

ASSEMBLY
GOVERNMENT AFFAIRS
April 17, 1977
12:15pm

MEMBERS PRESENT: Chairman Murphy
Mr. May
Mr. Craddock
Mr. Jeffrey
Mr. Mann
Mr. Moody (4:00pm)
Mr. Robinson
Mrs. Westall
Mr. Jacobsen

GUESTS PRESENT: See attached lists

Chairman Murphy called the meeting to order at 12:15pm.

ASSEMBLY BILL 715

Assemblyman Jeffrey told the committee that he had requested a change in the Henderson city Charter but that this bill was not the change he wanted. He suggested to the committee an amendment that would delete the bill and then change the charter to allow for a five member Civil Service Board. This is what he had wanted in the first place.

COMMITTEE ACTION

A.B. 715- Mrs. Westall moved to AMEND AND DO PASS, seconded by Mr. Craddock, passed unanimously. Mr. Moody and Mr. Mann were not present at the time of the vote.

ASSEMBLY BILL 716

Chairman Murphy explained the bill briefly to the committee and said that Mr. Ewald from the City of Reno would explain the bill further at a later date.

ASSEMBLY
~~SENATE~~ BILL 680

NO ONE CAME FORWARD TO TESTIFY.

ASSEMBLY BILL 683

NO ONE CAME FORWARD TO TESTIFY.

ASSEMBLY BILL 717

Chairman Murphy then called for testimony on A.B. 717 which provides for employment supervision and benefits for the regional planning commission employees.

Mr. Bruno Menecucci told the committee that the bill was drafted at the request of the local entities. He gave some background to the bill. The previous make-up of the Washoe Council of Govts. (WCOG) was 7 members, 3 from Reno, 2 from Sparks, and 2 from the county. Approximately a year and a half ago determination was made by unanimous vote of all 15 elected officials to reorganize the Washoe Council of Governments and now all 18 elected officials sit on that body. The intent was to facilitate local efforts on public hearings and to coordinate particular actions if needed and future planning and co-ordinating and utilizing that as a major forum for planning. The intent of the proposed reorganization of COG is to make a cooperative agreement. This is not a government but an association of three governments to better utilize inter-governmental agreements to better facilitate decisions. The main intent is to co-ordinate all efforts. The bill is to coordinate every aspect of future planning in the valley. It also designated structural committees in hopes to coordinate within this not only physical planning but public safety, environmental qualities and transportation and eventually get into social planning areas also.

He continued that the regional planning commission has a good reputation and will have. It has an excellent advisory board of commissioners, and excellent director and a staff to be proud of. The intent of the bill is not to disseminate any of those individuals or staff, the entire intent is to coordinate all efforts under one roof. Every agency that we have within our particular area was asked and did deliver their concensus of how the reorganization should occur and from the technical staffs of the managers and their particular staffs, all three entities participated in unison to reorganize. It was adopted unanimously by the elected officials and also supported by the staffs.

Mr. John MacIntyre provided a technical explanation of the bill, he underlined and restated what Mr. Menecucci had stated. He added that the WCOG reorganization was a long and very careful process. It will facilitate everyone's planning process and make it more functional. It is cooperative venture and if there is any feeling that anyone is intervening, there is not intent to do so. The commission will still be appointed in the same process it has been since 1946, advisory on an appointed basis.

Mr. Russell McDonald presented some technical information as follows: Actually the way the original planning commission operates is contained within those sections of NRS278.110 on either side. In addition to the election of a chairman from the regional planning commission members, you'll see that it is proposed here to delete subsection 2 which gives the commission the initial power to employ experts, clerks and a secretary and to pay for their services and other expenses necessary to carry out its operation and an annual

appropriation made by the county or municipalities for the commission's operation out of available funds. So , really, what Mr. Allen has done in the past, or at least in the last five years, the planning commission has been created by the enactment of parallel ordinances by the two cities and Washoe County and it is composed of 12 members with equal representation from each subdivision. Once that membership is in existence, 278.110 begins to operate. We chose to allow the county, because of the broader tax base, to allow the county levy to be made and appropriations made then to the planning commission for its operation. That is the end, outside of possibly responding to outside, independent auditors, of the control, day by day control of the governing bodies of the planning commission and its staff. The ordinances brought this creature into being and the repeal of those ordinances could undo it. There are other provisions in the planning act, then that would place the planning responsibility in counties of this size back at the local government body and you then avoid the regional concept. Section 3 does two things, it says that subject to the approval of the governing bodies, the planning commission may go ahead and do these things, subject to the annual appropriation.

Chairman Murphy , after seeing there was no more testimony in favor of the bill, called for the opposition.

Mr. John McCamant, present chairman of the regional planning commission of Reno, Sparks and Washoe County brought with him Dick Allen, director, and other members of the commission and staff: Mr. Railton, representing the City of Reno, Mr. Sanchez, representing the city of Reno, Mrs. Lenz, representing Washoe County, Mr. Dale McKenzie, representing Reno and John Irwin of Sparks. McCamant represents Sparks on the commission. He told the committee that the regional planning commission has been in operation for some 30 years, operating as an independent advisory commission, controlled by Washoe County through budget and annual reports. To change the control of the regional planning commission itself and the hiring and the firing of employees would dilute it and the control that they now have. Regional planning commission sits independently away from the political process of our communities and sits as a kind of intermediary island between the citizen and the elected official. He opposed the change. He submitted Exhibits 1 and 2.

He continued: I think we should keep the independent, advisory capacity of the commission. The RPC holds budget meetings every year, goes to great ends to control that budget and to incorporate any expenditures that may take place in any year. It is voted on by the commission, and sent on to the county commission for their input. They approve that budget. They also receive an annual report from the regional planning commission as to our status. We are by law, forced or in the process of updating a master plan each five years, with the last legislature and new laws that were

passed, that five year planning process was extended quite extensively however that master plan will be coming out shortly and it will of course be amended every five years. All that control is controlled by these appointed members who serve with no pay on a regional planning commission and are put on every five years. I sat on the commission for five years, I was appointed to an unexpired term, and was reappointed. I feel that I must account to the citizens of my community and to the council that appointed me to that commission I feel that we do give the citizen an independent little island that we can come to us and speak to us on public hearings. Our public hearings are advisory; we do pass that on to the entity and the entity has the final word. I feel that if we take the power of the commission itself, to hire and fire staff, to control our own staff, if we put it into the political entities then we have eliminated that independent body which now sits to look at zoning changes and the planning changes of our community. I think the one time we take the power of the planning commission away, we have diluted the planning commission itself to a point where it no longer is an independent body.

Assemblyman May asked what weight do the Regional Planning Commission recommendations carry. He was told that they carry quite a bit of weight because the planning commission has occupied a position of respect in the community. Mr. Allen replied that the governing body would accept the recommendations about 95% of the time.

Mr. John MacIntyre, Washoe County Manager, showed the committee a chart of what A.B. 717 proposed to do.

Mr. MacIntyre explained that the difference is executive director vs. executive committee of regional planning committee making administrative changes in the staff.

Mr. Roland Oakes, representing the Associated General Contractors, told the committee that the present regional planning commission does an excellent job. They try to do a fair, objective job, and some of the criticism that is leveled at the regional planning commission might better be leveled at the governmental entities who might have changed some of the recommendations.

Mrs. Pam Wilcox, representing herself and the Lemon Valley Improvement Association, a homeowner's group, said that she agreed with Mr. Oakes completely and said the issue here is the present independence of the planning commission staff. At present the planning commission staff is hired and fired by the commission. The commission is composed of appointed laymen representing the three governing bodies. The issue here is then whether that staff should continue to operate independently or whether that staff should be directly under the control of the elected governing bodies. I know it's done many different

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ways in many different parts of the state but in Washoe County, we have a tradition which we cherish that that planning commission staff should be neutral, that anyone who comes in and needs help, advice, assistance, on land use planning matters can count on that, that those people, those experts will be there and will be neutral and that is the question here. I heartily oppose this bill. I would hate to see that staff politicized, which is what I think the final result would be. I urge you to kill this bill.

Assemblyman Bob Barengo told the committee that he was opposed to the bill because he felt it would hinder the independence of the regional planning commission and the regional planning commission has been an independent body doing a very good job and it has brought a certain amount of expertise and independence of thought to the area of planning.

Assemblyman Sue Wagner also wanted to go on record as being opposed to the bill. She said: I have had in the past an amount of experience in dealing with the RPC in a variety of activities and I would be extremely concerned if the RPC and its employees were structured in the way this bill proposes.

Elizabeth Lenz, member of the Regional Planning Commission and also a member of the Washoe County School Board told the committee: Since I am a member of both an elected and advisory commission I perhaps am in a unique position to see why the RPC has been effective. As a member of the school board, I receive advice from any number of subsidiary advisory groups. Usually they advise on very specific issues and, they are listened to, of course, but perhaps with not the same degree that the RPC is. I think the main difference is that the planning commission is regional in character and that is unique in our state. Secondly, it does hire and fire its own staff, It is accountable to the public, as was exhibited because the budget is approved because we represent people in different parts of the region and because we do fill a yearly report with the governing bodies, which is unusual for most advisory groups but I feel the advice the planning commission is able to give the various government entities has been of great value because we do control our own personnel.

Mrs. Debbie Sheltra, representing herself and the Virginia Foothills Property Association concurred with all those in opposition. She added that to her knowledge no public hearings have ever been held on this kind of consolidation concept in Washoe County.

Mr. MacIntyre said that there were at least six hearings that were conducted and that he never saw Mrs. Sheltra there.

Arleen Grimes, a homeowner, told that committee that the regional planning commission should be kept neutral and out of politics.

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There was no other testimony on A.B . 717.

ASSEMBLY BILL 721

Thelma Calhoun, Mayor Pro Temp of Carson City and Henry Etchemendy the Carson City City Manager, told the committee that because of a charter provision, Carson City can't have a City Comptroller. The charter has to be changed so as to delete the duties of comptroller from those listed as for the city clerk. They told the committee that audits have recommended that Carson City have a comptroller.

