

COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

Minutes of Meeting ---- February 4, 1969

The sixth meeting of the Committee on Federal, State and Local Governments met on February 4, 1969, at 3:30 P.M.

Committee Members present:

Chairman James Gibson
Warren L. Monroe
Vernon E. Bunker
Marvin L. White
Francis W. Farr
Chic Hecht
Carl F. Dodge

Also present were:

Elmo DeRicco, Director, Dept. of Conservation and Natural Resources
William Hancock, Deputy, State Lands Division Office
Curt Blyth, Municipal Association
Clay Lynch, City Manager, North Las Vegas
Clinton Wooster, City Attorney, Reno, Nevada

Chairman Gibson called the meeting to order at 3:30 P.M. Under consideration were several bills.

SB-110 Proposed by Committee on Federal, State and Local Governments.
Directs conveyance of certain state land from division of state lands to Nevada state prison. Executive estimate of cost: None.

Chairman Gibson called on Mr. DeRicco to further explain where the land involved was located and why it was being transferred to the prison.

Elmo DeRicco: This 17 acres is adjacent to the present prison land holdings. It complements the existing land holdings and is needed for expansion of the prison facilities. As far as the details of the expansion, I feel that Bill (Hancock) is much better qualified to discuss that with you than I am. The brief history on this matter is that we had a few acres left in our state land selection program. These lands were selected for the specific purpose that they are being requested in this legislation. It came before the legislature at the last regular session, and at that time, it was set over --- didn't receive approval, so it is back before you again. I think it is badly needed for expansion of the prison facilities.

(End of verbatim transcription)

Mr. Hancock then showed the map of the entire prison area and surrounding areas. He showed the fenced area of the minimum security compound and stated that the area in question was necessary primarily as a buffer zone to protect the prison compound---more than it would be for expansion. In delineating the entire area, he showed that the outside boundaries enclosed

an area of about 1,200 acres under the jurisdiction of the prison and the area involved in this bill would be incorporated into it. He further oriented the map with the town of Stewart.

In the discussion period that followed, it was brought out that should this area not be attached to the prison, a subdivider could divide the acreage into one-half acre plots and there would be residences on these ---- thereby placing a home and residential area too close to the prison.

Mr. DeRicco pointed out that another factor was that if the land stays on the state land registry, although they now have a moratorium on disposal of these lands, when the moratorium is lifted the land would be subject to disposal --- and that could endanger the prison.

Senator Monroe voted "Do Pass" and was seconded by Senator Hecht. Vote was unanimous for passage.

Chairman Gibson noted that SB-105 and SB-108 would be held over until a later date.

SB-106 Proposed by Senators Swobe, Harris, Hug, Slattery and Young.
Amends Reno city charter provisions concerning wards and councilmen.

Clinton Wooster: SB-106 is a City of Reno bill, requested by the city of Reno. You will recall in the 1968 special session of the legislature, the city requested that a portion of Stead Air Force Base, some 5,000 acres, be annexed to the city of Reno by legislative act, which was done. It changed our city charter. Now we are faced with municipal elections, and we have found that unfortunately in the law in annexing Stead, we didn't clean up some of the other portions of our charter relating to municipal elections. Our charter does provide that every ward in the city of Reno must be contiguous. Stead is not contiguous to any other portion of the city of Reno. What we are simply asking for in this bill --- and I discussed this with Frank Daykin --- is some enabling legislation so that we can hold our elections without being in violation of the law.

The second point that the bill does is that in discussing our elections, our charter has always provided that one must be a resident of a ward in the city of Reno for six months prior to election. However, for the councilmen at large, there was no such requirement and it seemed inconsistent; so for the sake of consistency, we requested that this be cleaned up at the same time ----- so that both councilmen elected from the ward and the councilmen elected at large be residents of the city of Reno for six months.

We have a problem on SB-106. We will start filing for municipal elections in the last week of March. We must realign our wards. As you can see here, we have to change our wards so that no boundaries exceed 15% of the registered voters in any other ward. It takes us a month to pass ordinances to do this; so we are getting awfully tight on time. We have to do this before the last week in March, which means that in the last week in February, I must have an

ordinance ready doing all this. That means I have got to have a bill passed through the legislature --- or at least legislative action before that date. We would certainly appreciate any rapid consideration that could be given SB-106.

(End of verbatim transcription)

Chairman Gibson pointed out that it was not controversial. Mr. Wooster stated that this had been discussed with their legislative delegation and there was no controversy at all.

A brief discussion followed. Senator Dodge then moved "Do Pass", seconded by Senator Monroe and vote was unanimous for passage.

