

## Assembly

GOVERNMENT AFFAIRS COMMITTEE

2- 0629

MINUTES OF THE MEETING

April 3, 1975

MEMBERS PRESENT:

CHAIRMAN DINI  
ASSEMBLYMAN CRADDOCK  
ASSEMBLYMAN HARMON  
ASSEMBLYMAN MAY  
ASSEMBLYMAN MOODY  
ASSEMBLYMAN FORD  
ASSEMBLYMAN YOUNG

MEMBERS ABSENT:

VICE-CHAIRMAN MURPHY  
ASSEMBLYMAN SCHOFIELD.

ALSO PRESENT:

Mike Mirabelli, State Treasurer  
Earl Oliver,  
Assemblyman Heaney  
Mr. Olgelvie  
Frank Fahrenkopf, representing Washoe County  
Donald Peckham, Assessor  
Mr. R. F. Williams, Chief Appraiser, Washoe County  
Mr. Bowker  
Mr. Rowland Oakes  
Mr. Douglas Miller

(The following bills were discussed at this meeting: A.C.R. 39,  
A.B. 380, A.B. 464, S.B. 290, S.B. 43, A.B. 385).

Mr. Dini called the meeting to order at 8:00 A.M.

The first bill on the agenda was A.C.R. 39, which directs legislative auditor to conduct optional audit of state treasurer's office. Mr. Mirabelli testified. He stated that they were concerned with the other departments in the state going to all sorts of computer set ups and that their office does everything manually. There have been computer problems for the last 6 or 7 years. The Department of Motor Vehicles and the Controller's office are working on computers and they are able to put out a tremendous amount of work in one day. They cannot keep up with them. What is needed in their office is an

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operational audit to find out what they need as far as equipment, personnel and room are concerned.

Mr. Oliver had no comments.

Mr. Dini stated that they should go ahead and recommend this to the body.

The next bill to be discussed was A.B. 380, which adjusts salaries of county officers elected from higher paying county jobs and of certain other employees.

Assemblyman Heaney testified. He distributed an newspaper article to the committee members a copy of which is attached to the minutes of this meeting and made a part hereof. He stated that he is a sponsor of A.B. 380 which is designed to take care of a couple of inequities that were created by reason of the legislation passed in the 1973 session affecting the salaries of elected officers established in table 2 of the bill.

A person should not be penalized for wanting to run for office in a department -here he is already employed. There are several county employees that are affected by the 95% limitation. An employee is not able to have his salary go any higher. The purpose of this bill is to try to take care of these inequities. He stated that this bill was introduced on his own. None of the individuals mentioned in the article urged him to introduce it. He did contact Washoe County to find out if they had any problems with the bill.

He stated that they had some amendments that were along the lines of A.B. 380.

Mr. Heaney then referred to a letter dated April 2, 1975 from Russell W. McDonald, a copy of which is attached to the minutes of this meeting and made a part hereof. Mr. Heaney stated that it might be possible for a person already employed with the county to seek office and go in at a salary rate in excess of the salary rate established. The intent is to provide that anyone who is working within a particular department aside from the County Commission should not be penalized by virtue of his election in having to take a cut in pay. It would be in order to amend the bill to that extent. He would like to come up with some language and submit it to the committee. He then referred to Mr. McDonald's letter.

He stated that Washoe County concurs that it would be best to repeal NRS 245.047. An alternative would be a savings clause. He favors repeal. He agrees that an amendment should be made to provide a salary adjustment for Washoe County Commissioners to \$10,500. He stated that the Washoe County Sheriff received \$19,000. He fees and so does Washoe County, that he should be making \$27,500. It seems to him that there is a good rationale for removing the 95% limitation on county employees. They want to encourage the good county employees to remain and to have a

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career incentive for their jobs. He does not feel that there is too much of a rationale to support the fact that an employee is limited to 95% of what the elected official makes. It is basically unfair.

