

MEMBERS PRESENT

Chairman Dini
Mr. Marvel
Mr. Fitzpatrick
Mrs. Westall
Mr. Harmon
Dr. Robinson
Mr. Craddock
Mr. Jeffrey
Mr. Getto
Mr. Bedrosian
Mr. Bergevin

GUESTS PRESENT

See Guest List attached

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Chairman Dini called the meeting to order at 8:00 A.M. He stated there were representatives from the insurance field who wanted to make a presentation on AB 24 (CREATES RISK MANAGEMENT DIVISION IN DEPT. OF ADMIN.) which had been previously heard but no action had been taken.

BILL THOMASON, Chairman, Legislative Committee, NIIA

LARRY KEES, Placement Administrator, NIIA

Mr. Thomason distributed to members of the Committee, and Mr. Kees read into the record, a prepared statement, dated March 8, 1979, urging a "Do Not Pass" on the Bill, a copy of which is attached hereto and made a part hereof.

Mr. Craddock pointed out, from information he had received from the Insurance Commissioner, the difference between the premium paid and benefit received seemed to be rather large. A discussion ensued between the Committee, Mr. Kees, and Mr. Thomason, regarding the figures Mr. Craddock had received from the Insurance Commissioner, namely, \$4,000,000 in premiums over the last decade had been paid out by the State; the benefits received amounted to about \$1,000,000; therefore, there was about a \$3,000,000 difference between the two.

Mr. Thomason stated to put a Risk Manager on the State payroll there would be an outlay of about \$150,000 to \$200,000 of taxpayers' money; Mr. Harmon stated he didn't feel there was that kind of money involved at all and asked Mr. Thomason to produce some facts and figures to substantiate his claim.

AB 427 - LIMITS ACCESS OF CERTAIN EMPLOYEE ORGANIZATIONS
TO FISCAL REPORTS OF LOCAL GOVERNMENTS

SAM MAMET, Management Analyst, Clark County

Mr. Mamet stated the intent of the Bill is to limit the access only to the information that the county files with the Tax Commission. Mr. Mamet advised the Committee under the Local Government Budget Act any public employee association is entitled to various financial reports, budget information and memoranda.

Chairman Dini advised Mr. Mamet that AB 427 was in conflict with N.R.S. 288.180 to which Mr. Mamet agreed. Chairman Dini stated that if it were the intention to pass the Bill there would still be a problem under N.R.S. 288. Mr. Mamet stated if it were the intent of the Committee to go with AB 427 then N.R.S. 288.180 would have to be re-examined

Mr. Marvel inquired whether this Bill would violate the Public Information Law and Mr. Mamet responded it would not because the tentative and final budget are filed with the Tax Commission and available to anybody but as far as internal staff memoranda it was questionable as to whether anyone could just rifle through any information in a file.

Dr. Robinson pointed out if they are responsible organizations they have no idea of what their fair share of the Budget is going to be and could not see that much harm in their having the information available to help the organizations make a decision whether to try for more or settle for less.

JULIUS CONIGLIARO, Federated Firefighters of Nevada

Mr. Conigliaro stated his group opposes the elimination of the language; that their auditors felt it was necessary to have the information in order to understand the Budget.

Several Committee members questioned whether there had been any problem in getting information and the response was there had not been.

JOYCE WOODHOUSE, Nevada State Education Assn.

Miss Woodhouse stated NSEA opposes the Bill for the reasons that information and budget worksheets deal with public funds and the information should remain available to the public employee groups as now prescribed by law; that public employee negotiations, including mediation and arbitration, should be based on accurate information as developed by the public employer; the Bill would limit the information available and consequently distort and prolong the negotiations process; and legislation of this type is regressive and punitive causing suspicions which are not conducive to good faith bargaining.

WILL DIESS, Las Vegas Police Officers Assn.

Mr. Diess stated his group is in opposition to the Bill. He stated the main thrust of the Bill is that the onus or burden of proof is on the employer group; that the employer group must prove the entity has the ability to pay.

PAMELA STAMNAS, Nevada Public Employee Action Coalition

Miss Stamnas stated NPEA opposes the Bill because they feel it would greatly inhibit their ability to negotiate. She stated that without certain of the information they would not be able to negotiate in good faith with the public employer.

Chairman Dini announced testimony was concluded on AB 427 and that he would entertain a motion on the Bill.

COMMITTEE ACTION:

AB 427 - Mr. Marvel moved to INDEFINITELY POSTPONE; seconded by Dr. Robinson, and unanimously carried.

Chairman Dini then stated the next Bill to be heard would be AB 429.