SB-107 Proposed by Senators Swobe, Harris, Hug, Slattery and Young.
Amends Reno city charter concerning special assessments and improvement bonds.

Mr. Wooster stated that this bill was requested by the city of Reno bond attorney and by Nick Smith, their tax consultant. The city of Reno has done an assessment of bond issues through their procedure under the Reno city charter. They are changing this over, and are in the process of bonding and assessing and paving two projects. One is the 1967 street and alley project of the city of Reno and the other is the 1968 street and alley project. He stated the city charter provided that if you sold assessment bonds, you could only sell them for a single rate of interest. They have always been able to see them at a single rate of interest, but the bond issues have always been rather small. Now they are increasing in size and the 1967 bond issue will run about \$250,000.00 and the 1968 bond issue will be over \$500,000.00. He then called attention to a letter from Nick Smith and read a portion of it. (Letter included as attachment.) In this portion, Mr. Smith states that one reason for the new Consolidated Local Assessment District Act is to take care of the obsolete requirement for a single rate of interest, and in his opinion it is important for the citizens of Reno to be able to market their bonds in conformity with modern custom and practice.

Mr. Wooster said he felt that this was what SB-107 is about --- and he stated that it had not been drawn by him, but by the bonding attorney and he did add a couple of other things. Referring to the bill directly, he drew attention to Section 10.151, which he stated simply provides for multiple rates of interest. Section 10.152 creates some limits against contesting the validity of district. These are the limits, he said, which are set forth in Chapter 271, NRS, so this is simply conforming the city charter to what is now in 271. Section 10.153 simply permits very clearly the use of Chapter 271.

There was a brief discussion with Mr. Wooster and members of the Committee regarding assessment districts.

It was suggested that Committee members study SB-107 further and discuss it with Nick Smith when he was here on Thursday, February 7th.

There being no further business, Chairman Gibson adjourned the meeting.

Respectfully submitted,

Patricia F. Burke

Patricia F. Burke
Committee Secretary

Municipal Financial Consultants
Investments, Tax Free Bonds
Experience Since 1899

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Burrows, Smith and Company



December 17, 1968

of Nevada

Mr. Clinton E. Wooster
City Attorney
Courthouse
Reno, Nevada

Re: Nevada Legislation - 1969 (Reno Assessment District Act)

Dear Clint:

In my opinion it is very important that the City of Reno be able to issue its assessment district bonds with a flexible system of establishing coupons rather than the single rate provided in the City's charter.

When a bond bears only one rate of interest it is extremely difficult for the dealer to resell the bond due to the problem involved in his making a profit on the transaction. For example, if an assessment district bond had a coupon of 6 per cent for all bonds maturing in the first through the tenth year and if he priced the bonds for resale, maturing in one year to yield 4 per cent; in five years, 5 per cent; and in ten years, 5.90 per cent, his customer would pay a premium of 1.94 per cent for the first year maturity, 4.38 per cent for the five year maturity and .75 per cent for the ten year maturity. If flexible interest rates are permitted, the dealer can more or less equalize the premiums which he charges his customer so that bonds in one year will not carry an inordinate profit while bonds maturing in another year may carry little or no profit to him. A one interest rate bid usually means that the city will pay a higher rate of interest and where the dealer has flexibility in pricing the merchandise.

We have experienced in the State of Nevada instances in which dealers have been unwilling to bid on assessment district bonds where a single rate of interest only was permitted because they have felt that they could not market these bonds to their customers. One reason for the new Consolidated Local Assessment District Act was to take care of the obsolete requirement for a single rate of interest, and in my opinion it is extremely important for the citizens of Reno to be able to market their bonds in conformity with modern custom and practice.

Kind regards,

A handwritten signature in cursive script, appearing to read 'Nick G. Smith'.

Nicholas G. Smith
Vice President

lal

S. B. 110

**SENATE BILL NO. 110—COMMITTEE ON FEDERAL, STATE
AND LOCAL GOVERNMENTS**

JANUARY 31, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY—Directs conveyance of certain state land from division of state lands to Nevada state prison. Executive estimate of cost: None. (BDR S-312)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT directing the state land register to convey certain state land from the division of state lands of the state department of conservation and natural resources to the Nevada state prison; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. The state land register shall convey to the Nevada state
2 prison that property owned by the State of Nevada, situated in Ormsby
3 County, Nevada, described as follows:
4 The W½ of the NE¼ of Section 4, T. 14 N., R. 20 E., M.D.B. & M.,
5 containing 78.50 acres, more or less.
6 SEC. 2. The Nevada state prison shall pay to the division of state
7 lands of the state department of conservation and natural resources the
8 sum of \$26.65 as consideration for the conveyance of the property
9 described in section 1 of this act.
10 SEC. 3. This act shall become effective upon passage and approval.