Assemblyman Mann raised some questions about the constitutionality of the act which were later cleared up.

In response to Assemblyman May, they said that this would not affect the current auditor.

Mr. John Bullis, CPA, told the committee that he had audited Carson City for the past 2 years and one recommendation made both years was to get one financial officer for the city instead of spreading the duties around.

COMMITTEE ACTION

A.B. 721- Mr. Jacobsen moved to DO PASS, seconded by Mrs. Westall, motion passed unanimously. Mr. Moody was not present at the time of the vote.

SENATE BILL 410

Robert Broadbent representing the Clark County Board of County Commissioners told the committee that the charter says that the chairman of the County Commissioners has to be the chairman of 3 other boards. They want to have some flexibility as to which member of the Board will serve in those capacities.

There was no opposition to the measure.

COMMITTEE ACTION

S.B. 410- Mr. Craddock moved to DO PASS, seconded by Mr. May, motion passed unanimously. Mr. Mann and Mr. Moody were not present at the time of the vote.

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ASSEMBLY BILL 680

Secretary of State William Swakhamer told the committee that the appropriation for this program to microfilm certain corporate documents had already been made. He said that they needed to do this to save space.

There was no opposition.

COMMITTEE ACTION

Mr. Jacobsen moved to DO PASS, seconded by Mr. May, passed unanimously. Mr. Moody was not present at the time of the vote.

ASSEMBLY BILL 683

Stanley Jones, Labor Commissioner, told the committee that problems are inherent with the ambiguity of the statutes. He said that if we are going to have a protective statute then the compliance officers should have the tools to mandate compliance.

Lauranna Roser, Compliance Investigator, told the committee that she can't get the name of the subcontractor presently. This creates a great deal of problems if the Labor Commissioner decides that the job needs to be audited or even if it comes to their attention that the subcontractor is not licensed. They need to know the subcontractor so they can check and see if fair wage rates, fringe benefits etc. are being paid.

Don Hill, Deputy Attorney General, explained some of the legal problems that occur when the Labor Commission is trying to enforce the present law.

Assemblyman Craddock commented that this was needed to get the "fly by night" contractors, the witnesses agreed.

Mr. Roland Oakes, Associated General Contractors told the committee that the bill was unnecessary.

Mr. Lou Paille, representing the AFL-CIO, spoke in support of the bill.

Mr. John Varne, representing the Brotherhood of Electrical Workers, told the committee that the bill was needed.

Walter Henderson, representing Laborers Local 169, told the committee that this bill could be a tool for the Labor Commissioner to do a better job.

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Mr. Paul Weise expressed his support for the bill.

Assemblyman Jeffrey commented that the person who knows he is not going to comply with fair wage and fair benefit laws has an advantage on bids.

Robert Broadbent, County Commissioners Association told the committee that this bill would be an undue burden.

ASSEMBLY JOINT RESOLUTION 53

Assemblyman Dean Rhoads showed the committee a map of the intersperced land pattern in northern Nevada that the federal government owned. He said that this intersperced land pattern has created land management problems and urge passage of the resolution which would urge Congress to transfer to the State of Nevada public lands in checkerboard ownership pattern along railroad right of way.

There was no opposition.

COMMITTEE ACTION

A.J.R.53 -

Mr. Mann moved to DO PASS, seconded by Mrs. Westall, motion passed unanimously. Mr. Moody was not present at the time of the vote.

ASSEMBLY BILL 654

Mrs. Westall told the committee that she was not the author of the bill, and that she had asked the members of the charter committee to be present to speak on the bill.

Senator Foote explained that the 1973 Legislature created a special charter committee in the City of Sparks and those members are present to clarify the recommendations of the committee.

Mr. Gerald Peterson, secretary of the charter committee called the committee's attention to page 2 lines 19-21, the part in italics. He said that this was added after the charter committee had submitted the changes that they had felt were appropriate and he suggested that the part in italics be deleted because they had had discussion on this point at length and collectively had felt that elected officials should know what the salary is for an office when they stand for election and it should remain the same during the time of their service and the same should be true for these offices of city attorney, city clerk and municipal judge.

Mr. Herbert Covington directed the committee's attention to page 9 section 9.070, subsection 2 regarding probationary periods. He said that he opposed this in that it is discriminatory against people who belong to an agreement organization. "It singles them out and I think this proposed 18 month probation is a flagrant violation of the fair employment standards. Much has been said about this, about apprenticeships and so on but all that is beside the point. The only thing I am opposed to is the year and a half in which an employee's service can be terminated by disapproving his record of employment. No explanation has to be offered and he has no recourse for a year and a half. This is a long step backward in employer relations. There would be no possible advantage for an employee on probation to join a bargaining organization." He urged the committee to delete the section in italics and let the charter provisions on this subject stand as they are presently.

Mr. Cliff Devine, Charter Committee member, in referring to the same subsection on page 9, said that this was discussed at some time and voted on at least twice. It was defeated and there must be a breakdown in communication between someone in city government and the members of the charter committee because the committee was under the impression that there was no opposition from the firemen or policemen, which are the main unions. He urged deletion of the new language.

Paul Luclaire, President of Local 1265 which represents firefighters, told the committee that he wanted to reaffirm their stand in opposition to the new language on page 9. He added that the language on line 2 of page 7 should be to enforce police and fire ordinances.

COMMITTEE ACTION

A.B.654-

Mr. Mann moved to AMEND AND DO PASS, seconded by Mrs. Westall, motion passed unanimously. Mr. Moody was not present for the vote.

The amendments were on page 2, delete the new language on lines 8 through 21; page 7 line 3 add and fire; page 9 lines 3-34 delete new language; page 1 line 17 change 25 to qualified elector.

A.C.R. 41- Mr. Jeffrey moved to DO PASS, seconded by Mr. May, passed unanimously. Mr. Moody was not present for the vote.

SENATE BILL 198

Senator Raggio, sponsor of the bill, passed out the Majority and Minority Reports of the Washoe County Airport Study Committee. He gave some history of the bill, and explained the Study Committee which was mandated by the last legislature. This bill, based upon the majority report of the study committee, establishes an authority which will have political boundaries coterminous with the County of Washoe. The authority substitutes for the governing body of the airport, any and all airports within the boundaries of the authority (Washoe County). It substitutes for the city council which now governs the airport. The authority will have appointed trustees. The Board of Trustees will consist of 7 members, 4 appointed by the Reno City Council, 2 will be appointed by the County Commissioners and one by the Sparks City Council. The airport of Reno will no longer be a provincial airport, airports have to stay current. The airport under the current management of the city council has not grown to meet the needs of the entire area. A broader base is needed not only for the governance but for the ultimate financial support of the airport.

The Majority and Minority Reports are attached as Exhibits 3 and 4.

Senator Margie Foote told the committee that she opposed the bill as a matter of principle. The testimony before the study committee was mostly opinion not fact. The City of Reno has not asked for help in running the airport. The Council is presently aware of the situation at the airport and are currently making the necessary changes themselves. She commented that you can't build any faster under an airport authority than you can with a City Council. The State should not impose upon the city what the city does not want. She concluded by saying that this bill is not the result of the minority or majority report.

Mr. Robert Heaney, member of the Airport Study committee, testified in favor of the bill. He referred to the Majority Report Recommendations. He cited many areas that have not been developed at the present area such as more favorable leases with concessionaires, etc. He said that an authority would take politics out of the management of the airport. He passed out a copy of a letter to Senator Raggio from Legislative Counsel, Frank Daykin. This is attached as Exhibit 5 which gives an interpretation of the requirements of section 21 of the bill. He concluded by saying that the Legislature does have the right to go over the wishes of the City of Reno as far as the best management of the airport because the airport reflects on the entire state and not just the City of Reno. Both local newspapers have come out in favor of the airport authority.

Mr. Bill Cottenger, Reno Chamber of Commerce, read a position statement from the Board of Directors which stated that they are in full agreement with the concept of an airport authority of a regional nature for the area of Reno-Sparks. The airport authority is the most practical approach to updating the facility and improving the airport services in quickest and most efficient manner.

Mr. Bruno Menecucci told the committee that they can't eliminate politics from the authority since the appointments are made by the council. He suggested that the members of the authority be elected and not appointed and that the bill be amended to include McCarran Airport in Las Vegas. He concluded by saying that all the problems are in the process of being solved by the present Reno City Council.

SENATE BILL 402

Mr. LaVerne D. Machacek testified in opposition to the bill. His statement is attached as Exhibit 6.

Mr. Jerry Machacek testified in opposition to the bill. His statement is attached as Exhibit 7.

Chairman Murphy announced that testimony on this bill and any others that were scheduled to be heard today would be held over until tomorrow.

COMMITTEE ACTION

SENATE BILL 40- Mr. Jeffrey moved for a DO PASS, seconded by Mr. May, motion passed unanimously. Mr. Moody was not present at the time of the vote.

ASSEMBLY BILL 717 - Mr. Craddock moved to INDEFINITELY POSTPONE, seconded by Mr. May. Motion passed unanimously. Mr. Moody was not present.

Chairman Murphy adjourned the meeting at 5:10pm as the Assembly was scheduled to go into session at 5:00pm.

