

**WASHOE COUNTY COMMISSION
RENO CITY COUNCIL
SPARKS CITY COUNCIL**

JOINT MEETING

TUESDAY

9:00 A.M.

July 16, 2002

PRESENT:

Joanne Bond, Washoe County Commissioner, Vice Chairman

Jim Galloway, Washoe County Commissioner

Jim Shaw, Washoe County Commissioner

Ted Short, Washoe County Commissioner

Dave Aiazzi, Reno City Councilmember

Toni Harsh, Reno City Councilmember*

Dave Rigdon, Reno City Councilmember

Tony Armstrong, City of Sparks, Mayor

Michael Carrigan, Sparks City Councilmember

Geno Martini, Sparks City Councilmember

John Mayer, Sparks City Councilmember

Ron Schmitt, Sparks City Councilmember

ABSENT:

Pete Sferrazza, Washoe County Commissioner, Chairman

Jeff Griffin, City of Reno, Mayor

Pierre Hascheff, Reno City Councilmember

Jessica Sferrazza-Hogan, Reno City Councilmember

Sherrie Doyle, Reno City Councilmember

Phil Salerno, Sparks City Councilmember

The Board and Councils met in joint session in the Council Chambers of Reno City Hall, 490 South Center Street, Reno, Nevada. Also present were Assistant County Manager Katy Singlaub, Deputy District Attorney Paul Lipparelli, County Clerk Amy Harvey, Reno Chief of Staff Leann McElroy, Reno City Deputy Attorney Randall Edwards, Acting Reno City Clerk Lynnette Jones, Sparks City Manager Shaun Carey, and Sparks Deputy City Clerk Lenda Azcarate. Following the Pledge of Allegiance to the flag of our Country, the Clerks called the roll for their respective entities, and the Commission and Councils conducted the following business. The City of Reno did not have a quorum for today's meeting.

AGENDA

Councilmember Schmitt requested that Item No. 8 concerning legislative issues be moved forward on today's agenda to assure adequate time for discussion. Vice Mayor Rigdon suggested that item No. 8 be discussed after Public Comments. Commissioner Galloway requested that Reno, Sparks and Washoe County staff members advise whether each entity would be having a meeting before the next joint meeting to discuss their legislative agendas.

In accordance with the Open Meeting Law, on motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried with Reno "abstaining" because there was no quorum, it was ordered that the agenda for the July 16, 2002 joint meeting be approved.

PUBLIC COMMENTS

Sam Dehne, Reno citizen, expressed his concern that Mayor Griffin might be appointed to the Homeland Security Force.

***9:20 a.m. Councilmember Harsh arrived at the meeting.**

Mr. Dehne then discussed issues relating to the recent approval by the Board of County Commissioners to put the railroad trench issue on the November ballot as an advisory question. He said he believes 75 to 85 percent of the voters will oppose the trench project simply because they did not have the opportunity to vote on the issue when it first came forward.

DISCUSSION – LEGISLATIVE ISSUES

Leann McElroy, Reno Chief of Staff, advised that Reno staff would not be making legislative proposals to the City Council until August 20.

Shaun Carey, Sparks City Manager, advised that the Sparks City Council would be giving direction to their staff on July 22. He then discussed the following legislative issues they believe would be of mutual interest to Reno and Washoe County. (1) Tort Reform. Mr. Carey said Nevada has recently seen major insurance problems, especially with medical malpractice and the ability to obtain construction insurance. He said concern has been expressed by some Southern Nevada managers that this trend would soon impact the ability of local governments to obtain insurance. (2) The distribution of gas tax in support of the Regional Transportation Commission (RTC) initiative to index gas tax against inflation. Mr. Carey said the current gas tax formulas are being discussed in an interim committee, and it is anticipated that the State legislators would need to be advised about gas tax indexing proposals that make sense for Northern Nevada. He said Sparks believes the distribution formula needs to be looked at in Washoe County to insure that the three entities are receiving equitable distributions. (3) Public meetings and voting quorums. Mr. Carey commented that, at their last session, the

legislature built in an apparent conflict between an elected official's need to use their ethics provision and abstain from voting and the number of votes required to pass a measure. Sparks believes a balance needs to be found between the ability to abstain on a vote and the number of elected officials needed to pass a measure. (4) Property taxes. Mr. Carey said the City of Sparks sees three major opportunities to make improvements in the way property taxes are handled. The first opportunity would be to reset property depreciation to zero at the time of resale of a property. The second opportunity would be to look at increasing the current formula of 35 percent of taxable value for determining the assessed value of property. The third opportunity concerns the possibility of increasing the property tax cap, removing the State portion from the property tax, or allowing voter approved overrides to be removed from the cap. (5) Regional Planning. Mr. Carey said they hope that common ground could be found to make sure the legislative intent regarding regional planning is in place and carried forward into the future. Mr. Carey stated Sparks would like the three entities to engage in discussions and act on regional legislation at the August joint meeting, and would want Reno and Washoe County to make other proposals to consider as a joint body.