S. B. 106

**SENATE BILL NO. 106—SENATORS SWOBE, HARRIS,
HUG, SLATTERY AND YOUNG**

JANUARY 31, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY—Amends Reno city charter provisions concerning wards
and councilmen. (BDR S-1091)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT to amend an act entitled "An Act to incorporate the Town of Reno, in Washoe County, and defining the boundaries thereof, and to authorize the establishing of a city government therefor, and other matters relating thereto," approved March 16, 1903, as amended.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. Section 2 of article I of the charter of the City of Reno,
2 being chapter 102, Statutes of Nevada 1903, as added by chapter 71,
3 Statutes of Nevada 1905, and as last amended by chapter 242, Statutes
4 of Nevada 1963, at page 413, is hereby amended to read as follows:
5 SECTION 2. 1. The city of Reno shall be divided into five wards which
6 shall be as near equal in registered voters as can be conveniently provided.
7 [, and the territory comprising each ward shall be contiguous.] The
8 boundaries of wards shall be established and changed by ordinance passed
9 by a vote of at least five-sevenths of the councilmen. The boundaries of
10 wards shall be changed whenever at the close of registration prior to each
11 general state election at which a Representative in Congress is to be
12 elected the number of registered voters in any ward shall exceed the num-
13 ber of registered voters in any other ward by more than fifteen percent
14 (15%). No ordinance establishing or changing the boundaries of wards
15 shall be passed or amended until the county clerk of Washoe County has
16 certified that the number of registered voters in each proposed ward will
17 not exceed the number of registered voters in any other ward by more than
18 15 percent.
19 2. *The territory comprising each ward shall be contiguous, except*
20 *that if any territory of the city which is not contiguous to the remainder*
21 *of the city does not contain sufficient population to constitute a separate*
22 *ward, it may be placed in any one ward of the city.*

1 SEC. 2. Section 1 of article XII of the charter of the City of Reno,
2 being chapter 102, Statutes of Nevada 1903, as added by chapter 71,
3 Statutes of Nevada 1905, and as last amended by chapter 242, Statutes
4 of Nevada 1963, at page 415, is hereby amended to read as follows:

5 Section 1. 1. The legislative power of the city, except as herein-
6 before provided, shall be vested in a city council, consisting of seven
7 members, who shall hold office for the term of four years from and after
8 the date of their election, except as provided in section 2 of this Article
9 and section 1 of Article XVII. They shall be citizens of the state, bona
10 fide residents and taxpayers in the city, and qualified electors of the wards
11 in which they reside, whose names appear upon the official register as
12 electors of such ward, and residents thereof, within the corporate limits
13 of the [said] city. [; provided, that no person shall be eligible to the
14 office of councilman, except for the office at councilman at large, who
15 shall not have been an actual bona fide resident in such ward for the
16 period of at least six months immediately preceding the date of such
17 election.] *No person is eligible to the office of councilman:*

18 (a) *From any ward, unless he has resided in such ward for at least 6*
19 *months immediately preceding the date of such election.*

20 (b) *At large, unless he has resided in the City of Reno for at least 6*
21 *months immediately preceding the date of such election.*

22 2. At the first council meeting after each city general or council elec-
23 tion, the council shall elect one from among their number who shall have
24 the title of mayor. The mayor shall preside at meetings of the council, and
25 shall be recognized as head of the city government for all ceremonial pur-
26 poses, but shall have no regular administrative duties. The mayor shall
27 enforce the rules of the city council for its own government and determine
28 the order of business at meetings pursuant to such rules. The mayor shall
29 be entitled to vote on all issues and shall vote last on roll call votes. The
30 mayor shall have the power to take all proper measures for the preserva-
31 tion of the public peace, order and the suppression of riots, and all forms
32 of public disturbance, for which purpose he is authorized to appoint extra
33 policemen temporarily and without regard to the provisions of this charter
34 relating to civil service, and to call upon the sheriff of the county, or, if
35 such force is inadequate, to call upon the governor for aid and assistance.

36 3. At the same time, the council shall also elect one from among their
37 number as assistant mayor, who shall act as mayor during the absence or
38 disability of the mayor, and if a vacancy occurs he shall become mayor for
39 the completion of the unexpired term.

40 4. The mayor and the assistant mayor shall be elected for a term of
41 2 years and either may be removed from such position only for cause
42 after a public hearing by an affirmative vote of six members of the council.

43 SEC. 3. This act shall become effective upon passage and approval.