Respectfully submitted,


Kim Morgan, Committee Secretary

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: 4/17

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
John B. Irwin 1220 F STREET SPARKS NEV. 358-7314	Member of Regional Planning Commission appointed from Sparks.	AB 717
Elizabeth Lenz 10550 Dryden Dr. Reno 89511 825-1285	Member of Regional Planning Comm. from Washoe Co.	AB 717
John McCamant 2780 COPPA WAY SPARKS 3581447	CHAIRMAN of REGIONAL PLANNING COM - from SPARKS	AB 717
DEAN D. RAILTON 1440 DARRY LN. RENO - 323-0587	MEMBER REGIONAL PLANNING COMM. - RENO -	AB 717
PAM WILCOX 350 OREGON LEMMON VALLEY 972-8494	LEMMON VALLEY IMPROVEMENT ASSOC	AB 717
Henry St. Kennedy	Carson City and Local Govt. Advisory Comm.	AB 721 AB 701
Dick Allen	Director Regional Planning Commission	AB 717
DALE McLENNAN	MEMBER REGIONAL PLANNING COMM. Reno	AB 717
GILBERT SANCHEZ	MEMBER REGIONAL PLANNING COMM. - Carson	AB 717
Joan Bedell	Regional Planning Staff	AB 717
BARBARA ALTHOUSE	REGIONAL PLANNING COMMISSION - STAFF	AB 717

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: 4/17

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
Tom Moore	Clark Co	
Thelma Colbran	Community	AB 729
Arlene Grimes	Self	AB 717
Dini Raggio	Sen - Wash Co 1	SB 198
Kelly Jackson	P.S.C.	AB 705
		1271

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: 4/17

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
Paul DuClereque	Sparks Firefighters	AB 654
JACK E. HULL	SELF	AJR 53
Bob Wright	Nevada Cattlemen ^{Assn.}	H.S.R. 53
		1272

MEMORANDUM

April 15, 1977

TO: Members of the Regional Planning Commission
FR: Richard J. Allen, Director of Planning
RE: A.B. 717

As per your request, the following comments are submitted regarding A.B. 717 relating to Regional Planning Commissions:

1. Practically speaking, the proposed statute amendment relates only to Washoe County, (Population more than 100,000, less than 200,000). As such it permits the Regional Planning Commission to continue to hire "experts, clerks and a secretary and to pay for their services". However, the proposed amendment would require that such hiring be subject to approval of the City Councils of Reno and Sparks and the Board of County Commissioners, as well as the Washoe Council of Governments. The proposal would also require that Commission employees be subject to the "supervision and direction of the coordinating director of the Council of Governments". Planning Commission employees would be considered employees of one of the Cities or the County, subject to all ordinances that govern such employees.
2. Proposed statute is apparently the result of some concerns which have been expressed re Commission "accountability". In terms of financial "accountability" Commission now presents annually a budget request to the Board of County Commissioners. Such budget request lists all salaries current and proposed, of

staff members and all anticipated expenditures for operations, capital acquisition, etc. Such budget, has, for the past two years, been presented also to the Council of Governments. Upon approval by the Board of Commissioners and the Council of Governments budget allocations are made quarterly to the Planning Commission. All expenditures are by check, and all issued checks are forwarded to the Board of County Commissioners monthly. As to community "accountability" Commission is made up of four appointed representatives from each local jurisdiction. Appointment of Commission members is the sole and total responsibility of each governing body, and apparently effort is made by each to provide a cross section representation. One has to believe that as much as is humanly possible, Commission recommendations are reflective of the Community. In any event, recommendations of the Commission are advisory, not final.

3. Commission members and segments of the community feel that the independence of the Commission is valuable. No Commission member feels that every recommendation made should be followed by the governing bodies; however, the value of a Planning Commission recommendation as an alternative view to any final decision cannot be discounted. To remove from the Commission purview the hiring, firing, and direction of its own staff is bound to remove the opportunity to provide a clearcut and independent alternative in the form of Commission recommendations.
4. Planning system: as set up in Washoe County and utilizing the Regional Planning Commission is a unique system designed to

centralize the planning process and eliminate fragmentation throughout the community. The difficulty of current local effort to consolidate police and other functions emphasizes the advantages which already exist with the planning function consolidates as a Regional Commission.

5. Current Washoe County planning systems with an appointed advisory Regional Planning Commission illustrates value of continuity in a planning effort. Overlaps in membership terms provides for carry thru of effort to provide a consistent program. The possible emphasis on just an elected official view of matters might narrow the potential of consideration.
6. The Planning Commission as it now exists is the ideal citizen participation mechanism. While it is advisory, members nevertheless have a sense of responsibility and obligation beyond that found in the typical citizens committee. Much of such a sense comes from the instance of a staff controlled and directed by the Commission.

What Is The Regional Planning Commission?

Function

The Regional Planning Commission of Reno, Sparks and Washoe County is a regional agency established through authority of State enabling legislation (NRS 278) in 1947 by the governing bodies of Reno, Sparks and Washoe County. The Commission is responsible for providing recommendations to these governing bodies on matters of physical development and the preparation and adoption of a comprehensive, long term general plan of development for the regional area. The Commission accomplishes these tasks through study and careful consideration, followed by recommendations as to possible courses of action available to the governing bodies. Figure 1 illustrates the physical planning framework as it exists in Washoe County.

Organization

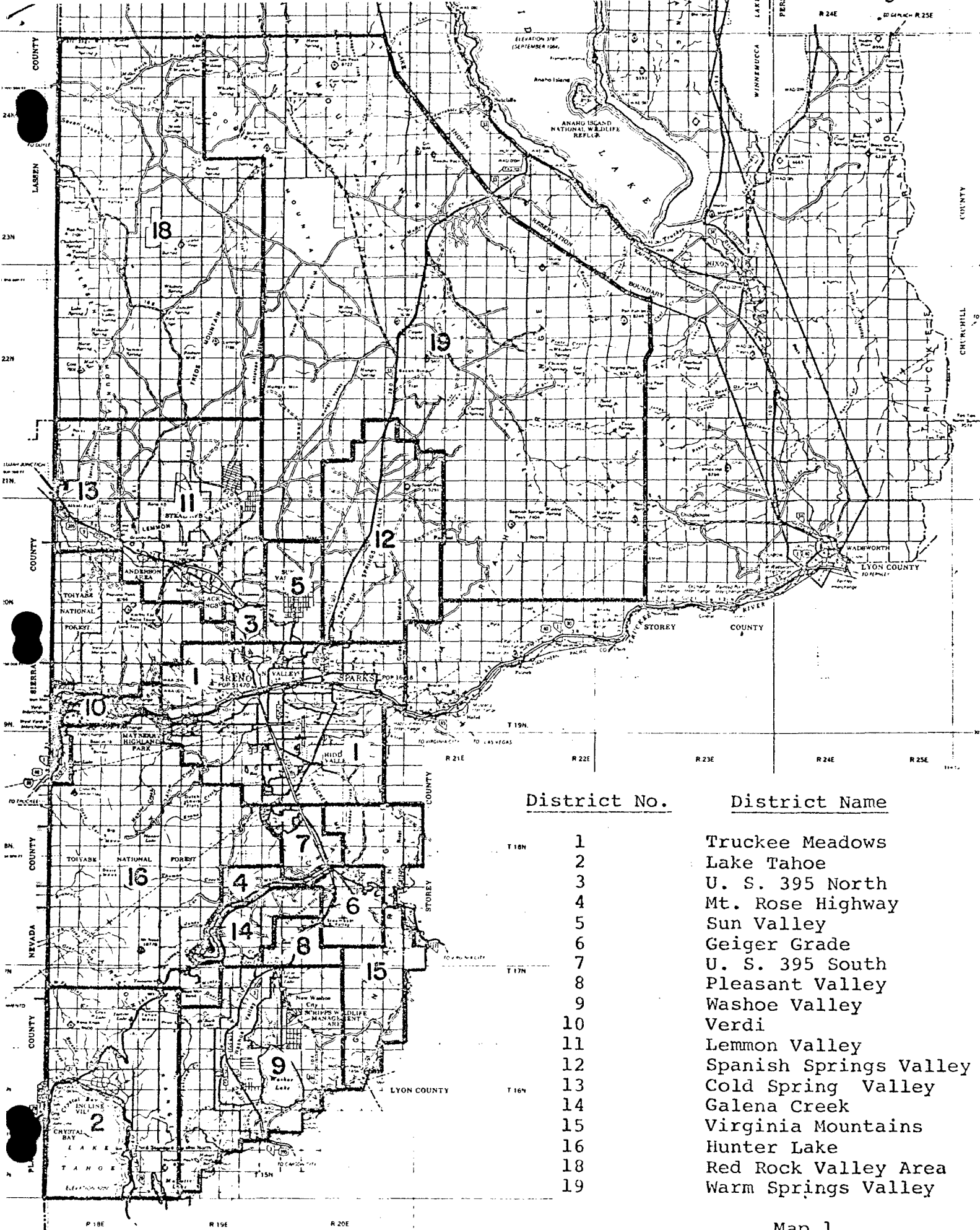
The Planning Commission is made up of lay people, four from each jurisdiction for a total of twelve, all appointed, all engaged in other endeavors in the community, and all serving without pay. Figures 2 and 3 list the elected officials and Planning Commissioners during Fiscal Year 1975-76 and as of March 1977. Figure 4 lists the Committees of the Commission during Fiscal Year 1975-76. Regular meetings are held twice a month, on the first and third Tuesdays. The first Tuesday meeting is concerned with matters of long range planning and subdivisions. The third Tuesday meeting is concerned with short range planning matters, such as Change of Land Use District applications, amendments to planning ordinances, and other administrative action.

The three governing bodies finance the work of the Commission through Washoe County by mutual agreement. A professional staff is maintained and broken into two divisions --Planning and Administration. The responsibilities and staff of the Planning and Administration Divisions are indicated on Figure 1.

Planning Area

The planning jurisdiction covers all of Washoe County, measuring 6,608 square miles and bordering on the California state line on the west and the Oregon state line on the north. Approximately 99 percent of Washoe County's population is located in the south one-third of the County.

The Commission is actively involved in physical planning programs which cover all of Washoe County. As can be expected, however, more intensive planning programs focus on the south one-third of the County. Twenty-one planning districts (including Reno and Sparks) have been delineated in this area, each having a general plan of development and a zoning plan. Figure 5 shows these planning areas.



District No.	District Name
1	Truckee Meadows
2	Lake Tahoe
3	U. S. 395 North
4	Mt. Rose Highway
5	Sun Valley
6	Geiger Grade
7	U. S. 395 South
8	Pleasant Valley
9	Washoe Valley
10	Verdi
11	Lemmon Valley
12	Spanish Springs Valley
13	Cold Spring Valley
14	Galena Creek
15	Virginia Mountains
16	Hunter Lake
18	Red Rock Valley Area
19	Warm Springs Valley

Map 1.