Mr. Dini stated that the 95% was not to penalize anyone. In many counties the deputy was making more than the elected official. They did not realize how many persons this would affect.

Mr. Ogelvie testified next. He stated that he is a County Counselor for Clark County. His remarks were going to be confined to Sections 2 and 3 of the bill. He is presently involved in its outcome. Section 2 deals with the repeal of NRS 245.047, which provides that no county employee working for an elected county official can receive more than 95% of that official's salary. This law affects no more than nine public employees throughout the state, seven of whom are on the staff of the Clark County District Attorney's Office. The other two are in the Washoe County Assessor's Office. He stated that this law will affect his salary more than any of the remaining 8. Additionally, if the law is not repealed, his salary would be reduced by \$450.00 per month and will deprive him of his longevity which is \$150.00 per month, for a total of \$600.00. It will also freeze his salary at the new level for four years and he will not be able to get cost of living increases. He is in a different category since he is employed by the District Attorney and has been there a little over four years. He has in excess of 13 years in what is essentially the same type of job. It is their position that the Board of County Commissioners should be allowed to set salaries based on performance and experience. Clark County has spent \$50,000 for a job classification and salary study. As a result of this study he was placed in the same classification as the County Clerk, Public Defender, Director of Aviation and Public Works. Under NRS 245.047, public works and the Director of Aviation will continue to receive the salaries set forth. They will receive longevity. They will continue to receive increases. The Assistant District Attorney will take a cut in pay, will lose longevity and will lose cost of living increases.

The Board of County Commissioners based upon their performance and experience, have set their salaries as compared with other county employees. He stated that he has discussed this matter with Mr. Holt, the present District Attorney of Clark County and it is Mr. Holt's position that he would much prefer to retain the professional and career status of his office with long-tenured employees, even if it means some of them will be making more money than he. He concurs and was not able to be here to testify. Mr. Ogelstated that Mr. Holt authorized him to testify for him. It appears that most of the public employees will be receiving a raise. He earnestly requests a do pass on A.B. 380 at least with respect to sections 2 and 3.

Mr. Alex Coon stated that he would yield to Frank Fahrenkopf, representing Washoe County.

Mr. Fahrenkopf stated that Mr. Heaney had done a good job. He feels that the amendments set forth in Mr. McDonald's letter are worthy of consideration and hopes that A.B. 380 will be

amended and passed. He stated that Mr. Hicks also feels the same way. A.B. 380 is needed. Mr. Coon and Mr. Simpson would take a cut in salary of approximately \$1,500. Mr. Young asked what the position of both of the District Attorneys was. He asked if they were satisfied with their salaries. Mr. Fahrenkopf stated that he has not heard from Mr. Hicks. Mr. Ogelvie stated that both District Attorneys received salary increases.

Mr. Dini stated that when you talk about further increments you are going beyond the scope of the intended legislation. He stated that he has a lot of doubts about sections b and c. Mr. Fahrenkopf stated that Mr. Dini had a good point.

Mr. Ogelvie stated that he has discussed (b) and (c) with Mr. Heaney yesterday. With respect to (b), this got in without any intent on his part. He stated that with respect to (c), the language should be clarified with respect to longevity.

Mr. Peckham testified next. He stated that as a result of 245.047, his chief deputy took a \$3,000 cut. The Chief appraiser took a \$2,000 cut. By July 1, three or four senior appraisers will not receive the proposed total increase that is being asked for as a result of the 95% law. He finds that it is extremely difficult to gather together a good appraisal staff and believes that the 95% rule will, in time, make for mediocre personnel within the office. He stated that his men are professional. They have been successful. They have been schooled and some of them are approaching 20 years appraisal experience. With the experience they have gained, they could certainly go out in the appraisal area.

