

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY, NEVADA**

FRIDAY

12:00 P.M.
SPECIAL MEETING

APRIL 22, 2011

PRESENT:

John Breternitz, Chairman
Bonnie Weber, Vice Chairperson
David Humke, Commissioner
Kitty Jung, Commissioner
Bob Larkin, Commissioner

Amy Harvey, County Clerk
Katy Simon, County Manager
Melanie Foster, Legal Counsel

The Washoe County Board of Commissioners convened at 12:02 p.m. in special session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

County Manager Katy Simon stated: "The Chairman and the Board of County Commissioners intend that their proceedings should demonstrate the highest levels of decorum, civic responsibility, efficiency and mutual respect between citizens and their government. The Board respects the right of citizens to present differing opinions and views, even criticism, but our democracy cannot function effectively in an environment of personal attacks, slander, threats of violence, and willful disruption. To that end, the Nevada Open Meeting Law provides the authority for the Chair of a public body to maintain the decorum and to declare a recess if needed to remove any person who is disrupting the meeting, and notice is hereby provided of the intent of this body to preserve the decorum and remove anyone who disrupts the proceedings."

Chairman Breternitz welcomed everyone. He stated this was a great opportunity for the Board to go over the County's budget situation and for employees to have their questions answered.

11-312 AGENDA ITEM 3 – PUBLIC COMMENT

Agenda Subject: "Public Comment. Comment heard under this item will be limited to two minutes per person and may pertain to matters both on and off the Commission agenda. The Commission will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Commission as a whole."

Sam Dehne discussed his issues with the *Reno Gazette-Journal* and Senator Ensign's resignation.

Chairman Breternitz noted today was County Manager Katy Simon's birthday. He read a news release about the County's employees helping to keep health care coverage costs down by volunteering to pay for increases to their insurance plan deductibles and co-payments. He thanked the employees for their efforts in keeping the County's ship afloat.

11-313 AGENDA ITEM 4

Agenda Subject: "Discussion with Washoe County Employees to receive input with regard to the 2011/12 Fiscal Year Budget. (All Commission Districts.)"

Daren Conforti, Budget Manager, reviewed the "Overview of Washoe County's General Fund Budget Deficit Planning for Fiscal Year 2011/12" chart, which was placed on file with the Clerk. He noted the chart was available on the County's web site.

Mr. Conforti stated the chart showed January's original budget plan and the contingencies developed to handle any impacts of actions taken by the Legislature. He said the County's deficit was being driven by dropping sales and property taxes, which impacted revenues. He stated the County's expenditures were based on what the Board was legally obligated to fund for the coming Fiscal Year. He advised the budget assumed last year's wage reductions would be restored before taking any negotiated concessions. He stated the Public Employees Retirement System (PERS) rates increased, and the County would share the cost increase with employees pursuant to State law. He said the PERS increase would be in addition to wage concessions. He advised it had been estimated health insurance costs would increase 12 percent, but they would remain flat due to the hard work of the Insurance Negotiating Committee. He explained that reduction would be deducted from the 13.8 million in permanent labor cost savings, and the new targets would be presented to the Board on May 10, 2011.

Mr. Conforti said the Board directed what the County did and how that needed to be redefined to make the organization sustainable. He stated the County's deficit could increase to \$58.5 million or more if the Legislature took revenue and/or pushed services onto the County for which the County would have to pay. He said the outcome of any Legislative action would not be known until early June. He discussed the fundamental review process being conducted by the Operational Effectiveness Committee (OEC).

Commissioner Larkin said the first question submitted was, "Why did this Board vote to support all the anti-collective bargaining bills in this Legislature?" He stated the two biggest issues were the sustainability of County government and the County's embedded costs, which went to the root of Nevada Revised Statute (NRS) 288.

He said the Board voted that NRS 288 needed a fundamental review due to the long-term downturn of the economy, which was why the Board supported those bills. He said the Board never sought to have NRS 288 reversed, but would like to see it apply to State employees also. Commissioner Jung felt voting in support sent a message to the Legislature that the County needed the Legislature's help. She stated she was a huge supporter of unions and the collective bargaining process, but the County needed its employees help to address the shortfall. She believed the public would have a very different attitude if it really understood what the Legislative cuts meant.

Commissioner Humke said he agreed with both Commissioners. He stated any final bill would be the result of compromises, but the discussion needed to be opened to look at possible compromises. He advised the bills being discussed were killed without a hearing.

