

WASHOE COUNTY COMMISSION
RENO CITY COUNCIL
SPARKS CITY COUNCIL

JOINT MEETING

TUESDAY

9:00 A.M.

APRIL 15, 2003

PRESENT:

David Humke, Washoe County Commissioner, Chairman*

Jim Shaw, Washoe County Commissioner, Vice Chairman

Jim Galloway, Washoe County Commissioner

Pete Sferrazza, Washoe County Commissioner

Bonnie Weber, Washoe County Commissioner

Robert A. Cashell, City of Reno, Mayor

Dave Aiazzi, Reno City Councilmember

Toni Harsh, Reno City Councilmember

Jessica Sferrazza, Reno City Councilmember

Sharon Zadra, Reno City Councilmember

Dwight Dortch, Reno City Councilmember

Ron Schmitt, Sparks City Councilmember

Phil Salerno, Sparks City Councilmember, Mayor Pro-Tem

ABSENT:

Pierre Hascheff, Reno City Councilmember

Tony Armstrong, City of Sparks, Mayor

Michael Carrigan, Sparks City Councilmember

Geno Martini, Sparks City Councilmember

John Mayer, Sparks City Councilmember

The Board and Councils met in joint session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Also present were Washoe County Manager Katy Singlaub, Deputy District Attorney Paul Lipparelli, Deputy Clerk Nancy Parent, Reno City Manager Charles McNeely, Reno Deputy City Attorney Marilyn Craig, Reno City Clerk Lynnette Jones, 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:

AGENDA

In accordance with the Open Meeting Law, on motion by Councilmember Aiazzi, seconded by Councilmember Sferrazza, which motion duly carried, it was ordered that the agenda for the April 15, 2003 joint meeting be approved.

PUBLIC COMMENTS

David Smith, area resident, said there is still gunfire on Peavine Mountain. He stated the Sheriff's Office and the Reno Police Department are trying to help this situation and asked for further assistance before somebody gets shot. He then discussed his concerns regarding the Iraq War and asked that a resolution supporting the troops be adopted.

Shirley Allen, area resident, reminded all the anti-war and anti-American people they have the right to protest their government because of America's great Constitution. She stated this is a great country where all views get to speak.

Sam Dehne, Reno resident, spoke in support of Sheriff Balaam's budget proposal that every County employee take one unpaid day off each month. He said this idea should be expanded to the rest of the community. He played his guitar and sang a song in recognition of April 15, tax day.

Commissioner Sferrazza discussed statements he disagreed with that were contained in the recent letter published in the *Reno Gazette-Journal* over Chairman Humke's signature. These issues related to annexation and property tax increases by the three entities.

Councilmember Harsh requested that a resolution supporting the troops be placed on a future joint meeting agenda.

Commissioner Galloway requested a report be put on a future agenda regarding the number of calls and responses made by the Sheriff and Reno Police Department to Peavine Mountain area gunfire and off road vehicle violations. He said he would also like information regarding the responses made to the reports of violation.

03-381 MINUTES

On motion by Councilmember Aiazzi, seconded by Councilmember Zadra, which motion duly carried, it was ordered that the minutes of the joint meeting of December 17, 2002 be approved.

03-382 SEVENTH MEMBER – TRUCKEE MEADOWS WATER AUTHORITY BOARD (TMWA)

Laurie Williams, General Manager, Truckee Meadows Water Authority (TMWA), advised that, pursuant to the Joint Powers Agreement, the seventh TMWA Board member is to be selected at large and shall be an elected official from the governing body of a member nominated by the appointed directors of the TMWA Board and approved by the governing body of each member. She said today's meeting is to see if consensus can be reached on how to proceed with the selection of the seventh member.

Ms. Williams advised that the TMWA Board recently voted to recommend to the governmental entities that the seventh position be for two-year terms that would be rotated between the three entities.