Mr. R. F. Williams, Chief appraiser of Washoe County (Assessor's Office) testified next. He referred to Mr. Peckham's testimony. He stated that there is a compression at the top level. After 20 years in California in the field of property tax administration, he came to Washoe County in 1969 and has been there ever since. During that time, he and Mr. Peckham have attempted to build the staff to a competent level. These people are looking at their future position. Their great fear is that they will now look for turnover. They may not be able to acquire the same competitive class of people. The appointed official is not directly responsible to the public. He does not have to run for office. The elected official does have that responsibility.

Mr. Dini stated that this would conclude the testimony on A.B. 380. He stated that the amendments on this bill had not as yet been drafted. The committee would continue with the testimony on another day.

The next bill on the agenda was A.B. 464, which changes certain limitations on contractors' licenses. Mr. Bowker testified. He feels that there is some problem with the state contractor's law. It was introduced by our committee upon request. He then passed out a proposed amendment to A.B. 464 which is attached to the minutes of the meeting and made a part hereof. The committee then discussed the amendment. Mr. May asked Mr. Bowker if he presently held a Nevada state contractor's license and what class it was.

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Mr. Bowker stated that he did - a general engineering license. Mr. May asked if he had a limit. Mr. Bowker replied yes, \$100,000 on it now. Mr. May questioned what the rate are on a performance bond. Mr. Bowker stated that he did not know. A surety bond runs \$50.00 per thousand.

Mr. May asked if a performance bond was difficult to obtain and Mr. Bowker stated yes.

Mr. Rowland Oakes of the Associated General Contractors testified next.

He stated that the state contracting board is not tough enough in protecting the public. If the law is weakened, we should get rid of it. He stated that they are not enforcing the limits as strongly as they should. He referred to out of state contractors. He stated that the public is entitled to the lowest possible price, no matter where it comes from. At the present time, if a contractor makes enough noise they will raise his limit. If we are going to turn licensing over to the bonding companies we should get rid of the law. There is no definition for construction manager in the statutes.

Mr. Dini asked if he felt that the present law has been regressive in allowing small contractors to grow. Mr. Oakes stated that he did not think so. He stated that he thought it was a good way.

Mr. Douglas Miller testified next. He stated that he has seen all phases of construction. He feels that this should be reviewed very carefully - that the board should be looked at carefully.

Mr. Dini stated that the testimony was concluded on this bill and that the committee would take no action on it at the present time.

The committee took the following action:

S.B. 290, which clarifies applicazon of local government zoning laws to state lands. Mrs. Ford stated that she did not have any more questions with regard to this bill. Mr. May moved for a do pass, which was seconded by Mrs. Ford. All of the members were in favor of the motion and it was unanimously carried. Mr. Murphy and Mr. Schofield were not present at the time of the vote.

S.B. 43. Mr. Dini stated that Mr. Warren and Mr. Kearns were in agreement that they were talking about printed documents and not working papers. Mr. May moved for a do pass which was seconded by Mrs. Ford. All of the members were in favor of the motion and it was unanimously carried. Mr. Murphy and Mr. Schofield were not present at the time of the vote.

Mr. Young moved for a Do Pass on A.C.R. 39, which was seconded by Mr. Harmon. All of the members were in favor of the motion and it carried unanimously. Mr. Murphy and Mr. Schofield were not present at the time of the vote.

Mr. Dini stated that the Committee would hold A.B. 464.

Mr. Dini stated that A.B. 380 had some serious problems, with

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the 95% limitation. He stated that if we amend the bill and leave out sections 2 and 3 in it would take care of the 8 or 9 people.

Mr. Dini stated that Mr. Young and he would talk to Senator Gibson. There is a bill presently in the Senate. Mr. Dini stated that the committee would hold A.B. 380 and have further discussion on it.

Mr. Dini stated that with regard to A.B. 385, that Mr. Kozinski had not as yet sent the amendments.

There being no further business to come before the meeting, the meeting adjourned at 9:30 A.M.