MAJORITY REPORT
OF THE
WASHOE COUNTY AIRPORT
STUDY COMMITTEE

- Randall V. Capurro
- Gerald G. Grow
- Robert E. Heaney
- E. T. Hermann
- William J. Raggio
- Robert F. Rusk
- Albert M. Wittenberg

Prepared and submitted October 27, 1976, pursuant to A.B. 498, Chapter 742, 1975 Nevada Statutes, for consideration by the 1977 Nevada Legislature.

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A. INTRODUCTION

The 58th Session of the Nevada Legislature, by passage of AB 498 introduced by the Washoe County Delegation, and enacted as Chapter 742, 1975 Nevada Statutes, created the Washoe County Airport Study Committee to conduct a study to determine whether a special governmental corporation, commonly referred to as an Airport Authority, should be formed to govern operation of the Reno International Airport in lieu of the City of Reno.

The Legislature expressly found 1) that the Reno Airport is now serving the inhabitants of a regional area and an ever-increasing number of tourists, 2) that the financial problems of the Airport have become more complex and 3) that the administrative machinery of the Airport should be more responsive to the community at large and Airport operators and users.

Specifically the Study Committee was directed to:

1. Conduct a study to determine:
 - a. Whether a special governmental corporation should be formed to provide adequate air services to Washoe County.
 - b. What measures, if any, should be taken to provide:
 - (1) Sufficient funding and to establish the administrative machinery necessary to insure adequate air service to Washoe County and the surrounding areas.
 - (2) Safe and convenient air travel and transport to and from the Reno area.
2. Report the results of each study to the 59th session of the Legislature, together with recommendations for any necessary and appropriate legislation.

The following report is submitted in accord with the vote taken at the September 29, 1976, meeting of the Washoe County Airport Study Committee whereby seven members, forming a majority of the Study Committee, voted in favor of recommending to the Legislature formation of a special corporation known as an Airport Authority to govern operation of the Reno International Airport.

It is the belief of the majority that the findings expressed herein are consistent with, and supported by, the evidence presented to the Study Committee during the course of its year of meetings and deliberations. A summary of the meetings is attached hereto as Appendix A.

The testimony of witnesses is summarized in the written minutes of monthly meetings, while other evidence in the form of survey and questionnaire materials sent to airports throughout the nation, legal opinions prepared by Legislative Counsel, and various written background materials furnished to the Committee by certain witnesses all form a part of the record which should be reviewed by the Legislature along with the Study Committee's report.

It is to be noted that Legislative Counsel expressly concluded in opinions dated May 18, 1976, and July 7, 1976, that the Legislature could authorize transfer of the Airport from the City of Reno to an Airport Authority without violating federal or state constitutional prohibitions against taking property without compensation and against local or special laws.

In reaching its findings, the majority considered criteria relating to: 1) Airport funding, 2) Airport management, and 3) Airport facilities and services. The latter was analyzed in light of local passenger and tourist use, industrial community use, and fixed base operator use. Paramount in the decision reached by the majority was the Legislature's expressed concern in A.B. 498 for making a recommendation which, in the majority's opinion, would best insure adequate air services to Washoe County and the surrounding area.

B. SUMMARY OF FINDINGS

1. Adequate funding of the Airport and its future financial health can best be insured by creation of an Airport Authority which has the following advantages over the present municipal operation of the Airport:
 - a. Support of a wider tax base for increased financial capacity, i.e., for backing of general obligation bonds necessary for needed Airport improvements and for backing revenue bond debt service, but only in the event that Airport revenues are not sufficient to meet Airport costs.

- b. Opportunity for development of greater expertise essential to profitable Airport administration in an area of increasing financial complexity and escalating costs.
 - c. Likelihood of the exercise of private enterprise incentives sufficient to promote affirmative action programs that will supplement regular Airport landing fee revenues by establishment of fully developed fixed base operator facilities and auxiliary Airport and terminal services so as to maximize aviation and user activity conducive to generation of nonflight Airport revenues.
 - d. More attractive marketing possibilities for revenue bonds, which should be the primary source of Airport financing, based upon increased opportunity for development of self-sustaining Airport revenues under an Airport Authority.
2. The mere fact that the present City Council has apparently solved the landing fee inadequacy is not in itself sufficient reason for concluding that the Airport should be operated by the City.
 3. Federal funds will be available to an Airport Authority on the same basis as they are now available to the City of Reno, and possibly, to a greater extent if any consideration is given to the enlarged area represented by an Authority.
 4. Adequate safeguards exist by means of the legislative process to structure the financial powers of an Airport Authority to insure fiscal responsibility and at the same time give the Authority the essential powers for necessary revenue generation, short of direct taxation.
 5. Revenue bonds appear to be the best device for financing needed Airport improvements backed by a provision in any negotiated landing fee contract with the airlines authorizing periodic adjustment of landing fees to meet debt service for said bonds at any time during the term of the existing contract. If, for any reason, sufficient revenues are not available, a "double-barrel" approach can be utilized whereby an Authority would be authorized to invade ad valorem taxes to the extent of meeting debt service.
 6. The establishment of an Airport Authority will not automatically result in increased cost to the taxpayer

because of duplication of personnel and equipment or additional bureaucracy by creation of an additional layer of government. An Authority may be empowered so it can utilize existing personnel and equipment of either the Cities of Reno or Sparks or Washoe County, or any combination thereof, on a contractual basis, payable by generated Airport revenues. Moreover, some economies might be achievable under an Airport Authority by a consolidation of resources which are not achievable under the present singular municipal operation.

7. Optimum Airport management can best be achieved under an Airport Authority for the following reasons:
 - a. Decisionmaking involved in the municipal operation of the Airport has been, and may be, subject to "local politics" and special interest concessions which have been, and may continue to be, adverse to public Airport user interest. An appointed Airport Authority, not obligated to any person or special interest, other than the Airport itself, would be free from undue political pressures or adverse influence associated with the Airport's operation in years past.
 - b. City Councilmen lack the necessary time in view of their increasingly heavy workloads and time commitments to adequately serve the needs of Reno's growth, and at the same time keep pace with the running of administrative machinery necessary to cope with the complex problems of modern Airport operation. Expertise for such administrative machinery can best be acquired and retained by virtue of an Airport Authority whose members may concentrate their available time, energies, and abilities to the task of overseeing Airport operations without the distractions commonly associated with service on the City Council. In other words, members of an Authority may truly become "specialists" in their assigned responsibilities.
 - c. Continuity of acquired expertise of members serving on an Airport Authority can be maintained by staggered appointments of individuals not subject to ouster by recurring elections.
 - d. Streamlining of the decisionmaking process is possible by a more direct chain of command whereby the Airport Authority deals directly with the Airport Manager and his staff. This avoids the cumbersome procedure whereby the Airport Manager must report to the City

Manager, who reports to the City Council, which consults with the Airport Advisory Commission, and thereafter, may follow, or not follow, the Commission's recommendations as to any particular matter. It is doubtful that such a procedure is conducive to an efficient Airport administration and operation.

8. Present Airport facilities and services at the Reno Airport are inadequate when compared to many other airports of comparable size, i.e., "medium hub" airports serving five hundred thousand to two million passengers per year. It is to be noted that this year, according to testimony by the Airport Manager, the Reno Airport is expected to handle over one million passengers.
9. Enhanced Airport facilities and services available to local and tourist passengers, the industrial community, and fixed based operators can best be achieved by an Airport Authority for the following reasons:
 - a. An Airport Authority, with members appointed by the Cities of Reno and Sparks and Washoe County, will be more representative of, and responsive to, the collective interest of the regional area which the Airport geographically serves. At present, the City Council, as governing body for the Airport, serves a multijurisdictional area far exceeding the political jurisdiction of the City of Reno. The governing body for the Airport should be closer in line with the scope of the regular service and user area, which takes in all of Washoe County, a large part of Northern Nevada, and parts of Northern California.
 - b. Improved terminal and auxiliary facilities such as baggage handling, passenger loading, and public transportation serving the Airport are more likely to be established under an Airport Authority which will develop greater expertise and financial capability so as to allow necessary expansion and improvements.
 - c. Airline scheduling and routing to and from the Airport are more likely to be improved under an Airport Authority, given the time and expertise to pursue these goals.
 - d. Charter flights, both departing and arriving, are more likely to be encouraged as an additional source of Airport flight revenues under an Authority.

- e. Air freight cargo shipment facilities and air freight carrier service are more likely to be developed and promoted for the benefit of local industrial community users, and as a source of additional Airport flight revenues under an Authority.
 - f. Fixed base operator facilities of all types, and serving both airlines and general aviation, are more likely to be encouraged under an Airport Authority as a means of generating nonflight revenues.
- 10. Safe and convenient air travel for passengers and transport cargo is more feasible under an Airport Authority which is better structured to develop the required expertise and stability to promote such goals.
 - 11. Any legislation proposed for formation of an Airport Authority should provide for appointment of members on a population proportionate basis among the Cities of Reno and Sparks and Washoe County, and further, should provide for appointment and removal of members by the affected local governments in order to retain appropriate local control over selection and retention of appointees. An alternative would be to provide that members of the Authority be elected, with one or two members running at large.

C. DISCUSSION

1. Airport Funding

a. History

The Reno Airport for the past twenty-three years, since acquisition of the Airport from United Airlines, has suffered the misfortune of being contractually bound to one of the lowest, if not the lowest, landing fees in the nation, 6 cents per thousand pounds of gross landing weight. As a result, for the past several years, the Airport's operation has been run in the red, and it has been necessary to supplement the Airport's operation with general City revenues. According to audit figures, the Airport lost approximately \$390,000 in 1974, and will show a daily loss of approximately \$1,500 per day for 1975. In 1974, total landing fees paid the City were approximately \$92,000 which compared to parking lot fees of \$96,000. During the twenty-three years of the

present twenty-five-year contract, Airport landing fee revenues have remained at the same low level, approximately \$80,000 to \$90,000 per year.

