bonds. In that case, the City has not pledged its full faith and credit toward those bonds. We do not want to count those as indebtedness because it is not truly the City's indebtedness. Those are the responsibility of the developer and the homeowner in that scenario. If there were to ever be a scenario where the City would pledge its full faith and credit for any special assessment bonds for a special improvement district, then we would count that because the City's credit is being pledged. That is why we drew that distinction there.

Assemblywoman Neal:

Dealing with the cap for the record, what would your ceiling cap be if it were all taxable property? The city owns a lot of property.

Aaron Baker:

This would be all property within the City of Mesquite, not just property owned strictly in the name of the City of Mesquite. I do not have that number on the top of my head and I do not want to misspeak, but it is capped at 25 percent, as it says on page 30, line 33. Again, that is more conservative. Other cities go 30, 35, or even 40 percent in their charters. We include more and have a smaller percentage as well. I will get that specific number for you.

Assemblywoman Neal:

My last question is in Article VII of the Charter, page 31, line 26. It states, "Any ordinance pertaining to the sale or issuance of bonds or other securities, including, without limitation, securities issued under section 6.020, may be adopted in the same manner as is provided for cases of emergency." Section 6.020, which is on page 30, line 19, is the local improvement law and collateral powers provision. The first thing I thought was, should I look at the other provision I brought attention to around emergencies? How do those two work together? In other words, you tie section 6.020, which is the borrowing money provision, to the local improvement law. It also seems you tie it to emergency situations, which I had just cited earlier from page 9, line 33.

Aaron Baker:

In response to this being tied together, yes, we do want it tied together on the collateral powers. If I could speak to the emergency issue, that is a provision that exists within NRS currently. It is not a provision used very often for the City of Mesquite, but it has been used by the City of Mesquite, like many other jurisdictions within Nevada. It was used by the City of Mesquite in the case of a refinance. We took bonds that were 6.5 percent and refinanced down to 3 percent. That was on the advice of our bond counsel. That completely complies with NRS. We would not do anything that does not comply with the provisions of NRS in any way, and this language would not change any of that either.

Assemblywoman Neal:

Regarding the ". . . issuance of bonds or other securities, including, without limitation, securities issued under section 6.020 . . ." on page 31, line 26, to me that is like an addition. You have the issuance of bonds and other securities plus local improvement bonds you may have created. How should I interpret that?

Aaron Baker:

We would like those bonds issued for local improvement to be included in our indebtedness and be counted as part of the issuance of bonds and securities. We are trying to establish a similar process for both of those so they are tied together.

Assemblywoman Neal:

If there were an emergency, there is still the "no notice" provision on page 9, line 33 attached.

Aaron Baker:

We would follow NRS to the letter on those. There is a definition within NRS for emergencies for the refinancing of bonds, and we would follow that definition. We would not do anything different from NRS.

Chairman Flores:

I would like to welcome the students here today from College of Southern Nevada. You have come to the most intriguing and fun committee in the Legislature.

I am grateful for the dialogue today. I would ask the presenters of the bill to reach out to Assemblyman Daly, Assemblywoman Neal, Assemblyman Kramer, Assemblyman Ellison, and any other Committee members who would like to join in the discussion so we can get this perfect. I know there is no opposition, but we have a lot of experience on this Committee, and I trust your judgment. We need to work together to get where we need to get to be able to vote this bill out

Warren Hardy:

I feel like we have built a better Charter this morning. I would like to thank the Committee for their dialogue. Much of this dialogue we had offline yesterday with individual legislators. We do have a pretty good direction as to where they want to go. If it pleases the Chairman, if I could have our general counsel meet with Mr. Penrose to start hammering out this amendment, we would love to do that.

Before I close, Wes Henderson, Executive Director for the Nevada League of Cities and Municipalities had to leave for another meeting, but asked me to put the League on record in support.

Chairman Flores:

We look forward to working together to get this perfect. Is there anyone wishing to testify in support of the bill?

David Cherry, Communications and Intergovernmental Relations Manager, City of Henderson:

I want to say on behalf of our city attorney, Josh Reid, that he worked closely with the City of Mesquite and their legal staff to help advise them as they were putting together their Charter. I know they have taken some language from the Henderson charter and made some additions of their own. We are here to express our support for this piece of legislation that would give the City of Mesquite an opportunity to have a charter.

Chairman Flores:

Is there anyone else wishing to testify in favor of the bill? [There was no one.] Is there anyone wishing to speak in opposition to the bill? [There was no one.] Is there anyone wishing to testify in the neutral position? [There was no one.] I will close the hearing on Senate Bill 56. I will open the hearing for Senate Bill 202.