Respectfully submitted,



Barbara Gomez  
Committee Secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS  
THURSDAY  
Date April 3, 1975 Time 8:00 A.m. Room 214

2-0628

Bills or Resolutions to be considered	Subject	Counsel requested*
A.B. 464	Changes certain limitations on contractors' licenses.  <u>NOTIFY:</u> Mr. Bowker, Contracting Board Mr. Grose, Research Department	
A.B. 380	Adjusts salaries of county officers elected from higher paying county jobs and of certain other county employees.  <u>NOTIFY:</u> Mr. Heaney, Mr. Coon, Mr. Broadbent Mr. Bunker	
A.C.R. 39	Directs legislative auditor to conduct operational audit of state treasurer's office.  <u>NOTIFY:</u> Mr. Oliver, Mr. Mirabelli	
A.B. 385	Qualifies all service performed in public employment for unemployment compensation.  <u>NOTIFY:</u> Mr. Barrett	





# It Can Smart If You Make More Than the Boss Here's Some Ways to Take a Pay Cut

By EARL BIEDERMAN

Substantial pay cuts await a handful of senior Washoe County employes Jan. 6 as a result of raises given their bosses last year.

In all cases, the cuts stem from 1973 legislation which raised the pay of elected officials and set subordinates' salaries at a maximum of 95 per cent of their boss' wage.

Two county employes will run afoul of the law when it takes effect next month because they are already making more than their boss will make next year.

Two others were also in that boat — until they got into a different pickle by being elected to higher office Nov. 5.

In the first two cases, Chief Deputy Assessor Walt Mongolo and Chief Real Property Appraiser Bob Williams will have to take pay cuts to get their salaries down to 95 per cent of Assessor Don Peckham's.

In the second pair of cases, the former chief deputy clerk and chief deputy treasurer were elected to replace their bosses and will therefore step up in responsibility but down in pay.

Mongolo earned \$23,374 in 1974 and Williams earned \$22,256 while Peckham was being paid \$20,000.

Effective in January, the salaries

paid Peckham, Recorder Ardis Brown, Clerk Alex Coon and Treasurer Gary Simpson will be \$22,000.

To get in line with the higher elective salaries, Williams will have to give up \$1,356 and Mongolo will be cut back \$2,474. Both will earn \$20,900 in 1975.

"It's really not right that I should make more than him," said 18-year veteran Mongolo gesturing towards Peckham's office.

"But here I am a county employe having my pay set by the legislature."

In Nevada, elected officials' salaries are set by the legislature while their subordinates' salaries are set by county commissions. That fact, which resulted in instances of Indians earning more than chiefs, was behind the 1973 legislation.

In the cases of Coon and Simpson, both just elected after years as chief deputies, each was caught between a rock and a hard place by the new law.

Both earned \$23,374 in 1974 and their bosses were to be elevated in 1975 to \$22,000.

Had they not been elected and had their bosses stayed in office, their salaries would have gone down as their bosses' went up.

As it is, they have both stepped into bigger shoes but will also draw lower salaries anyway.

"It's sort of like striking for lower wages and longer hours," said Coon, whose salary will drop \$2,474 along with Simpson's.

"I think we should get together and go to the legislature and see what we can do about getting a raise," said Simpson.

"I think I ought to get as much as I've been getting and I feel like we ought to get it jacked up higher than that because we are going to have extra responsibility."

Coon agreed with that and said he is going to write letters to each of Washoe County's legislators asking that something be done.

A spin-off effect of the legislation passed last year was explained by Peckham.

Not only will his chief deputy be up against a salary ceiling, he said, but over a period of time other senior employes will get raises big enough to put them up against the barrier.

Probably in the coming year three senior appraisers will join Mongolo and Williams at 95 per cent of the assessor's salary, he said.

Other examples of the disparity which caused the now troublesome law existed in the Washoe County District Attorney's office and the sheriff's office.