Mayor Cashell, member of the TMWA Board, noted that TMWA also discussed making the seventh member a rotated position starting with the County, then Sparks, then Reno, on a yearly basis. Commissioner Galloway advised he sat as an alternate on the TMWA Board and voted in support of the recommendation in order to get something before the Joint Board. However, he reserved the right to vote in opposition if he is persuaded to do so. He said, originally, it was expected this seat would probably go to Washoe County, and the County might fill the seat with a professional-type person. He still thinks that alternative is fair and would be willing to adopt that procedure. Another suggestion was to have a former State Consumer Advocate appointed to that seat, which would be a neutral person. He prefers that suggestion, but it was not well received, and the suggestion being proposed today may be an acceptable compromise. He said he could support TMWA's recommendation because that board does not seem to be highly politically charged.

Upon inquiry of Councilmember Aiazzi, Ms. Williams advised that, if TMWA's recommendation were approved, it would need ratification of the TMWA Board, the Reno and Sparks City Councils, and the Board of County Commissioners. Councilmember Aiazzi stated he thinks the TMWA Board should choose the candidate because getting through all three bodies is what makes the appointment politically charged. Commissioner Shaw stated that TMWA's intention was that each entity would appoint their candidate when it was their turn to fill the position. Ms. Williams advised these suggestions would also require a modification to the Joint Powers Agreement.

Commissioner Sferrazza said he did not agree that a modification to the Joint Powers Agreement would be required, and discussed his reasons for taking that position. Ms. Williams advised that the Joint Powers Agreement reads, "The at-large director shall be an elected official from the governing body of a member and nominated by the appointed directors and approved by the governing body of each member." She said, her understanding is, if ratification by each member agency is omitted, an amendment to the Agreement would be needed.

Councilmember Harsh said she would support that the TMWA Board not be made up entirely of elected officials and prefers to have members that have water experience. It is appropriate for the seventh member to be a representative of the elected bodies, and she believes Mayor Cashell has come up with a good solution.

***9:40 a.m.** Commissioner Humke arrived at the meeting.

Commissioner Galloway moved that staff be directed to change the Agreement so there would be a rotation of the at-large seat between the three entities on two-year intervals, starting with Washoe County, then Sparks, then Reno. Until the change is made to the Agreement and ratified by all parties, the entities would agree that,

if the TMWA Board nominates a person suggested by the governing body, TMWA would approve the appointment. When the Agreement is changed and ratified by all parties, the respective governments would make a direct appointment. The motion is conditioned on the adoption of essentially the same motion by the other bodies. Commissioner Sferrazza seconded the motion. On call for the question, the Board of County Commissioners unanimously passed the motion.

Sam Dehne, Reno resident, commented that virtually every issue in Washoe County is politically charged. He said the TMWA Board has worked fine the way it is, and he does not think it is necessary to appoint the seventh member.

Councilmember Salerno noted that Sparks does not have a quorum today, and this matter could be placed on a Sparks agenda as soon as possible.

Upon inquiry of Ms. Williams, the Washoe County Commissioners confirmed the intention of the motion is the language in the Agreement would retain that the seventh member must be an elected official.

Councilmember Sferrazza stated she supports Mayor Cashell's motion at TMWA, whereby the local governing bodies have the opportunity to select the person they want to serve on the board. She moved to adopt the same motion as Washoe County. Councilmember Harsh seconded the motion.

Councilmember Dortch said he would not support the motion. He stated he believes the governing bodies should be out of it and TMWA should make the nomination and approval of the appointment. He said this should happen for the respective entities on a two-year rotating basis.

Councilmember Zadra stated she would want to retain the current agreement for the makeup of the board, but would support a two-year rotation of a private individual that the TMWA Board would appoint beginning with Washoe County, then Sparks, then Reno. She said she believes the proprietary emotion needs to be removed and the professional skills that could be brought to the Board by a private individual should be respected.

On call for the question, Mayor Cashell and Councilmembers Sferrazza and Harsh voted "aye," Councilmembers Aiazzi, Zadra, and Dortch voted "no," and the motion failed.

Councilmember Aiazzi stated he is not necessarily opposed to the motion but thinks since there is a difference of opinion the issue should be taken back to the City Council so their seventh member can provide input.

INTERLOCAL AGREEMENT – CONSOLIDATION OF ANIMAL SERVICES

Charles Jarvi, Co-Founder of a nonprofit animal rescue group, advised that most of the complaints from the public have little to do with the Reno animal shelter facility. He understands the County's concern about the public complaints and the decaying facility but begged the County to take over the existing facility on July 1, 2003 or soon thereafter.