Howard Reynolds, Assistant County Manager, advised that County staff is scheduled to submit a proposed legislative package to the County Commissioners on August 27.

Sam Dehne, Reno citizen, said he would like the following issues addressed at the Legislature: (1) disband the Nevada Ethics Commission, and (2) Airport Authority board member positions should be elected rather than appointed. He said the City of Reno should also revisit their purchase of the Cal-Neva.

Councilmember Schmitt expressed concern that legislative agendas are not going to be set until about three weeks before the Bill Draft Requests (BDR's) are due at the Legislative Council Bureau. He said this does not leave any time for the joint body to discuss their common interests and how legislation that would be good for the entire region could be approached in a professional manner. He asked if there was any way to speed up the process.

Commissioner Galloway said he would support an effort for Reno and Washoe County staff to present their legislative proposals prior to the next joint meeting. He spoke in support of tort reform, noting that firefighter's insurance is becoming difficult to obtain because of certain presumptions, and this issue should be reviewed. Commissioner Galloway then noted that, at last week's City Council meeting, Mayor Griffin expressed a concern that Reno would not be able to get money to pave its streets or provide basic services because the County would go to the Legislature to get a change in the consolidated tax distribution formula. Commissioner Galloway suggested that County staff could be directed to draw up an agreement that none of the three jurisdictions would seek a change in the consolidated tax distribution formula.

Commissioner Shaw said his main issue would be how the joint bodies would want to address regional planning matters at the Legislature.

Councilmember Aiazzi commented that he believes the entities should learn to live within the cap, but would like to discuss some of the property tax issues brought forth by the City of Sparks. He then said he would like to discuss matters pertaining to the Lionel Sawyer and Collins contract with the County and why the County hired someone to specifically discuss regional planning issues. He said it was suggested by a City Council member last week that, in order to dispel the problems of people not trusting one another, if the three entities joined together and paid for the contract, the lobbyist could work jointly on regional planning issues at the Legislature.

Commissioner Short said he did not think it would be feasible to share the Lionel Sawyer and Collins lobbyist because the three entities might have different visions of the Regional Plan. He stated the County's focus would probably be on the legal issues in the Regional Plan they believe need to be resolved.

Vice Mayor Rigdon stated his main concern is, if the local entities go to the Legislature in a bickering mode, the easiest way for them to solve the State's budget crisis would be to use a divide and conquer strategy to balance their budget with Reno, Sparks and Washoe County revenues. Commissioner Bond said she also believes "divide and conquer" is facing Northern Nevada government and suggested language could be included to say that a mutual effort would be made to go forward on particular legislative issues.

Commissioner Galloway commented that he could support gas tax indexing but does not know if he could support quorums on public meetings being less than an actual majority of elected officials. He said he does not believe the property tax and depreciation issue would cure many problems. He does not have a problem with setting resales of property at zero depreciation but has problems with the other suggestions concerning property tax changes. He stated it does not seem appropriate to neutralize the lobbyist by making him a consensus lobbyist.

Vice Mayor Rigdon said he believes the taxpayers would be better served by having local legislative issues decided by the local elected officials rather than the legislators from Las Vegas. He noted that the Reno City Council would not be meeting again until the afternoon of August 20 after the joint meeting. Councilmember Harsh said she thinks the City Council should consider scheduling a special meeting to discuss legislative issues prior to the August 20 joint meeting.

Councilmember Aiazzi then stated his understanding at the last joint meeting was that the hiring of Lionel Sawyer and Collins had nothing to do with regional planning, but the scope of work in the contract includes regional planning. He asked for clarification of this matter.

Commissioner Galloway stated he never said that Mr. Whittemore should not have a role in regional planning issues, and that was not an official action of the Board of County Commissioners. He said the regional planning process resulted in a

plan that Washoe County believes is illegal under Nevada law, and the issue was taken to court. If someone attempts to legitimize what Washoe County believes has been done illegally relative to the Regional Plan, he would want Lionel Sawyer to argue against changing any rules. He said the intent of the original legislation was good, but Washoe County does not want to legitimize a bad regional plan.