Dist. Atty. Bob Rose, recently elected Lieutenant Governor, was earning about \$22,000, less than his chief criminal deputy who was earning about \$24,000. Effective next month, the former deputy, Larry Hicks, will step up to the new elective office salary of \$29,000.

In the sheriff's office the 1975 pay given Sheriff Bob Galli will go up to \$25,000. But Undersheriff Vince Swinney will have his salary frozen at the \$23,750 he was already earning because that happens to be 95 per cent of the sheriff's new figure.

County Management Analyst Jack Jordan, in a Nov. 27 letter to Manager Russ McDonald, also raised the question whether the wording of the law requires that such things as incentive pay and overtime be included in the 95 per cent total allowable to subordinates.

McDonald discussed the problem with commissioners last week and said the county will seek clarifying opinions from the attorney general's office.

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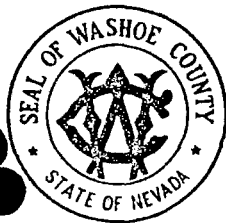
OFFICE OF

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April 2, 1975

Assemblyman Joe Dini, Jr., Chairman  
Assembly Standing Committee on  
Government Affairs  
Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Re: AB 380

Dear Mr. Dini:

Because of the inability of the Commissioners and me to appear before the Assembly Government Affairs Committee at 8:00 a.m., April 3, 1975, to discuss AB 380 and make constructive recommendations for amendments thereto, this letter will convey the Board of County Commissioners' comments and recommendations. Sufficient copies of this letter are attached for distribution to committee members and for inclusion in the committee minutes.

1. The Board of County Commissioners endorses the concept of the proposed amendment of NRS 245.043 as found in section 1 of the bill. However, the board questions the desirability of allowing a county employee to continue increased income when he is elected to a county office, the salary of which is fixed at a statutory rate lower than he was receiving as a department employee prior to election if his election is to a county office other than one in which he has served in employee status.

For example, the board observes that as the bill is presently constituted a deputy county clerk could be elected county commissioner and receive a much higher salary than the statutory rate fixed for commissioners. The board endorses an amendment which would continue payment of the base amount plus available salary increments if a county employee is elected to county office, having served in the same department to which he is elected chief officer. As an example, at the recent election the chief deputies of the County Treasurer and County Clerk were elected, respectively, County Treasurer and County Clerk. Their election resulted in a reduction in pay.

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- 2. Section 2 of the bill proposes to repeal NRS 245.047, which imposes a limitation on salaries of county employees employed by, or working under, elected county officers. Unfortunately, the 1973 Legislature, in enacting NRS 245.047, did not include safeguards to prevent a reduction in compensation for county employees whose salaries at the time of the effectiveness of the law were within or exceeded the 5 percent differential. A similar salary limitation enacted some years ago with respect to state employees did preserve the salary level of employees without diminution. In other words, elasticity was provided for state employees, but in 1973 similar protective language was not included. Philosophically, NRS 245.047 seems to operate to limit initiative and continued long-term employment once the limits set by statute have been reached. We endorse repeal of NRS 245.047.
- 3. NRS 245.043 proposed to be amended by AB 380 also contains the effective annual salary schedule for all county officers. AB 380 is a vehicle by which certain inequities in the salaries of County Commissioners of Washoe County and the Sheriff of Washoe County can be corrected. The Board of County Commissioners of Washoe County recommends and supports an amendment to AB 380 whereby the annual salary of each commissioner would be increased from \$9,000 to \$10,500.

We are without knowledge of the rationale behind the salary differentials between Clark County Commissioners at \$12,000 per year and Washoe County at \$9,000 per year.