Chairman Breternitz understood why the employees felt the vote was anti-collective bargaining, but his perspective was completely different because he looked at it as adding some flexibility to the situation the County was faced with. He felt the County needed all the tools it could get to keep things going. He said everyone was in this together, and no one would come through this process unscathed.

Rocky Badolato, Library Administrative Secretary Supervisor, said Mr. Conforti did a wonderful job on his presentation. She stated she sat on the Washoe County Employees Association (WCEA) Board, and watched employees doing more with less over the last four years. She said she did not believe in outsourcing because, even though it looked good on paper, the County would be buying less than what it already had. She said corporations were making record profits and the mining industry was "raping" Nevada. She requested the Board's support in asking the Legislature to increase the revenue coming in from the mining industry. She said the 1 percent supplemental governmental services tax (SGST) also needed to be implemented. She believed everyone present would rather pay that tax than lose their homes.

Chairman Breternitz said he was handed a question that said, "In regards to the tax referred to as SGST, which enables Washoe County Commissioners to impose up to \$.01 on each tax dollar of depreciated value for vehicles which could generate approximately \$9 million. I would like to know why our Commissioners had not imposed the tax and respectfully request that they do." Commissioner Larkin said the employees, as citizens of Washoe County, had every right to ask for that tax. He stated the County was a sinking ship and more water should not be put into it until the holes were plugged. He said some of the County's embedded costs were not sustainable. He advised after those costs were fixed, there would be a defensible argument on implementing the tax to take to taxpayers. He said asking taxpayers to increase their taxes would probably not work when they were losing their jobs and their homes. He stated it was tried before, but it was not successful.

Commissioner Jung asked if the tax had to be taken to the voters. Commissioner Larkin stated the Commission could impose the tax, but he was voted into office on the position that he would take any tax increases to the voters.

Commissioner Humke agreed it would be a difficult policy to raise taxes during a recession. He discussed the County's issues with the State taking County revenue and/or making the County pay for services provided by State employees. He said if the Governor or the Legislature did not want to find new revenue for their expenditures, he would not raise the taxes they should have raised.

Commissioner Jung said the State could have raised the tax, but they pushed the ability to raise it down to the County. She stated she would support raising it, because she believed it was a fair tax and owning a vehicle was a privilege. She also believed it would signal the Legislature the County used the tool the County was given, but the County was still broke. She said she had never agendized the discussion, because she was not sure she could get the votes on the Board to pass the tax. She felt the County had proven it had cut fat, but the cuts had not affected services so far. She believed the citizens would beg the County to raise its revenue to provide services once the impact of the cuts was really felt.

Commissioner Weber said there was an advisory question on the ballot, which addressed whether or not the Legislature should work with local governments on budget issues. She said that question was overwhelmingly supported in 15 counties. She said every employee had the ability to contact their Legislator to remind them of the voters support for the question. She stated the Legislature was looking at Washoe and Clark Counties to take the burden of shoring up the State's budget shortfall, but she felt the burden should be shared equally amongst all taxing entities. Commissioner Jung echoed Commissioner Weber's suggestion employees should contact their Legislator. She said she considered taking the County's revenue or pushing down services to the County as a new tax, because it was only being done to Washoe County and Clark County.

Chairman Breternitz believed the rebound of the national economy was not extending into Nevada. He said especially in construction, the unions were allowing wage reductions because the work was not there. He stated this community was on rocky ground, and he would like to consider the 1 percent SGST tax; but he believed the appearance would be taxes were being raised to pay employees more money. He indicated he was not sure the general population wanted to pay more taxes, nor was he sure how the employees would feel if it did not directly benefit them.

Sandie Trounson, Library Assistant II, said she qualified for an earned income tax credit after 25 years on the job, which should be an embarrassment to Washoe County. She stated she lost her home and would not eat if her son was not with her. She encouraged the Commission to implement the SGST tax, and to quit worrying whether or not they would get reelected.

Susan Weyl, Public Guardian Case Manager, said the Public Guardian lost one quarter of its staff. She stated Commissioner Larkin said he was listening to the voices of his constituents who voted him into office, but the Public Guardian represented those people who could not speak for themselves anymore; and she requested the Board not forget the needs of those people.

Maureen O'Brien, Fire Services Program OSS, said she was laid off June 30, 2008, but she came back to work for the County at a pay that was \$4 less per hour and was a three-layer demotion, because she wanted to be a Washoe County employee. She said her concern was if it was decided a non-core department would have its services delivered another way, how would the citizens know that delivery mechanism was being held to the same level of accountability. She was also concerned if there would be enough time to put everything together.