Kevin O'Hair, Local No. 39, said they represent the City of Reno employees that will be affected by this consolidation. He advised they have had limited discussion with the City of Reno on this agreement and are concerned about issues relating to shift bid availability and retiree medical insurance. He said, if the proposal goes through as written, the employees transferring from the City to the County would not have rights to retiree health insurance paid by the County. They fought hard for these benefits and do not want to see employees lose them because of consolidation.

Jerry Frederick, I.U.O.E., Local No. 39, representing City of Reno Animal Service employees, advised he has only had a brief moment to look at the proposed agreement. He commended the three entities for the thought that went into the agreement, but stated their biggest concern is that some employees who have worked for the City for many years will lose some of their benefits. He requested the Joint Board reconsider the proposed agreement.

Robert Burdick, Business Agent, Washoe County Employee's Association (WCEA), said the WCEA contract states "The County agrees to notify the WCEA at such time as the County determines to pursue the matter of consolidation of County services with another agency. In such an event the parties agree to negotiate over the impact such consolidation may pose for members of this unit as required pursuant to NRS 288." He stated the WCEA has not been involved in any step in this planning, and he did not find out about this agreement going to a vote until this morning. He urged the Joint Board to delay voting on the agreement until the WCEA has an opportunity to negotiate the impacts it would have on the employees of Washoe County.

Sam Dehne, Reno resident, said he supports consolidation because it should save money for the citizens but is against consolidation when it slams the long-time careers of the hard working City and County employees.

Tom Gadd, Public Works Director, conducted a PowerPoint presentation and reviewed background information concerning the development of a regional animal shelter and consolidation of animal services, which was approved by the voters on the November ballot. He advised the preliminary Interlocal Agreement dictated that a comprehensive Interlocal Agreement would be brought before the Joint Board by April 30, 2003 that would outline how equipment, land, and personnel would be transferred, and provided for the consolidation of ordinances. The Agreement outlines exactly what was in the tax measure and the property tax change will go into effect July 1, 2003. The

comprehensive agreement breaks out the percentages of how the three-cent property tax would be distributed back to the various entities until the shelter is completed, at which time the County would assume the responsibility for the shelter and field operations. He reviewed the development plans to date for the property and discussed issues relating to the transfer of employees, advising the various pieces were looked at, negotiated and discussed. He then discussed issues relating to the consolidation of ordinances, and advised that project is still a work in process.

Mr. Gadd stated the agreement being presented today supercedes all prior service agreements between Reno, Sparks, and Washoe County. The City of Reno will continue to accept animals at the service center until a new facility is constructed. Sparks has asked that their two field people and two trucks be assimilated into the County on July 1, 2003. Reno will continue to do what they have been doing until the construction of the shelter is complete, but no later than July 1, 2005. That puts the County on a timeline to get the building designed and completed no later than 2005. The Nevada Humane Society has agreed to contribute \$2.5-million toward the facility construction, and staff has been working with them independently to construct a Development Agreement, Professional Services Agreement and Lease Agreement.

Upon inquiry of Commissioner Shaw, Mr. Gadd advised there is time in the process to address the City of Reno employee concerns.

Commissioner Sferrazza stated that the language in Section 7.14 of the Interlocal Agreement presented today that relates to retiree medical benefits would preclude resolution of that issue. He believes that language should be deleted and language that the benefits would be negotiated pursuant to NRS should be included.

Steve Watson, Washoe County Labor Relations Manager, advised that Washoe County has an obligation to negotiate the impacts on their employees when employees from other entities are brought over, and the employee associations have been made aware of that. Extensive discussions were held with City of Reno management representatives concerning the retiree medical and the sick leave and vacation accounts. The points made in those discussions included that Washoe County employees hired subsequent to 1997 are not eligible for retiree medical, and Washoe County carries actuarial accounts to fund that benefit for employees hired prior to 1997. The position was, if City employees came over, the County would be consistent and not entertain employees having retiree medical who began with their respective organization after 1997. Mr. Watson stated that the County indicated it would continue retiree medical for the employees of those organizations, if the actuarial value of the cost of the benefit was transferred over from the City. He said that was a management decision that was made with the belief it was consistent with the 2002 merger with the State of Nevada Child Welfare System.