Three of the County Commissioners in Washoe County by statute are ex officio members of the Hospital Board of Trustees. Although the statute authorizes compensation for attendance at Hospital board meetings, it has been the custom for several years in Washoe County that both the elected and ex officio trustees receive no compensation for their work on this board. Realistically, the Legislature should recognize the total man-hours devoted to the job of county commissioner. One member of the board serves as a member of the District Board of Health without compensation; meetings are numerous and regular. Two members of the board serve on the Convention Authority; these two members are compensated for such services. The five County Commissioners serve actively as a Board of Fire Commissioners for a county fire protection

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district. Meetings are held at least twice a month, for which no compensation is received. Two members serve as members of the Washoe Council of Governments, a time-demanding job, particularly with the assignment of administration of the CETA Title II program. Two County Commissioners serve as members of the City Annexation Commission, a statutory creation, with no compensation being provided. One member serves without compensation on the Tahoe Regional Planning Agency. One member serves on the Regional Street and Highway Commission, all without compensation.

Individual assignments are also made to numerous county committees and subcommittees. It is readily apparent that the statutory salary is inadequate. Hence, the recommendation for consideration of an increase to \$10,500 per year.

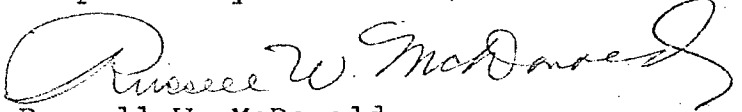
NRS 245.043 provides that the Sheriff of Washoe County shall receive an annual salary of \$25,000. The Clark County Sheriff receives \$30,000 annually. This apparent discrepancy, I believe, can best be explained historically. The predecessor to the present incumbent Sheriff was the last sheriff in the State of Nevada who, in addition to his statutory salary, received and kept for his own use certain civil fees. That sheriff resisted, to my knowledge, over several years attempts to repeal the section of the law allowing this combined compensation. However, in 1969 with the establishment of a statutory salary schedule for all counties, this particular civil fee section of the law was repealed. Again, I am without knowledge as to the rationale for the difference of \$5,000 between the salaries of the Clark and Washoe County Sheriffs. The County Commissioners endorse and recommend an increase in the Washoe County Sheriff's salary from \$25,000 to \$27,500.

The inequities described with respect to salaries of the Washoe County Commissioners and Sheriff are further enlarged when you examine the comparative salaries for other county elective officers in Clark and Washoe Counties. You will readily see that there is a \$1,000 differential in Clark and Washoe Counties between the salaries of the District Attorney, the County Clerk, the County Assessor, the County Recorder and the County Treasurer.

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If the contents of this letter prove inadequate to explain the recommended amendments to AB 380, and the Committee desires specific testimony from the County Commissioners and the Sheriff, we ask that such an invitation be extended for a time mutually agreeable to the Committee and the county officers.

Respectfully submitted,

  
Russell W. McDonald  
Washoe County Manager

RWM:rp

cc: Assemblyman Robert E. Heaney  
Sheriff Robert J. Galli  
Mr. Donald E. Peckham  
County Commissioners

## PROPOSED AMENDMENT TO AB 464

Section 1. (Deleted by amendment)

Section 2. (Deleted by amendment)

Section 3. (Deleted by amendment)

Section 4. (Deleted by amendment)

Section 1. NRS 624.020 is hereby amended to read as follows:

## NRS 624.020

1. For the purpose of this chapter, "contractor" is synonymous with "builder".
2. Within the meaning of this chapter, a contractor is any person, except a licensed architect or a registered professional engineer, acting solely in his professional capacity, who in any capacity other than as the employee of another with wages as the sole compensation, undertakes to, or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by and through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures, or works in connection therewith. Evidence of the securing of any permit from a governmental agency or the employment of any person securing such permit or employing any person on a construction project is acting in the capacity of a contractor under this chapter.
3. A contractor within the meaning of this chapter includes subcontractor or specialty contractor, but does not include anyone who merely furnishes materials or supplies without fabricating them into, or consuming in the performance of the work of a contractor.
4. A contractor within the meaning of this chapter includes a construction manager who performs management and counseling services on a construction project for a professional fee.