The deplorable landing fee situation at the Reno Airport is to be contrasted with the healthy situation in Clark County, where the Airport, having a 42-cent per thousand pound landing fee, showed a net profit of \$2,800,000 in 1974. Also, it is to be noted that, while the federal government took in \$2,000,000 for customs landing fees at the Reno International Airport during 1974, those same flights generated the City of Reno only \$2,000 in landing fees.

Although the City had the right to renegotiate the United Airlines contract when United Airlines was paid off many years ago, it failed to act and has been contractually bound to the ridiculously low 6-cent landing fee ever since. The twenty-five-year contract is due to expire in 1978, unless before then the airlines accept the current proposals by the City of Reno to increase landing fees retroactive to July 1, 1975.

b. Current Negotiations

It is the understanding of the Study Committee, based upon information supplied by the City of Reno, that the proposed new contract with the airlines will provide for a 27.9-cent per thousand pounds landing fee which will result in a \$1,000 per day increase in landing fee revenues. It has been further explained that the contract will provide for flexible adjustment, upward or downward, according to the amount of revenues needed for Airport capital improvements. It is understood that this contract is to run for eleven years, retroactive to July 1, 1975.

Testimony offered by the Reno City Manager, Mr. Oldland, indicated that the City deemed it prudent to act now to get out of the existing contract before expiration approximately two years from now, at which time the City would have the right to set the landing fee by City Ordinance, without negotiation. According to Mr. Oldland, the City believes it would be better to start receiving additional revenues now in order to meet needed terminal expansion and other Airport expenditures. Mr. Oldland also indicated that he thought a negotiated contract would provide

for better bond marketability by virtue of having a long-term contract which guarantees debt service in landing fee structures, rather than an annual ordinance which might not be as flexible. Moreover, Mr. Oldland mentioned that a landing fee ordinance could not be set capriciously for the reason that the same factors must be taken into account as are involved in setting fees in the course of a negotiated contract.

c. Role of Federal Government

The Federal Government has played a predominant role in the development of nonterminal facilities at the Reno International Airport. In fact, testimony from Lowell Bernard on November 19, 1975, whose firm conducted an independent and extensive audit of the Airport in January 1975, testified that the Federal Government's contributions to the Reno Airport through the Federal Aviation Administration during the period 1955 through 1974 approximated \$7,000,000. During the same period of time, the City of Reno's total expenditures were approximately \$5,000,000, including the original purchase of the Airport in 1953 for approximately \$1,000,000.

The Committee also heard testimony from Colonel Jack LaGrange, Commander of the Nevada Air National Guard based at the Reno Airport, who testified that, as a result of the Air Guard's presence at the Airport, approximately \$3,000,000 of additional federal funding has been received over the past years for development of improvements of general benefit to the Airport.

d. Tax Base

In addition to the independent revenues generated by the Airport, operation of the Reno Airport has been heavily dependent upon its support from the general revenues of the City of Reno which have been necessary to supplement Airport generated funds. It is apparent that, since the Airport serves a much greater local area than just the City of Reno, the residents and taxpayers of Washoe County should share in whatever general revenue costs are necessary for future Airport operation, assuming that a countywide Authority is established. It is also apparent that, by having a wider tax base, certain financial advantages in terms of general obligation bonding, if

necessary, and debt-service backing for revenue bonds, could be achieved.

e. Future Outlook

While the Reno Airport appears on the road to financial recovery, in view of the encouraging developments of the past year and one-half in negotiations undertaken by the City with the airlines, there is no assurance that the financial health and independence of the Reno Airport has thereby been guaranteed. Indeed, it is the opinion of the majority that the financial independence and stability of the Reno Airport can best be insured by an Airport Authority with ongoing financial and management expertise which an Airport Authority seems more likely to offer. There are those who, undoubtedly, will say that the present City operation of the Airport ought to be given a chance, in view of the improved situation. However, this consideration alone should not outweigh sound considerations which support an even better financial outlook if the Airport's operations are turned over to an Airport Authority.

2. Airport Management

a. Local Politics

It is apparent to the majority that decisions made affecting Airport operations, especially in the area of leased concessions, have often been subjected to "local politics" which is not always conducive to the public's interest in terms of optimum Airport facilities. Airport concessions should be bid on a truly competitive basis and awarded on the basis of the best service offered with the maximum return in generated Airport revenues as consideration for awarding such bids.

The advantages of removing local politics from Airport operation are borne out by the experience of those cities similar in size to Reno which have changed from city control to authority control. Without exception, the cities responding to the Legislative questionnaire (Cedar Rapids, Huntsville, Montgomery, Peoria, Savannah, Tampa, and Toledo), all cite the advantages of removing politics from the airport. They all indicate that airports run by authorities can be put on a business footing and pay their own way.

It is the opinion of the majority that an Airport Authority which is appointed or elected solely to serve the Airport, can better handle business aspects of Airport operation and thereby increase concession revenues and benefits to public users.

b. Specialization

The majority was very much impressed with the candid testimony of Mr. Joe Latimore, former Reno City Manager, who, at May 12, 1976, meeting of the Study Committee, outlined various reasons supportive of formation of an Airport Authority. Mr. Latimore testified that there is an increasing workload on the duties and time of elected city officials, and that they are now so busy that they are serving three to four nights per week. In addition, the functions of city government have expanded into many fields not previously contemplated. With this in mind, Mr. Latimore believed that it is time to look at the possibility of the creation of an Airport Authority, with its members having basic responsibility for Airport operation. Creation of an Authority does not guarantee that a better job will be done, but if created, the members serving thereon will be strictly concerned with operating the Airport, without having to divide their time or attention among other matters.

c. Facilitation of Decisionmaking

It was also Mr. Latimore's testimony that the present situation with the City Council and the Airport Advisory Commission has not worked out in the most desirable manner. The Airport Commission is charged to study problems relating to Airport operations and thereafter make recommendations and suggestions to the City Council for final approval. In doing so, Mr. Latimore commented that the City Council's ability to act when necessary has been slowed down. It is the majority's opinion that not only does this situation create a cumbersome procedure for necessary and prompt decisionmaking, it also creates a situation where the actual expertise insofar as studied knowledge of Airport problems and operations is entrusted to a body whose recommendations and suggestions may, or may not, be adopted by the City Council. It is more desirable, in the majority's opinion, that there be one body in the form of an Airport Authority with direct supervisory responsibility for Airport problems and oversight of Airport operations.

d. Continuity

It is the opinion of the majority that aside from the problem of the bad contract made with United Airlines concerning landing fees, many of the problems and inadequacies now facing the Airport could have been minimized by selection and retention of qualified governing personnel. Although, it is arguable as to how much of a factor the lack of continuity has been in the past, certainly there can be little argument with the general proposition that a complex Airport operation would be better run by a body of appointed individuals who could serve on a staggered basis for certain terms uninterrupted by recurring elections. As it is now, a Councilman who takes the time to become an "expert" in Airport matters, and does a good job in that capacity, may nevertheless be turned out of an office by an electorate which is not pleased with his performance in other areas of City government. Consequently, it would seem beneficial to have an Airport Authority whose members could acquire expertise and who could continue serving for as long as they are doing a good job, or for as long as their appointed or elected terms permit.

3. Airport Facilities and Services

a. Service Area

It is noted in the preliminary findings of the Legislature, as reflected in A.B. 498, that the Reno Airport is now serving the inhabitants of a large geographical area and ever-increasing number of tourists. In fact, the Airport not only serves all of Washoe County, but serves many communities in Northern Nevada and California for which there is no other Airport of comparable size in the near vicinity. Accordingly, it seems appropriate that the governing body for the Airport be more truly representative of the geographical and political areas served. An Airport Authority, with members appointed by the governing bodies of the Cities of Reno and Sparks and Washoe County would tend to have greater input from all local area citizens utilizing the Airport, and would tend to be more responsive to their needs.

In addition, it must be recognized that the Washoe County area is one of the fastest growing areas in

the nation, and that the demands placed upon the Airport and the needs commensurate with such growth, in terms not only of resident population, but tourist traffic as well, will have to be met by an increasingly competent Airport administration. The Airport Manager, Mr. Mandeville, testified that this year the Reno Airport will handle over one million passengers. Even at that, there was testimony from Mr. Judd Allen of the Reno Chamber of Commerce, that Reno is only receiving 4% of its tourists by air, as compared to some 35% of tourists arriving in Las Vegas by air. It is evident from this information that, with development of the new MGM Hotel, anticipated construction of a hotel by Hilton, anticipated development of the Disney project at Independence Lake near Truckee, and generally anticipated growth and development of other tourist resources in the Reno-Lake Tahoe Area, only "the tip of the iceberg" has been experienced by the Reno Airport in its current passenger operations. During the next ten years, tremendous progress at the Airport is going to have to be made in order to keep pace with Reno's growth and tourist economy.

It is the considered opinion of the majority that an Airport Authority is much better constituted to deal with the anticipated population growth and commensurate development of the Airport which will be necessary to handle service for such growth.

b. Facilities

The majority was very appreciative of the presentations made at the January 14, 1976, meeting by various members of the local business and industrial community whose spokesman, Mike Vernon, Vice President of Sea & Ski Corporation, indicated that the industrial community had conducted a thirty-member poll of local businessmen and manufacturers which revealed serious inadequacies in the facilities at the Reno Airport from the standpoint of those individuals who are most heavily dependent upon air travel and air service in their day-to-day business. Among other matters, Mr. Vernon listed the following:

- (1) Baggage delivery is the "sloppiest" and slowest of any airport in the country.
- (2) Passengers face long waiting lines for security, ticket counters and other services which takes

up valuable business time, both in arriving and departing from the Airport on a regular basis.