Vice Mayor Rigdon stated that Washoe County has clearly indicated they do not want to open the contract with Lionel Sawyer and Collins to Reno and Sparks.

Councilmember Schmitt encouraged each entity to present their packages well before the August 20 joint meeting so everyone could review the material in order to discuss and form the issues.

Mayor Armstrong said the entities have tried to get through these issues for a long time, and he believes that could still be accomplished with some cooperation. The elected officials are charged with serving the people and the region the best way possible. He said everyone has their issues and those need to be respected, but, at the same time, some agreements need to be reached in order to find common goals.

Councilmember Mayer noted that the League of Cities meeting is scheduled for the first part of August. He said he would like Reno and Washoe County to provide their legislative information to the elected officials so informed decisions could be made when they go to the League of Cities meeting.

Ms. McElroy and Mr. Reynolds advised that legislative information could be provided prior to the League of Cities meeting and the upcoming National Association of Counties (NACO) meeting.

Commissioner Galloway requested that County staff present their legislative proposals to the County Commission prior to the August 27 meeting.

DISCUSSION – FISCAL EQUITY

Andy Green, Finance Director, City of Reno, advised that he and the Finance Directors of Washoe County and Sparks met to see if some consensus could be reached to deal with fiscal equity issues. He said, given the County's reluctance to transfer money to address fiscal equity, the three Finance Directors determined that the provision of services would be a more viable option. He stated that, since street services are a high priority in all of the jurisdictions, a multi-jurisdictional committee might be established to see if the County could provide street repairs or other street assistance within the Cities of Reno and Sparks.

Sam Dehne, Reno citizen, said any hope of cooperation between Reno and Washoe County relative to fiscal equity has been ruined because of issues over the regional plan, and because Washoe County placed a meaningless vote on the ballot to determine whether the citizens want a train trench through the middle of Reno.

Upon inquiry of Commissioner Galloway, Mr. Sherman advised that the Finance Directors looked at both the possibility of Washoe County providing City street repairs and the effectiveness and efficiency of combining efforts for the provision of street services. He stated his focus was that analysis should be done on the combined efforts for a more effective and efficient provision of services. He said one solution of fiscal equity proposed by the City would be the transfer of revenue from the County to the City, but he has represented that the County does not feel that is a viable option.

Councilmember Aiazzi stated his understanding of the City of Reno's position is that a viable option would be for the County to write checks, but the City never said that was something they wanted. He said the City Council talked about the provision of road services to City residents who now pay for services but do not receive that service. He commented that approximately 50 percent of the population of Washoe County is in Reno and 25 percent is in Sparks. He suggested that the County could provide street services based on those percentages and noted that would not raise taxes or cut services but would go a long way toward fiscal equity.

Councilmember Mayer stated that the County has a slurry seal program for \$912,000 and not one street in Reno or Sparks is included in that program. He said this does not represent equity, and it would seem those funds could be divided by population percentages to address fiscal equity.

Commissioner Short commented that he thinks a fair way to determine fiscal equity distribution for street services would be through the assessed valuation of properties, because that is where the taxes are derived.

Vice Mayor Rigdon said he thinks the recommendation of the Finance Directors to focus on specific issues is a good idea. He stated there might be a better way to base funding of services than by using percentages based on population. He suggested a regional approach be taken to determine the most equitable distribution formula for street services.

Commissioner Galloway stated that County staff has indicated it is not true that taxes would not be raised if the County provides street maintenance to Sparks and Reno. He said Washoe County is in the same financial bind as everyone else, and the money has to come from either more taxes or a reduction in services. He stated the County Commissioners have always felt the unincorporated area taxpayers should have the choice of whether they want to pay a property tax increase in order to maintain services. Commissioner Galloway then stated that, at the last Reno City Council meeting, staff indicated that a municipal services tax was somehow unfair because the County would be taking \$25-million from Reno or Sparks consolidated tax revenues. He said County staff has advised that is not the case, and there would be no reduction in Reno and Sparks tax monies, if the municipal tax goes forward.

Councilman Aiazzi commented that, if the unincorporated town tax ballot question passes, the County would realize a net loss of \$7.6 million in their General Fund. He said the issue of where that money would come from has not been addressed.

Mr. Sherman and Mr. Green discussed issues concerning the County's unincorporated town proposal and the two Finance Directors noted they differ in their perspectives concerning the County's consolidated tax allocations.

Commissioner Shaw stated that, if the three entities are in agreement concerning street services to address fiscal equity, he would support commencing that process as quickly as possible.