Senate Bill 202: Revises various provisions of the Charter of the City of Sparks. (BDR S-503)

Senator Julia Ratti, Senate District No. 13:

I am here today on behalf of the City of Sparks Charter Committee. In the City of Sparks, we do like to keep a bright line of separation. Typically, the City Council would not use its own bill draft for a Charter amendment. They asked the Charter Committee to seek out a sponsor who will bring that bill forward. In this case, Assemblyman Sprinkle and I are carrying the bill for the Sparks Charter Committee.

The Sparks Charter Committee went through an extensive process and came forward with two recommendations that we are bringing forward today to amend the Charter of the City of Sparks. The first has to do with the process for electing City Council Members. Currently, the Sparks Charter sets out the manner in which elections are to be held for local officials. The city attorney, mayor, and municipal court judges are elected by citywide elections at both the primary and general elections. These officials are required to live within the city boundaries. On the other hand, the council members must reside in the ward for which they are elected to represent. In the primary election, only residents of that ward may vote for their council member, but in the general election, the top two candidates from the ward are then elected citywide. It is a bifurcated system.

It is a concern that Sparks' current voting system may create an inequitable result wherein a council member of a district wins the general citywide election although the registered voters in the district itself voted for a different candidate in the primary. In fact, that did happen in Sparks in the last election cycle in Ward 1. In other words, the ward voters' choice of a candidate may be diluted or subordinated to the voters citywide.

The second piece we are bringing forward is currently a Sparks municipal court judge is not required to be an attorney admitted to the State Bar of Nevada. Municipal courts have evolved and the legal issues facing the municipal courts, which are now a court of record, have become more complicated. Municipal court judges must now make decisions on setting

bail, deciding evidentiary issues, granting protection orders, and overseeing specialty courts. The City of Sparks is one of the few cities of its size that still allows non-attorneys to preside as municipal court judges. I would note that both of our current judges are licensed members of the Bar, so this does not affect anyone currently sitting as a judge in the City of Sparks.

I have two fabulous representatives, one from the City of Sparks and the other the chair of our Charter Committee, who have a lot more to share with you. As this was their work, I would like to leave the time for them. [Written testimony was also submitted (Exhibit C).]

Kathy Clewett, Senior Analyst/Grant Manager, City of Sparks:

With me today is Mr. LaRiviere, who is the current chair of the Sparks Charter Committee. We greatly appreciate Senator Ratti's leadership in sponsoring this bill and helping the Sparks Charter Committee bring it forward.

To begin, I would like to provide a short overview of the Sparks Charter Committee. The committee is made up of 11 appointed members, to include 1 from the mayor, 1 from each City Council Member, and 1 from each member of the Legislature whose district includes the City. We have five members from the Legislature who have representation on the Sparks Charter Committee.

The City's voting system has been considered by the Charter Committee on previous occasions, as well as by the Legislature. The Sparks City Charter may be amended by the Legislature acting on a bill proposed by the Charter Committee, or the Legislature may amend the Charter by its own action.

Currently, City Council candidates are voted on by only the eligible voters residing in the ward for which they are running in the primary. The top two candidates from the primary for each ward are then voted on by the voters at-large in the general election. As discussed with the Charter Committee, this hybrid system may create a cause of action under the Voting Rights Act of 1965. A voting system which utilizes citywide voting in the general election structure may violate Section 2 of the Voting Rights Act. A citywide election for Council Members is one method that has been used in other jurisdictions to dilute a minority vote. The inequity created by the system may result in a Council Member of a district winning the citywide general election although the voters in the district itself voted for a different candidate. In other words, the ward voters' choice of a candidate may be diluted or subordinated to the voters citywide. As Senator Ratti pointed out, that did occur in our last election. It is the desire of the Sparks Charter Committee to amend the Charter to mandate ward-only voting for Council Member candidates in Sparks.

In addition to the proposed changes to the voting structure, the Charter Committee also voted to require that Sparks municipal judges be attorneys admitted to the State Bar of Nevada. At this time, both sitting municipal court judges are attorneys.

Based upon the direction given the Sparks City Charter Committee, <u>Senate Bill 202</u> proposes three primary changes. Section 1, subsection 5 seeks to require Sparks Municipal Judges to be licensed members of the State Bar of Nevada. Section 2, subsection 5 amends the Charter and eliminates the current hybrid voting system so Council Members must be voted upon in the general election only by registered voters of the ward the candidate would represent. Finally, section 3, subsection 3 provides some clarity that we have sought in the past and states that if one candidate receives a majority of the vote in the primary, they are declared the winner. This is consistent with other city charters in the state and is consistent with *Nevada Revised Statutes* (NRS) 293C.175.

That concludes my testimony. I would happy to answer any questions. [Written testimony was also submitted (Exhibit D).]