Chairman Breternitz stated he was involved with the Organizational Effectiveness Committee (OEC) process and, if it was recommended to contract for services, he said the method of holding the contractors accountable would have to be defined. He believed that level of detail had not yet been reached, but accountability measures would have to be built into the agreement if that recommendation was made.

Commissioner Weber asked the County's representatives on the Shared Services Committee to comment about what the Committee was doing. Commissioner Jung said the Committee was looking at shared services to see if they could provide better services at lower cost. She said her belief in shared services had nothing to do with pushing employees out of their jobs, but had to do with future cost avoidance. She said natural attrition, due to the aging population, would eliminate positions. She stated the Committee found some areas where shared services might be possible, and the last direction to staff was to show what could be done and to do it. She explained an outside consultant was hired, because how could employees honestly be asked to state why their position could be eliminated. She said no one in their right mind would do that, and she would not be that cruel.

Chairman Breternitz said the subcommittee had a couple of elected officials on it, but it was run by a local citizen and did not use any consultants. He stated the subcommittee had a number of recommendations that would increase the efficiency of the Building Departments in terms of building permitting and inspections. He said the subcommittee was starting to look at business licenses. He stated the whole purpose of looking at shared services was for local government to deliver the expected services even with the current tremendous revenue constraints.

Commissioner Humke said the most significant item Mr. Conforti put on the chart was to, "Redefine the County...What we do...How we do it." He stated Ms. O'Brien came back to the County at a pay that was \$4 less per hour, and indicators were that was what would be seen in the "new economy." He advised the County was trying to respond to the "new economy" by determining what the County would look like in the future.

Doug Coulter, Health Department Senior Licensed Engineer, said Nevada had the lowest taxes in the country. He advised he was not convinced raising taxes a little would affect anything. He asked what studies were used to show workers in the public sector, with the same education, were getting paid more than workers in the private sector. He stated all of the studies he read were the other way around.

Commissioner Jung said she was not using any study to ask employees to collectively bargain with the County so the County's budget targets could be reached. She stated the private sector often complained that Nevada's public employees were paid too much. She explained Nevada was a very different state because only high school diplomas at best had been needed to work and make it in the gaming and tourist industries, which was no longer the case. She said when those workers were compared to public employees, there would be a wage differential and it would not be a true apples-to-apples comparison. She stated public employees had certain credentials they needed to carry, which made them eligible for higher wages.

Carla Fells, WCEA Executive Director, advised the e-mails she received from employees had nothing to do with their salaries or benefits. She said the employees wanted to deliver services to the public, and they saw the cuts as affecting their ability to do their jobs. She said when the County outsourced its janitorial services ten years ago, the remaining employees were promised their jobs would only be eliminated through attrition, but two just got pre-layoff notices. She stated her constituency had no faith the Board would make sure the County was getting the best bang for its buck. She said the Process Servers were outsourced, and she was still waiting for that to come before the Board as to whether or not outsourcing worked. She stated she had never seen any evidence outsourcing worked.

Ms. Fells said this was the one local government in the State whose employees had come to the bargaining table every time it was necessary over the last five years. She stated employees were losing their homes and there had been two suicides in Washoe County. She stated half the people present were aware they would probably be getting layoff notices, and some people had been planning for the last three years because they knew they would eventually lose their jobs. She noted she had never seen a Department Head layoff their second in command and people on the management level were allowed to leave or retire instead of getting pink slips. She said the employees wanted to see an apples-to-apples comparison if their jobs were outsourced, and if jobs were to be eliminated through attrition, the Board should hold to those promises.

Chairman Breternitz said sitting here and hearing these stories was not pleasant, but the Commissioners understood where the employees were coming from. He stated the Commissioners were not stone statutes, but had feelings too and identified with what the employees had to say.

Chairman Breternitz noted the time, and said he and Commissioner Larkin had another meeting to attend. Commissioner Humke stated he was willing to stay and

talk with employees. Chairman Breternitz said employees could stay and chat with Commissioner Humke, or they could send e-mails to the Commissioners.

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1:05 p.m. On motion by Commissioner Larkin seconded by Commissioner Jung, the meeting was adjourned.

JOHN BRETERNITZ, Chairman
Washoe County Commission

ATTEST:

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

*Minutes Prepared by:
Jan Frazzetta, Deputy County Clerk*