Commissioner Sferrazza noted that Section 7.14 specifically precludes the County from paying any retiree medical benefits to transferred employees. Mr. Watson

stated that was because the City of Sparks and the City of Reno indicated they were not willing to pay for the accrued liability.

Ralph Jaeck, Assistant City Manager, City of Reno, stated the City of Reno has been successful in their discussions with the County, and the County has been willing to do more than is required. They believe a very fair agreement has been developed, and overall, he thinks the employees are doing very well in the transfer. He said these issues are no surprise to Local No. 39. They did not have the full Interlocal Agreement, but were provided with the personnel provisions several weeks ago, and there have been several conversations with them on this issue. Mr. Jaeck advised the City of Reno employees would be allowed to transfer over on a full seniority basis, and the shift bid would be like any other County employee. He noted the Reno employees would have two years before they transfer should they want to utilize the City of Reno retiree health program.

Lt. Brent Lee, Sparks Police Department, advised the two employees transferring from Sparks do not currently have medical insurance upon retirement, and it is not an issue when they become County employees. The salary rate at the County is currently higher than the City of Sparks, and they are more than willing to transfer over.

Upon inquiry of Commissioner Galloway, Mr. Gadd advised that the preliminary Interlocal Agreement stated that the County would not assume the full responsibility for the shelter or the field operations until the facility was completed. He said this position was based on the liability issue for the County if the shelter was accepted now.

Councilmember Sferrazza stated that Local No. 39 has indicated they are not in agreement with Section 7.14. She has an issue about taking benefits away from City employees that currently have these medical benefits.

Mr. Jaeck advised that the employees going from Reno to the County would pick up some benefits beyond what they had with their current contract. Local No. 39 has received every benefit they possibly could with the exception of the retiree medical. The City's argument is the County is invoking a new tax rate and would be treating all employees the same. The County's argument is they have set cash aside for the few people eligible for retiree benefits, and the City has a pay as you go procedure so there is no cash to transfer over.

Mr. Fredericks said he and Mr. Jaeck had a couple of discussions concerning animal control, but the two-page draft he received concerning the transfer of employees does not include the section about retiree health benefits. He stated an employee may have two years to make options, but that does not mean they can decide to retire within two years.

Councilmember Sferrazza advised the existing Animal Control Board does not want to be disbanded by the County. The agreement states the Animal Control Board

shall consist of seven members to be appointed by the Board of County Commissioners, and she would like something in the language that the current Animal Control Board would not be disbanded and would be transferred under the County's jurisdiction. Mr. Gadd said the matter concerning the Animal Control Board is contained in the draft ordinance, and no action is being requested on that issue today.

Commissioner Humke stated he and Mayor Cashell agree that, based on testimony presented, there is negotiation underway concerning the employee matters. He said Mayor Cashell has assured that the intent of the testimony will be honored, and if a negotiation takes place, whereby the City agrees to send the money for those retiree benefits the County would modify the Agreement.

Upon inquiry, Mr. Gadd advised that the liability associated with the seven City employees that qualify for retiree medical under the County's benefits would cost approximately \$265,000. Commissioner Sferrazza stated he could not agree to retaining the language in Section 7.14 without some negotiation. He said he does not see any reason to penalize employees because the City and County merge.

Charles McNeely, Reno City Manager, advised a fair amount of negotiation still has to take place and, ultimately, it is the Reno City Council's call as to whether or not they want to pick up the additional cost to address the retiree medical benefits issue. He suggested, if the Interlocal Agreement is approved minus Section 7.14 concerning retiree health benefits, staff be directed to come back to the City Council with specific recommendations regarding that health benefit.

Mr. Jaeck noted that about \$300,000 is in the City's Enterprise Fund that the County wanted to receive. He said those funds might be utilized to provide the retiree benefit.