Robert LaRiviere, Chairperson, City of Sparks Charter Committee:

The City of Sparks Charter Committee spent the months of March and April 2016 reviewing the Charter and discussing and debating the merits of eliminating the hybrid system of voting. In the end, we concluded that it was simply the right thing to do, and it provides a true and fair representation of the voters' choice for their City Council representative in each respective ward. The Charter Committee also feels the newly elected municipal judges should also be licensed members of the State Bar of Nevada. [Written testimony was also submitted (Exhibit E).]

Senator Ratti:

I know you have also heard the City of Reno's Charter Committee bill [Assembly Bill 36]. I would like to point out one distinction between the City of Reno and the City of Sparks. In the City of Sparks, we do have a mayor who serves as an executive branch member in that he does not have a vote on the City Council, so we did not need to tackle some of the questions the City of Reno had to tackle in terms of figuring out the at-large nature of the sixth at-large seat they had. The City of Sparks is a little more simple: the five Council Members are truly Council Members and the mayor is truly an executive.

Assemblyman Kramer:

I will make a statement here. It is probably a minority statement, but I am going to make it anyway. It always seemed to me the justice of the peace and the municipal judges were a court of the people. Opposed to the law being followed, justice could be given. I do not think it requires a person who has passed the Bar to decide justice. It may need someone who has passed the Bar to determine exactly what the precedents and laws are so a ruling is not overturned, but I think there should be a step in the court system where people can reach out and have someone who is more of a common man make those decisions. I feel that way, but I know there is a trend toward going with people who have passed the Bar to run for justice of the peace. More power to them if they can win that election. I do not think it should be mandated.

Senator Ratti:

I want to point out that this is the municipal court and there is still a justice of the peace system under the county.

Bob LaRiviere:

I agree with you Assemblyman Kramer. My thought is having someone versed in the law in that position and still be for the people. That way it is more well-rounded and the person in the position understands more of the laws he or she is dealing with.

Assemblyman Carrillo:

I am going to piggyback on Assemblyman Kramer's question. Is the reason for a municipal judge being a member of the State Bar of Nevada because of a particular incident, and if so, what happened?

Senator Ratti:

It is not because there was a significant incident or one event. It is because the City of Sparks has evolved. You heard testimony on the previous bill [Senate Bill 56] about the evolution of a city. The City of Sparks is the fifth-largest city in the state and is part of an urban environment that includes Reno. We are facing issues in the City of Sparks that are big-city issues with our judges being asked to deal with the complexity that comes with those issues. As noted in my testimony, I talked about being able to understand evidentiary standards, such as issuing temporary protective orders, civil rights, and other relatively significant matters of law the judges are now faced with on a daily basis. It was the feeling of the Charter Committee that it is time for municipal court judges in the City of Sparks to be licensed members of the Bar.

In our most recent election cycles, we have now had Judge Spoo and Judge McCarthy for quite some time. They are both licensed members of the Bar. What we are seeing is some good outcomes with that in place for Sparks even without it being mandated. That would be the answer. It was not one specific incident, but there has definitely been a growth and evolution of Sparks to a fully functional, thriving metropolis.

Assemblyman Carrillo:

Are there term limits for municipal judges?

Senator Ratti:

My understanding is there are no term limits for judges, but I would defer to legal counsel to confirm.

Jim Penrose, Committee Counsel:

That is my understanding as well.

Assemblyman Ellison:

There are no term limits for judges, but there should be. We had some of the best judges in this state who were not attorneys. They all have to go to school every year. There is a bill this session [Assembly Bill 28] requiring newly elected justices of the peace and municipal judges to attend mandatory instruction. If they do not, they can be removed from office. Assembly Bill 66 of the 78th Session required the justices of the peace to be licensed attorneys if the population is over 100,000. Now we are back to picking and choosing. We are talking about courts of the people, and I think this is taking away the voice of the people. There is a lot of experience that comes from a law degree, but there are many people who are smart and went to college but never finished their degree. I find they are some of the smartest people in the world. However, there are many people who are good at their jobs and are not lawyers. If you go to rural Nevada, you can see how good a job these people have done. I do not want to create a precedent, which is what this bill does.

Senator Ratti:

I should be very clear on this point. First of all, this is a request coming from the Charter Committee, and it was the Charter Committee's preference. My roots being involved in public service in Nevada come from my uncle, Reno Ratti. He was the justice of peace for Gabbs, Nevada, for a good portion of his life before becoming the mayor of Gabbs. You will not find me sitting up here in any way disparaging the very important role that the justices of the peace play in our rural communities. My uncle was an amazing man who had a high school education. I know he dispensed very fair justice, and I can tell you that as a child, we were terrified of getting a ticket anywhere near Gabbs because we did not want to end up in front of Uncle Reno.