- (3) There is an outright lack of any air freight cargo service at the Reno Airport. Local businessmen and industrialists are forced to truck their products to San Francisco and airship their products from there if they wish to use air freight. Mr. Vernon testified that the airlines have placed the "burden of proof" on local industrial users to justify the need for air freight service. Although the industrial users have argued their case, the airlines have still not cooperated, nor has the City Council assisted the local business and industrial community by taking positive steps to help institute such service.
- (4) Inadequate air passenger service, in terms of flight scheduling, which, because of poor scheduling presently existing, often causes a businessman to lose an entire day where early morning flights are not available.
- (5) Inadequate public transportation service from the standpoint of the 25-cent taxi charge collected by taxi companies from all passengers before they can get out the Airport gate. Although seemingly a small matter, the taxi charge was repeatedly mentioned by not only Mr. Vernon, but many other witnesses who regularly use the Airport and rely upon taxicab service.

Taken together, Mr. Vernon indicated that the listed inadequacies give a very bad impression of Reno to arriving businessmen, as well as tourists, and this should not be the case in a community which is trying to promote both business and tourism. In conclusion, Mr. Vernon testified that, in his opinion, while he could not say with any great degree of assurance that an Airport Authority could solve all the problems of the Airport, he did feel that an Authority might be more responsive to the problems outlined in terms of greater attention to Airport needs and a more professional approach to the Airport's operation.

In addition to Mr. Vernon, the Committee heard from a number of other witnesses at the January 14, 1976,

meeting who generally supported the idea that, whatever form of government is ultimately chosen to run the Airport, the Airport should have an "affirmative action" program to actively promote better passenger and freight services. In regard to the latter, it was estimated that the airlines are loosing approximately \$5,000,000 a year in revenues by not providing this service now to the local business and industrial community. Obviously, if this estimate is accurate, the Airport itself is losing a great deal of revenue from additional landing fees and other charges connected with establishment of such services.

In the opinion of the majority, development of a first class Airport to serve the Washoe County area is an essential ingredient to growth and prosperity of the local economy. Business and tourist passengers alike are heavily influenced by the first impression they receive in terms of facilities and services greeting them upon arrival at the Reno International Airport. The Airport should be a showcase of both its facilities and services, and it is the majority's opinion that such a goal can be best achieved by the formation of an Airport Authority to govern Airport operations in the future.

c. Charter Flights

Testimony was received by the Committee indicating that the Reno Airport is probably loosing a significant amount of business- and flight-generated revenues associated with charter flights. Apparently, the City has done little to encourage such flights, despite their increasing popularity among the traveling public. The majority is of the opinion that an Airport Authority would be more likely to actively solicit development of charter flights and thereby generate additional landing fee revenues for self-sustaining Airport operation.

d. Fixed Base Operators

Testimony was heard by the Committee indicative that facilities for and location of fixed base operators were not as good as they might be. Moreover, there was testimony indicating that perhaps the City is not getting the benefits it should in terms of revenues

from such operators. It is the opinion of the majority that the facilities for, and the location of, fixed base operators is an important integral part of overall Airport operations. General aviation facilities, especially, should be improved by construction of additional hanger space for leasing purposes. In addition, consideration should be given to locating general aviation facilities and air freight facilities on the east side of the Airport. The majority believes that an Airport Authority could best carry out objectives compatible with optimum development of fixed base operator facilities and services at the Reno Airport.

e. Safety

The most valuable testimony which the Committee heard in regard to safety was that offered by Colonel LaGrange, Commander of the Nevada Air National Guard. At the meeting of April 14, 1976, Colonel LaGrange outlined the following suggestions for improvement of safety at the Reno Airport:

- (1) Avigation easements for the north-south runway (suggested as far back as 1954).
- (2) A ground control radar system (Reno now only has an instrument landing system).
- (3) Construction of an additional north-south runway for general aviation to be located east of the present runway. The "dual operation" concept would benefit not only commercial air traffic, but general aviation as well from the standpoint of runway congestion and safety.

The majority is of the opinion that completion of the foregoing safety improvements is long overdue, and that an Airport Authority would have been more likely to have completed such improvements in the past, and will be more likely to complete such improvements in the future.

f. Future Outlook

At the February 11, 1976, meeting of the Study Committee, Airport Manager Bob Mandeville testified that the Airport will require a minimum of over \$20,000,000 over the next ten years for needed

Airport improvements. The City apparently has planned to undertake these improvements in three phases, the first involving terminal expansion, to begin immediately. Mr. Mandeville indicated while the federal government will provide up to 93.5% funding for runways, lighting, taxiways, navigational aids, and certain other improvements, the federal government will only pay up to 50% for terminal improvements, restricted to public access portions. He indicated that, with the changes brought about by the contract negotiations with the airlines, the Airport should be able to pay for itself in the years ahead. He further indicated that the local governments in Washoe County were now at the \$5 constitutional tax limit and that his estimate would be that an Authority would take an additional 50 cents to operate. In looking toward the future, Mr. Mandeville made an interesting comparison between Reno and Shreveport, Louisiana, the former Airport which he managed, indicating that Reno now has only four passenger gates, with no second level loading, whereas Shreveport has fourteen gates and second level loading, although it only serves half the number of passengers, approximately 400,000, that Reno serves.

D. CONCLUSION

In conclusion, it is the opinion of the majority that, while the City of Reno has made significant improvement over the past year and one-half with regard to putting the Airport in the black and hiring new management personnel to look after the Airport's administration, the improvements made do not necessarily insure continued long-range operation of the Airport in the overall best interest of the public sufficient to meet the optimum user demands of a regional facility serving an ever-increasing number of local residents, tourists, and a dynamic business community. The majority is of the opinion that future demands and growth associated with the Airport can best be met by an Airport Authority that can specialize in handling complex problems of Airport operations.

It is the considered judgment of the majority that any disadvantages associated with the formation of an Airport Authority are far outweighed by the advantages in establishing such an Authority. The often-cited, and possible major disadvantage of an Airport Authority, is the supposed lack of public accountability of an Authority to the taxpayers. Any objection in this regard, however, would be eliminated by the

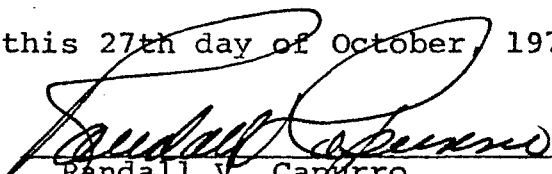
recommendation made by the majority that the Airport Authority members be appointed and subject to removal by the affected local governmental entities. Moreover, any such objection would certainly be eliminated if, in the alternative, it was provided that Authority members be elected.

The majority believes that the case for an Airport Authority is very aptly summarized in the editorial appearing in the Reno Evening Gazette on April 7, 1975, wherein it was stated, in response to the many possible objections which might be raised on transferring the Airport from the City to an Airport Authority, as follows:


The important issue here is not reimbursement, or the wounded vanity of the City, the important issue is the future of the Airport. That future would best be handled by an independent, nonpolitical authority.

It is the recommendation of the majority that the Legislative Counsel Bureau be directed to prepare legislation consistent with the findings, discussion, and conclusion contained herein, and that such legislation be adopted by the 1977 Legislature as being in the best interest of the people of Washoe County insofar as providing the most effective administrative machinery to insure adequate air service to Washoe County and the surrounding area in the years ahead.

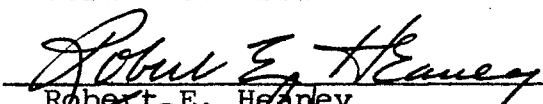
Respectfully submitted this 27th day of October, 1976.



Randall V. Capurro



Gerald G. Grow



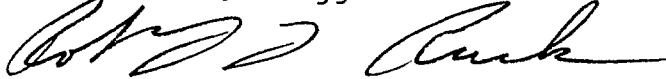
Robert E. Heaney



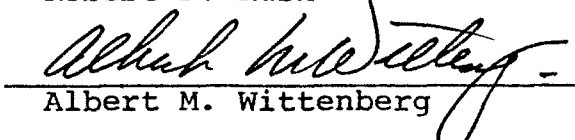
E. T. Hermann



William J. Raggio



Robert F. Rusk



Albert M. Wittenberg

SUMMARY OF MEETINGS

<u>Dates</u>	<u>Purpose</u>
9/24/75	Review goals and objectives of Committee as directed by AB 498, 1975 Nevada Statutes.
10/22/75	Testimony from members of Airport Advisory Committee.
11/19/76	Testimony from Lowell Bernard (audit report of Reno Airport, 1975) and Russ McDonald (finances and bonding procedure).
1/14/76	Testimony from business and industrial users.
2/11/76	Testimony from Steve Gomes of Airways Engineering Corp. (pros and cons of Airport Authorities) and Robert Mandeville, Airport Manager (current and projected operations).
3/10/76	Committee discussion of questionnaire survey conducted by Legislative Counsel Bureau.
4/14/76	Testimony from Colonel Jack LaGrange (Nevada Air National Guard), various fixed base operators and Reno City Manager, Robert Oldland.
5/12/76	Informal Committee discussion with community leaders.
5/28/76	One-day tour of airports at Albuquerque, Phoenix, Seattle-Tacoma and Boise.
6/16/76	Committee discussion of format for report, current developments in contract negotiations between City and airlines, agreement to begin formulation of opinions.
7/14/76	Committee discussion regarding current contract negotiations, direction of Committee, agreement for Committee members to prepare written outline of opinions as to why or why not Committee should recommend an Airport Authority to Legislature.
9/29/76	Committee discussion on question whether to recommend an Authority, vote of Committee.
10/27/76	Submission of majority and minority reports.

APPENDIX A

file

WASHOE COUNTY AIRPORT STUDY COMMITTEE

Minority Report

October 27, 1976

C. B. ...
 J. S. ...
 R. E. ...
 D. L. ...
 W. M. ...
 H. K. ...
 T. J. ...
 G. P. ...
 M. A. ...
 S. W. ...
 J. R. ...
 K. D. ...
 L. G. ...
 F. N. ...
 B. H. ...
 A. C. ...
 V. L. ...
 P. M. ...
 R. T. ...
 Q. U. ...
 S. V. ...
 T. W. ...
 U. X. ...
 V. Y. ...
 W. Z. ...
 X. A. ...
 Y. B. ...
 Z. C. ...