On motion by Commissioner Humke, seconded by Commissioner Weber, which motion duly carried with Commissioner Sferrazza voting "no," it was ordered that the Interlocal Agreement be approved as presented. Commissioner Sferrazza said he opposed the motion because he believes Section 7.14 concerning retiree health benefits should be deleted from the Agreement.

At the request of Councilmember Aiazzi, Andy Green, Finance Director for the City of Reno, and John Sherman, Finance Director for Washoe County, provided information concerning funding by the various entities for the regional animal shelter facility and operations.

Commissioner Sferrazza stated he believes the County's motion was illegal because debate was cut off before taking the vote on the motion. Paul Lipparelli, Deputy District Attorney, stated that Commissioner Humke called for the question, which has the effect of cutting off debate. Commissioner Sferrazza then stated the Washoe County employees asked the Board to defer action on the Agreement so they could confer under the contract. Mr. Watson said the County fully intends to fulfill its contractual

obligation to negotiate the impacts of the consolidation, and WCEA was aware that these issues and discussions were being conducted. Management's obligation under the WCEA agreement attaches when the conditions are known in order to negotiate those impacts. While there may have been the opportunity for better communications, he does not believe there has been any contractual violation.

11:00 a.m. Councilmember Schmitt left the meeting.

Councilmember Sferrazza said Mr. Jaeck brought forth a good point regarding the Enterprise Fund. She said she does not think it is fair to transfer that money over to the County. She stated the City has already given the County the land for the shelter, and she believes the Enterprise Fund should pay the retiree medical benefits. Tracy Chase, Deputy City Attorney, advised a provision could be made in the Agreement to allow the retiree health benefits to be funded by the City of Reno Enterprise Fund only for those employees that would be eligible.

Councilmember Aiazzi moved, seconded by Councilmember Sferrazza, that the Interlocal Agreement be approved, subject to the addition of a provision stating that the existing City of Reno Enterprise Fund is to be used to either upgrade the facility or for employee benefits.

Mr. Sherman stated he believes the motion is in conflict with the Agreement. He said, if it is the intent of these bodies to pay the accrued liability of the employees, it should be so stated in the Agreement. Councilmember Aiazzi stated all the motion does is add employee benefits, because his understanding is the Enterprise Fund can be used for existing facility improvements until the County takes over. The City of Reno could spend all that money on the facility in the ongoing years and the City just wants to include the ability to use that toward employee funds. Mr. Sherman commented if the Agreement says the City of Reno would transfer at least enough cash out of the Enterprise Fund to Washoe County at close to pay for the accrued retiree health benefit liability that would be a very precise statement of what is intended. Councilmember Sferrazza stated that money may be needed for capital improvements over the next three years, as there are some problems with the facility now. Mr. Sherman said the City's action means, if the City spends all the money, Washoe County would be responsible for the \$265,000 liability for those employees. Councilmember Aiazzi stated that is exactly what the motion does not do.

Mr. Lipparelli stated there are provisions in the Agreement that seek to make sure the City continues its past practices with regard to operations. If the City has not been funding retiree medical benefits with funds from the Enterprise Fund, then it is not really a past practice. He agrees with Mr. Sherman that, if the City wants to make a provision in this Agreement that the City would fund the retiree medical from the Enterprise Fund, then that is what should be stated. He said an additional caveat is the money in the Enterprise Fund today has been accrued over a period of time from various sources, and there is a need for some working capital in the Enterprise Fund on the day

the shelter opens. To deplete the Fund entirely to pay for retiree medical funding may cause a problem.

Councilmember Aiazzi stated he thought the motion was to add a section to allow City staff to use the Enterprise Fund for employee benefits. Mr. Lipparelli stated that, at some point before 2005, the Agreement would have to be adjusted to address the existing language that says no retiree medical benefits would have to be paid. Councilmember Aiazzi agreed.

On call for the question, the motion for the City of Reno carried unanimously.

Mr. Green noted that Reno has a process to pay for employees entitled to retiree benefits out of the Enterprise Fund, and it would constitute past practice to transfer those funds to the County for retiree benefits for those employees that would be eligible.

11:20 a.m. Commissioner Weber temporarily left the meeting.