I am also quite familiar with the wonderful programs The National Judicial College has in northern Nevada. It is a fantastic process that we have, and all of the folks who sit in these positions receive wonderful education. I know we actually lead the nation in terms of that education. I do think there is an evolution of a city, and I think the matters do become more complex. Even after saying all of that, and with all due respect to my Uncle Reno, this is the place the City of Sparks believes they need to be moving forward. Thank you for the comment, and I want to make clear that I value the wonderful work the justices of the peace are doing.

Kathy Clewett:

I would like to mention that Wes Henderson, Executive Director, Nevada League of Cities and Municipalities, wanted to make sure he was on the record as being in favor of this bill.

Chairman Flores:

Are there any further questions from the Committee? [There were none.] Is there anyone wishing to speak in support of <u>S.B. 202</u>?

Holly Welborn, Policy Director, American Civil Liberties Union of Nevada:

I want to thank Senator Ratti for bring this legislation forward. We support <u>S.B. 202</u>, specifically due to the provisions in section 2 that would change the hybrid voting system to a ward-level voting system. We believe that unless this bill passes, the City of Sparks will remain open to potential lawsuits under Section 2 of the Voting Rights Act of 1965, which prohibits voting practices or procedures that discriminate on the basis of race, color, or membership in a language group. The hybrid system of voting dilutes the vote and diminishes the voice of the voters in the ward the Council Member represents. This cannot be more apparent than in the 2016 Sparks Ward 1 City Council race.

Imagine for a minute that you poured your heart into your primary campaign. The voters at the door in your district knew you by name, considered you an inspirational voice for their interests because you are their neighbor and understand the issues that affect them on a daily basis. They cannot wait for you to represent them at the Legislature. You won by over 50 percent in a three-way race, but in order to cross the finish line and sit in the seats you are sitting in today, you had to run a statewide campaign. You end up losing by less than 2 percent of the vote. I think the makeup of this body would be very different if that were the outcome.

That is precisely what occurred in the Sparks City Council Ward 1 race. Ward 1 is a majority-minority ward. Only two Hispanic individuals have ever run for a seat in Ward 1. The prevailing candidate in the primary in the last election cycle was a Latina woman, Denise Lopez, who won her ward in the primary by more than 50 percent of the vote in a three-way race. She lost the general election by less than 2 percent. During the general election, Ms. Lopez received the endorsements of several reputable organizations and newspapers, including the *Reno Gazette-Journal* and local labor unions. The consensus was that Ms. Lopez won both debates and was the best candidate for the position. Sometimes there is an upset, but this upset was due only to the fact that Ms. Lopez had to run at-large. I encourage you to read the document submitted by Tess Opferman (Exhibit F), who worked on the campaign. The document is very detailed about the conversations she had at the doors of voters regarding Ms. Lopez.

Whether Section 2 of the Voting Rights Act is at issue or whether race is involved or not, the system of hybrid voting is fundamentally unfair. Without change, this is likely to happen again. Again, we are pleased to see this legislation. We would like to thank Senator Ratti for sponsoring the bill, and we encourage your support of <u>S.B. 202</u>.

Chairman Flores:

Is there anyone else wishing to testify in support of the bill? [There was no one.] Is there anyone wishing to testify in opposition to the bill? [There was no one.] Is there anyone wishing to testify in the neutral position? [There was no one.] Are there any closing remarks from the sponsor? [There were none.] I will close the hearing on <u>S.B. 202</u>. Is there anyone here for public comment? [There was no one.]

Members, because these bills have gone through a vetting process in the Senate, we tend to not have much opposition. It is still our responsibility to ensure we put the bills to the same vigorous vetting process we did with the Assembly bills. It is our obligation to the people we represent. Just because there is no opposition does not mean the bill is perfect.

Having no further business, this meeting is adjourned [at 10:15 a.m.].

	RESPECTFULLY SUBMITTED:
	Lori McCleary Committee Secretary
APPROVED BY:	
Assemblyman Edgar Flores, Chairman	
DATE:	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

<u>Exhibit C</u> is written testimony regarding <u>Senate Bill 202</u> presented by Senator Julia Ratti, Senate District No. 13.

Exhibit D is written testimony regarding Senate Bill 202 presented by Kathy Clewett, Senior Analyst/Grant Manager, City of Sparks.

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<u>Exhibit E</u> is written testimony regarding <u>Senate Bill 202</u> presented by Robert LaRiviere, Chairperson, City of Sparks Charter Committee.

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Exhibit F is a letter dated April 19, 2017, in support of Senate Bill 202, addressed to Chairman Flores and members of the Assembly Committee on Government Affairs, submitted by Tess Opferman, Private Citizen, Sparks, Nevada.