An Airport Authority, a special governmental corporation should not be formed to operate Reno International and Reno/Stead Airports in Washoe County. This is the finding of a minority of six of the thirteen member Washoe County Airport Study Committee.

The task given to the Washoe County Airport Study Committee is found in Section Five, Assembly Bill #498 as follows:

Section Five. The Committee shall:

1. Conduct a study to determine:
 - (a) Whether a special governmental corporation should be formed to provide adequate air services to Washoe County.
 - (b) What measures, if any, should be taken to provide:
 - (1) Sufficient funding, and to establish the administrative machinery necessary to insure adequate air service to Washoe County and the surrounding areas.
 - (2) Safe and convenient air travel and transport to and from the Reno area.
2. Report the results of such study to the 59th session of the Legislature, together with recommendations for any necessary and appropriate legislation.

Thirteen meetings were held, beginning September 24, 1975, over the following fourteen months. Meetings dates and locations were well publicized on T.V. and in the press, with a press release or press coverage following each meeting, in an effort to encourage public involvement and comment. Despite such publicity, attendance by members of the general public was lacking. The Committee specifically invited representatives of fixed base operators, National Guard, Chamber of Commerce, the gaming industry, warehousing and manufacturing (interested in air freight service), former City Manager Joe Latimore, the Reno City Manager and the Reno Airport Director.

It is a point of interest to note that although every means was used to attract involvement of the Airport users and the local citizens discussing possibility of an Airport Authority, there was an evident lack of interest in the proposal on the part of the general public.

At no time did the Committee seek the opinions from the City Councils of Reno and Sparks or the Commission members from Washoe County with regard to the pros and cons of an Airport Authority. Without exception airport authorities have been developed by two or more cooperating entities in order to resolve a burdensome or inequitable or malfunctioning operation.

In determining whether a special governmental corporation should be formed to provide adequate air services to Washoe County, it is necessary to establish a set of criteria which either tend to favor or oppose formation of an Airport Authority to operate the two Reno airports. It has been pointed out in testimony before the Washoe County Airport Study Committee, that there are advantages and disadvantages to either of these operational structures.

AIRPORT AUTHORITIES

ADVANTAGES:

- are created to overcome debt limits of municipal-jurisdiction in selling revenue and general obligation bonds
- often possess more freedom of action than is granted to city airport administrators
- provide greater continuity of policy if or when partisan politics of a city cause disruptive turnover of airport management
- are useful in administering an airport which serves a multi-jurisdictional area, resolving the conflict of jurisdictional problems
- can operate more like a business, exploiting profit possibilities in ways cities usually do not

DISADVANTAGES:

- have no direct responsibility to local government and may be beyond effective public control (usually the members are appointed by the Governor)
- pose the risk of placing broad powers in hands of a few; if mismanagement occurs, generally members can only be removed on grounds of malfeasance, not honest incompetence, in a long legal or legislative procedure.
- represents a decentralization of government, necessarily replicating police, fire, legal, housekeeping, fiscal functions, etc. which exist in a city government
- cannot set landing fees by ordinance (which municipalities can do) in the event agreements with airlines cannot be reached.

An Airport Authority could not be expected to have taxing powers, because one of the reasons for proposing such a governmental structure should be to relieve the taxpayers of the fiscal burden of the Reno airport, to put it on a paying basis. An Airport Authority would necessarily assume a refinance of the City of Reno's general obligation bonds for the airport function.

If an Airport Authority were formed, it would be legally bound to assume contracts and agreements now binding on the City of Reno.

Such an Airport Authority would necessarily take over the very difficult task of land acquisition and population relocation of those designated (Airport Master Plan) "take" areas adjacent to Reno International Airport. This type of Federal program is complex and very lengthy.

In the past two years since the introduction of the Airport Authority legislation in the 1975 session of the state Legislature, a number of improvements and developments have occurred.

Landing Fee Agreement - Scheduled Carriers

The City Council recently adopted new landing fee agreements between the City of Reno and the three carriers serving Reno International Airport. The agreements are currently being executed by the respective airlines and the last of the signed documents is expected to arrive back in the near future.

The new landing fee agreements represent an entirely different approach from the old agreement in the manner in which landing fees are established. Of major importance is the fact that the new rates are adjusted annually in accordance with actual airport expense, rather than a fixed rate for 25 years. As a result, the landing fee rate will be increased from 6½¢ per one thousand pounds to 27.9¢ per one thousand pounds, and is retroactive to July 1, 1975. The City will receive the reimbursement of \$294,910.99. In other words, for the period July 1, 1975 to June 30, 1976 Airport revenues will be increased approximately \$295,000 from just the landing fee rate source.

Landing Fee - Chartered And Non-Scheduled Carriers

At the request of airport manager and on the recommendation of the Airports Advisory Commission, in the spring of 1976 the Reno City Council adopted a new City Ordinance which established landing fees for all commercial carriers, other than the scheduled carriers that have written agreements with the City, which operate aircraft exceeding 12,500 M.G.L.W. As a result of the new landing fee ordinance more than \$5,000 per year income is anticipated for the period 1976-77. Heretofore, fees for charters for supplemental carriers have never been established.

Airport Accountant Position

In response to an administration recommendation, the Reno City Council established a new position at the Airport titled, Airport Accountant. The position was filled in March of 1976. As a result of the new position the Department of Airports is now able to conduct financial audits of airport tenants. It is anticipated that airport tenants will be audited at least once each year. During the first seven months of this position, audits revealed more than \$100,000 back due and owing rentals.

The Airport Accountant position is no doubt one of the most important positions at the airport because it provides the Department of Airports with the ability to perform reoccurring audits on a timely basis in order to prevent misunderstanding or errors that might occur in the system.

Airport Month-To-Month Leases

In response to a new policy established by the Reno City Council the Department of Airports no longer enters into month-to-month agreements with airport tenants. The staff is in the process of converting existing month-to-month leases into longer terms. In this process, several month-to-month agreements have been converted to one to three year agreements with respective upward adjustments of rental rates.

Safe Air Travel

The City of Reno's new crash/fire/rescue station is rated one of the best in the nation and contains the latest innovations for airport safety, including \$300,000 of rolling stock equipment. This facility meets major airport specifications, found in large hub airports.

Reno International has a fine air carrier safety record, an accomplishment sometimes too lightly regarded. Mr. John Sodek, Airport Certification Inspector from FAA district office in San Francisco, stated that since spring of 1974, the Reno airport has upgraded its facilities, equipment, and training to the extent that it rated "right along with the top airports in the country." During his last visit to Reno in August of 1976 he found "nothing to fault the Reno operation."

The Federal Aviation Administration is expending \$200,000 to construct a new Airport Surveillance Radar System to replace the existing surveillance radar system at Reno International. The ASR-8 facility will provide the same basic function as is now provided by the ASR-3, except that it will consist of a more modern, updated equipment detecting aircraft to a range of 60 nautical miles and 40,000 feet. The ASR-8 system is the finest of its kind.

\$180,000 Master Plan

The City of Reno funded one third of the cost of the \$180,000 Master Plan developed by Arnold Thompson & Associates, Inc. which was completed in April of 1976. The plan delineates necessary steps to be taken in order to accommodate the increase of approximately 1.1 million total passengers in 1974 to 4.8 million by 1995 through the Reno airport system. The first stage of terminal expansion is scheduled for 1977 and 1978. As of this date interviews have just been completed with airport consultants in the process of selecting a consulting firm to carry out the terminal expansion program. Twenty-four capital projects in addition to the terminal expansion include land acquisition, taxiway development, runway overlays, automobile parking development, T hanger development, etc.

Reno Airport Land Acquisition Project

Based upon the recommendations contained in the Master Plan the City of Reno has completed an Environmental Impact Report on the land acquisition project to the south of the airport. The land acquisition area has been delineated and an agreement with the Federal Aviation Administration has been signed by the City of Reno, which initiates the complicated procedure for land acquisition and relocation of 24 area residents at an estimated cost of 1.4 million dollars.

Enterprise Fund Accounting System

The City of Reno converted the accounting system from a revenue fund basis to an Enterprise Fund basis for Reno International and Reno/Stead Airports. The Enterprise Fund established an "accounts

receivable" for the aforementioned \$294,901.99 due from airlines for landing fees (per agreement during airline negotiations recently completed).

The City of Reno is making maximum use of Federal financing assistance through the Airport Development Aid Program (ADAP). The City Council recently applied for, and received a grant totaling more than 1.3 million, which will allow the first phase land acquisition project to be implemented. The City Council has resolved that future grant applications will be an on-going policy.

Airport Noise Suit

The City of Reno is currently under law suit brought by 27 property owners in the Home Gardens area south of Reno International Airport. Any airport owner/operator is subject to such suits whether it be county, city, Airport Authority or whatever. According to the proposed airline agreement which is soon to be finalized, the cost of such law suits would be built into the airline's landing fees.

The City of Reno has representatives which sit on the Joint Airport Zoning Board. Board membership includes elected officials from Reno, Sparks, and Washoe County and is shared by a non-elected official representing neutrality and the public. The Joint Airport Zoning Board is working to reduce conflicting land uses within the airport influence area. It has the power to adopt, administer and enforce airport zoning regulations.

Testimony Received By Committee

Critical comments and suggestions received by the Committee did not relate to whether or not an Airport Authority structure could have or would in the future resolve objections any better than the City operation of the airport. Most of the criticism centered around the airport terminal:

- 1) Airport terminal crowded and poorly layed out, partly caused by the need to accomodate Security Check requirements in recent years.
- 2) Inefficient baggage handling facilities.
- 3) Food service area too small.
- 4) Inadequate space for lines at the ticket counters.
- 5) Air freight.