Commissioner Humke commented that Washoe County's motion and the City of Reno's motion are in conflict. The City of Sparks does not have a quorum and will not approve this Agreement today. He thinks the matter is moot until the Boards meet individually or as a joint body and agree on a motion that everybody can live with.

Mr. Gadd suggested that staff try to craft the intent of what has been relayed today and bring that to the individual Boards as soon as possible for approval. He said it is staff's understanding that, with the exception of the retiree medical and the Enterprise Fund use, the Boards are in agreement. Staff would like to get the Lease Agreement approved and keep the ball rolling in order to meet his commitment to have the shelter completed by 2005. Mr. Lipparelli stated NRS 277, provides that a provision can be made for the transfer of land and the lease of land through an interlocal agreement. He believes by approving the Interlocal Agreement, which incorporates the deed and the lease; everything is done with one stroke. Mr. Lipparelli then noted that the preliminary Interlocal Agreement provides that, if the comprehensive Interlocal Agreement is not completed by April 30, any party may withdraw from the preliminary agreement with 30 days notice.

Commissioner Sferrazza moved to suspend the rules or asked if someone on the prevailing side would move to reconsider the County's vote. He said only a few thousand dollars of a multi-million dollar project is in contention, and he believes what the City is doing is correct. The motion died for lack of a second.

Councilmember Aiazzi asked if it would be appropriate for the City of Reno to extend the current agreement to May 30 to avoid running into the timeline problem. Mr. Lipparelli stated that issue is not on the agenda and noted that nothing happens automatically if there is no agreement by April 30. He said Sparks is not present

by quorum and anything the County or Reno does today is not effective relative to Sparks.

11:30 a.m. Councilmembers Dortch and Zadra left the meeting.

03-384 **PROPOSED FY03-04 DISTRICT HEALTH DEPARTMENT BUDGET**

Councilmember Sferrazza requested that Reno staff review the Interlocal Agreement concerning District Health and report to the City Council or the Joint Board within 90 days on potential changes to that Agreement. She advised that City Attorney Lynch and the City Council have had some discussions concerning this matter. City Manager McNeely stated he believes it would be helpful for the three Managers and the District Health Officer to look at what enhancements to the Agreement might be beneficial.

11:32 a.m. Mayor Cashell left the meeting and the Reno City Council no longer had a quorum.

Sam Dehne, Reno resident, spoke about his concerns regarding the District Health Department budget. He said the protection of the health of the citizens is one of the major issues for which government was created.

On motion by Councilmember Sferrazza, seconded by Commissioner Sferrazza, which motion duly carried, it was ordered that this item be continued.

03-385 **FLOODWALL CONCEPTS FOR DOWNTOWN RENO**

Councilmember Aiazzi advised that the floodwall issue was summarized at the City of Reno retreat last week and much depends on the decision regarding the Virginia Street Bridge. The City will obtain some final concepts on the bridge in June or July. Councilmember Harsh commented that the City has moved along on this quite a bit. She believes it is significant for the City to consider its fiduciary responsibility with the Redevelopment Agency relative to the plans.

On motion by Commissioner Sferrazza, seconded by Councilmember Aiazzi, which motion duly carried, it was ordered that this item be deferred to a future agenda.

PRESENTATION – ECONOMIC AND PLANNING SYSTEMS – 2003 UPDATE ON FISCAL EQUITY STUDY

On motion by Commissioner Sferrazza, seconded by Councilmember Aiazzi, which motion duly carried, it was ordered that this item be continued to the next Joint Board meeting.

11: 35 a.m. Commissioner Weber returned to the meeting.

03-386 **LEGISLATIVE ISSUES**

This item was continued.

03-386 **SELECTION OF ITEMS – MAY JOINT MEETING**

Commissioner Humke stated that he and Mayor Cashell agree these agendas have been far too ambitious and list too many complicated issues. He believes the three entities need to try to limit the number of items on an agenda.

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There being no further business to come before the Board, the meeting adjourned at 11:40 a.m.

ATTEST:

DAVID E. HUMKE, Chairman
Washoe County Commission

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

ATTEST:

ROBERT A. CASHELL, Mayor
City of Reno

LYNNETTE R. JONES, 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*