Councilmember Aiazzi said he would like to establish a December timeframe for reaching an agreement regarding a formula for providing regional street services.

Further discussion was held concerning the unincorporated town tax proposal that Councilmember Aiazzi said would result in a \$7.6 million net loss to the County. Mr. Sherman stated this would not be case and explained, if this new entity is created, the County would charge an overhead cost. This overhead cost is based on guidance in State law that, when a new entity is divided or created that takes work away from a predecessor entity, there cannot be a net increase in revenue. He said the property tax component representing an overhead cost is actually about \$4.5 million and is not specific to any particular tax.

Commissioner Galloway asked if the County would lose revenues of \$7.6 million and whether Reno would lose any revenue because of the unincorporated town tax, and Mr. Sherman responded "no" to both questions. Councilmember Aiazzi said he did not think that was necessarily true.

Councilmember Mayer moved that City of Sparks staff be directed to continue working on fiscal equity issues through the provision of road services and repair. Councilmember Schmitt seconded the motion, which passed unanimously.

On motion by Commissioner Bond, seconded by Commissioner Short, which motion duly carried, it was ordered that Washoe County staff be directed to continue working on fiscal equity issues through the provision of road services and repairs.

The City of Reno did not make a motion because there was no quorum.

Vice Mayor Rigdon suggested a joint board retreat in late November or early December to provide the opportunity for open discussions on regional issues. Mayor Armstrong recommended an overnight retreat to provide two full days to discuss the various issues. He suggested that the Sparks City Manager determine a place and date that works for everybody.

Terri Thomas, Sparks Finance Director, said a great deal of information is available on fuel taxes, road miles and expenditures, and staff members of the three entities should have valuable information and recommendations in the November/December timeframe.

DISCUSSION – DISTRIBUTION FORMULA/SB253 COMMITTEE

Councilmember Aiazzi suggested this issue could be continued and included in the retreat discussion.

Sam Dehne, Reno resident, stated no one reading today's agenda would know what this item concerns. He said doing something that is in violation of the Open Meeting Law negates anything that takes place at today's meeting.

This item was continued.

DISCUSSION – PAYMENTS ASSOCIATED WITH INTERLOCAL AGREEMENTS

This item was continued.

02-764 UPDATE – EMERGENCY MANAGEMENT/HOMELAND SECURITY

Press Clewe, Washoe County Emergency Management Program Manager, advised a report has been presented setting forth the status of Emergency Management planning and Homeland Security grants and planning. He said the report also addresses Chain of Command issues, the role of Washoe County in regional emergency management, Washoe County grants applied for in emergency management, Homeland Security grants and the intent to apply for Homeland Security funding that becomes allocated within the Federal Government. Mr. Clewe responded to questions regarding grant issues, the role of law enforcement, and the Chain of Command as it relates to an integrated regional approach to respond to a regional event.

02-765 FUTURE JOINT MEETING AGENDA ITEMS

Following discussion of the Board members, it was determined that legislative issues would tentatively be the only item on the August 20, 2002 joint meeting agenda. Vice Mayor Rigdon advised that a few weeks ago a national group made a local presentation on their study of Nevada roads and highways. He said the study graded roads in Southern and Northern Nevada on five different categories relative to congestion, road maintenance, and other road issues. He said he would like the group to make a presentation to this joint body. It was determined that the roads presentation, Parks consolidation, and an update on other joint services and consolidation of services, such as work cards, would tentatively be placed on the September joint meeting agenda.

Vice Mayor Rigdon said the editorial position in the *Reno Gazette-Journal* about how one vote of the County Commission concerning the train trench issue destroyed the regional cooperation process is not reflective of the views of the people sitting around this table. He stated that no joint meeting has been cancelled because of an action on one issue and it does not mean the elected officials would not cooperate on other regional issues. He said he has a commitment and desire to continue cooperating on a regional basis.

* * * * *

There being no further business to come before the Boards, the meeting adjourned at 11:10 p.m.

ATTEST:

JOANNE BOND, Vice Chairman
Washoe County Commission

AMY HARVEY, County Clerk
and Clerk of the Board of
County Commissioners

ATTEST:

DAVID H. RIGDON, Vice Mayor
City of Reno

LYNNETTE R. JONES, Acting
City Clerk, City of Reno

ATTEST:

TONY ARMSTRONG, Mayor
City of Sparks

DEBORINE J. DOLAN, City Clerk
City of Sparks

*Minutes Prepared By
Barbara Trow, Deputy County Clerk*