Of major concern was the fact that the airport has been losing money due to low landing fees contained in a 25 year contract and that Reno taxpayers have been supplying the deficit funds on the airport function. With the final signing of the new airline contracts these problems will be resolved.

Another important area of criticism were complaints of inadequate air service to the Reno area and a lack on the part of the City to engage in promotion of the Airport. Promoting more and better air service into any city is an on-going task that must be pursued with vigor. The City of Reno has increased its efforts of that promotion. Attached to this report you will find resolutions indicating some of Reno's past efforts in this direction.

The City administration readily recognizes the need for terminal expansion and improvement, and is eager to get started on this project. Knowing the importance of first and last impressions, the City of Reno is intent on remaking Reno International into a first class airport facility, one that people find pleasurable coming into and departing from.

We the undersigned believe that there is not sufficient evidence to justify the development of an Airport Authority for Reno International and Reno-Stead Airports.

Clyde Biglieri

Ronald B. Darney

Margie Foote, Senator

Elwin Freemonth

Edwin F. Hastings

Pat Hardy Lewis
Pat Hardy Lewis

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April 15, 1977

Senator William J. Raggio
Senate Chamber
Legislative Building
Carson City, Nevada 89710

Dear Senator Raggio:

You have requested an interpretation of the requirements of section 21 of Senate Bill No. 198, which creates the Washoe County Airport Authority. That section requires the submission to the general obligation bond commission (in accordance with NRS 350.001 to 350.006, inclusive) and to the registered voters (in accordance with NRS 350.020 to 350.070, inclusive) of Washoe County of any proposed bond issue or other indebtedness exceeding \$5,000. I believe the words "other indebtedness" occurring on line 12 of page 7 must be read in conjunction with the reference to bonds to mean debt evidenced by written instrument, as opposed to purchases on open account or an improvement contract to be paid for as completed. It is broader than "bond," however, in that it would include, for example, a lease-purchase agreement. The corresponding provision of the Municipal Airports Act, NRS 496.150, enacted in 1947, refers only to bonds of various kinds; this provision would embrace modern alternative methods of financing.

Very truly yours,

Frank W. Daykin
Frank W. Daykin
Legislative Counsel

FWD:jll

My name is LaVerne D. Machacek, and my wife is Eunice M. Machacek. We both opened up a Desert Land Entry in Diamond Valley in 1960 and have lived here on our land ever since February of 1961.

I have been on the Board of Directors for Mt. Wheeler Power Co. Inc. since 1968. I have also served on the Eureka Soil Conservation Committee for nine years and on the A.S.C.S. committee for nine years.

I am here to represent Machacek Farms.

The reason for my attending these Committee Hearings is to try and prevent Senate Bill No: S.B. 402, on the States Water Rights from being passed. I would also like the Governor to veto it in case the Senate and the House both pass it.

I am one of the original Homesteaders in Diamond Valley, and if this bill is passed, it will greatly jeopardize my water rights that I now have.

The law now states that if you don't use your water for five years that you forfeit your rights to that water. This law has worked for so many years to protect the peoples water rights that I don't feel it should be changed at all.

If everytime someone gets the law changed to suit their own gripes than we may as well all sell our land bec ause we won't have any secure water rights anymore. Even our priority numbers won't mean anything.

I don't feel that the petition that was presented from Diamond Valley was a proper one, as a lot of the people that signed it are fairly recent residents of the valley who are trying to open up the ground with dlinquent water rights on them. Some of them that signed the petition aren't even land owners at all, but just hired men or renters who had no right to sign a petition like that.

Most of the land under these delinquent water rights has never been farmed at all. The people who originally got the Desert Entries just put in a very sparse crop of grain on them back in the early 1960's, ran their sprinklers across them and ha rvested a little bit just so they got their beneficial use and their water permits, and the ground has been laying dormant ever since, while the absentee landowner waited for the rest of us people who lived here to develop our farms so they could sell theirs for a big profit.

Now comes the fight over the water rights, and right away they want the law changed so they c an keep their water rights and sell to make their profit.

When we filed for our water rights in the valley back in 1960, we were assured that the Water rights in the state were being very carefully protected by the States Water Laws, and I feel that we should still be afforded that same protection.

Some of the people who signed the petition aren't even paying their taxes as shown on the delinquent tax list.

I feel that the Senate was badly misinformed on the situation here in Diamond Valley, and this seems to be where most of the pressure came from to have the water law changed. Senator Glaser should certainly have checked into these situation more carefully before presenting such a bill before the Senate.

I had a very long talk with Mr. Elwyn Trigerro from the Federal Land Bank in Reno, on the matter of why they were endorsing this bill S.B. 402. He informed me that I should let it be known that the Federal Land Bank did not endorse this bill, as was stated in the papers, but that they were merely trying to protect their loans on some of the land in some of the other valleys where the water hadn't been used for five consecutive years back in the 1930's or so.

As for the Eureka Soil Conservation being represented, again this representation was made by only a few of the people who are on the Soil Conservation Committee at this time, that have some water rights in question. The rest of the soil conservation members have not been contacted on this because a lot of their feelings would be the same as mine on this matter.

I would also have been present at the Senate Hearings, but I was called to Idaho due to my Folk's illness.

Before you let this bill go through the House, please get more information on everyones situation on the matter, and take into consideration the protection of all the old water rights in the state, especially through these drought years.

Now is not the time to be changing these water laws, when our water is so precious to those of us who have complied fully with the laws up to now.

I don't feel that it is right to change the State Water laws for the few people who have not obeyed them up to now.

I have just spent over \$11000.00 on deepening one of my wells again here in Diamond Valley to try and keep up with the lowering water table, and now the Senate wants to change the water laws and let all these other wells be started up in the valley, which will cause all of us here with the high priority numbers to have to keep putting out more money all the time to keep up with the lowering water table, and at the same time have no insurance at all of our high priority numbers.

Before you people vote on this, please take all of the preceding facts into consideration.

We all know there are too many of the old workable laws in this country put aside for new ones, just to satisfy a few peoples gripes and we beg you to please protect our states fine Water Laws, or the State of Nevada will have more problems in the future than can possibly be anticipated at this time.

The next step these people will take, if this law is passed, is to have the State Engineer ousted out of office if they don't like the decisions he makes, and then we would really have a total disaster.

To further state my position on the part of the absentee landlords making a lot of money off of the rest of us now, the United Farm Agency told us that everytime they want to make a sale in Diamond Valley, they bring them past our place and show them what can be done with the land.

We didn't get our farm to be a showplace of the valley by always running around with petitions to be signed for our own gripes. We did it by the family pulling together and doing all our own work, and abiding by all the laws of the state and the B.L.M.

My wife and I want to thank all of you for letting us be heard and sincerely hope that you will think on these things that we have presented here, since we feel that the Senate had only one side of the issue.

We have been here ever since Diamond Valley opened up to homesteading and have seen the whole development of it, and we are very proud of what we have done, so this is why we would like to have our water rights protected by the laws as they now read.

Signed,

Laverne D. Muehbach
 Laverne D. Muehbach

To the Members of this Committee:

My name is Jerry L. Machacek. My wife, Trina, and I live on and farm 900 acres in Diamond Valley. We own 300 acres and lease the additional 600 acres from my parents.

I have lived, with the exception of 3 years for college, in Diamond Valley since the Summer of 1960 when I helped clear the brush on my folk's property there.

I am here today to ask you to please vote against S.B. 402, and to leave the water laws about the 5 year forfeiture just as they are.

About 4 years ago I sold an Idaho farm and invested in my 300 acres in Diamond Valley. One of the reasons why I decided to buy farm land in Nevada was because this state had such iron-clad, black and white laws governing the water rights, and I thought we would always be protected. When I purchased the above mentioned farm in Diamond Valley, I applied to the State Water Office for two well permits. I felt I had a good chance of obtaining the permits on this land as it was the first piece of patented farm ground granted in Diamond Valley, being done so in 1935. As it turned out I was turned down on those two permits on Dec. 22, 1975. The grounds for denial were that all the well permits had been let out South of T. 22N. that were going to be let out to insure a substantial water table. So here I sat, ready to farm and could get no water permits. At the same time there were, and still are farms all over this valley that were

owned by absentee landowners. These landowners hadn't used their water permits at all or had not had their permits taken away under the 5 year forfeiture law. It is unconceivable to me how new farmers can come in now and use these "invalid" water permits on the farms that were vacant when I applied for my permits 3 years ago. And now these new people want to change the state water laws to make it "OKAY" at the discretion of the State Water Engineer.

Now some of those properties have sold to new farmers, who for the most part were aware they were buying land with water permits that could be taken away. These farms were sold at large profits since those of us who have worked this land have brought up the land values here. I feel that the wells that have not been used for a 5 year period should have been and should by all means be shut off now, so that some new permits could be issued to those of us who have lived here all this time waiting - for the permits.

As the water laws of the state are written now, it is a clear-cut decision that these misused permits should be shut off. Please don't let a few new people come into our state and change the laws that we've worked so hard to live by and protect all these years.

At this time I would also like to bring to the committee's attention that most of these people who petitioned the Senate and lobbied for passage of S.B. 402 are either not land owners here or are the class of people that don't even pay their taxes on their farms in Diamond Valley. These are also the type of

farmers that we have had to battle weeds blowing off their property, because of poor farming practices. Most of the time the misuse of well permits has been nothing more than poor management on the part of the owners and operators of these places.

In conclusion let me remind this committee that Nevada has one of the finest sets of water right laws in this country, often copied by other states. PLEASE don't set a precedent of changing these water right laws to comply with a few now and jeopardize and "mellow" out our laws for the future. Let the black and white laws stand and don't put the decision of water rights on a couple of men at the State Water Office. Let them work by a set down law, not by a "maybe this" or "maybe that" situation. Thank you for listening to our point of view.

Jerry L. Machacek
Jerry L. Machacek
Jerry L. Machacek
P.O. Box 239
Eureka, Nevada 89316
April 17, 1977