AB 429 - EXCLUDES CERTAIN COUNTY EMPLOYEES FROM RIGHT TO HEARING ON DISMISSAL

SAM MAMET, Management Analyst, Clark County

Mr. Mamet advised the Committee that the Bill would provide that anyone who is delineated in the statute to

be exempt from the merit personnel systems of counties over 100,000 shall also be exempt from the grievance procedures as outlined in the statutes. Mr. Mamet elaborated on the statute, N.R.S. 245.213. He pointed out in 245.215, subsection 8(a), grievance procedures are set forth as to the process for establishing same. He advised the Committee the grievance procedure under the statute specifically exempts department heads, county managers or administrator. Mr. Mamet pointed out in 245.216 there is a broader delineation of who is exempted among county personnel from the merit system: three groups - all department heads appointed and elected and the county administrator or county manager; a number of employees in each department excluding the department head as may be designated by the department head which shall not exceed 3% of the established positions within that department; and any person who holds a temporary appointment for six months or less. Mr. Mamet stated their position was that if you are exempt from the merit system then you should also be exempt from the grievance procedure.

ASSEMBLYMAN JIM BANNER

Mr. Banner stated he was concerned about the Bill from a personal standpoint as he was one of the people in the 3% category. He stated he would prefer to leave the statute as it is now where the only people who could be excluded from the grievance procedure appointed by the Board of County Commissioners. He advised the Committee he could see where he might be terminated without cause and without the opportunity of a hearing. He stated he was with the county eleven years and because of his position in the assembly and various other pressures he could be one of the 3%.

Mr. Dini stated the testimony was concluded on AB 429.

AB 442 - REVISES CERTAIN DEFINITIONS RELATING TO
EMPLOYEES LABOR RELATIONS

PAM STAMNAS, Nevada Public Employee Action Coalition

Miss Stamnas stated NPEAC is in favor of the Bill. She advised the Committee what they would like to do is change all employees in the Personnel Dept. may be exempt from the bargaining units to the new language

which would only exempt those specifically involved with collective bargaining or who use collective bargaining information. Miss Stamnas advised the Committee that the districts they work with have taken advantage of the fact that employees are confidential and have exempted to a great extent.

RONALD JACK, Deputy City Manager, City of Las Vegas

Mr. Jack spoke in opposition to the Bill. Mr. Jack had a prepared statement which he read into the record, a copy of which is attached hereto and made a part hereof. Mr. Jack stated that the collective bargaining process is a sensitive one and the elements of strategy and surprise are necessary on the part of the employer and the employee.

Mr. Jeffrey stated he was concerned with the supervisory employee who cannot belong to the employee organization on the same level as another employee and that was a more important aspect to the Bill than the personnel people. He said he would like to see it addressed to some extent.

Mr. Jack stated that as a representative of a local government he felt section 1 of the statute is clear, it has been flexible, and protected both the employer and employee and does not feel the language contained there will add anything that will be substantive on the part of either party. He also stated he did not see a problem on section 2.

DICK WRIGHT, Washoe County School District

Mr. Wright stated they would oppose the Bill and the new language in section 1. He called the attention of the Committee to the language on line 6, at the end, and the fact that the word "directly" bothered him. He wanted to know if it meant the negotiation team per se or does it mean people in business, plant facilities, etc. He said they felt the language that presently exists is adequate and don't see an abuse of that taking place in terms of the number of people that have been excluded from participating in the employee unit.

JOHN HAWKINS, representing School Trustees Assn.

Mr. Hawkins said they would stand in opposition to AB 42 for the reasons already expressed.

G.P. ETCHEVERRY, Exec. Dir., Nevada League of Cities

Mr. Etcheverry stated he would speak on behalf of the Employee Management Relations Board Advisory Committee. He stated they would like to recommend that the law remain as it is.

Mr. Jeffrey asked Mr. Etcheverry if he saw any problem with section two and Mr. Etcheverry responded they had not discussed it as a board but personally he saw no problem with it.

Mr. Jeffrey stated he had complaints from people who had been excluded from the process.

ROBERT PETRONE, Attorney, Clark County School District

Mr. Petrone stated that 288.170 excludes confidential employees from the bargaining but it does not exclude them from the benefits. He stated he had mixed emotions about the Bill and he believed right now the law is settled in this State. He stated this would open a whole new field of litigation. Mr. Petrone advised the Committee another problem with the Bill was if you change the definition of supervisory employee 288.075 without changing the definition of administrative employee 288.025 then there will be a conflict under 288.170.

WILL DIESS, Las Vegas Police Officers Assn.

Mr. Diess stated under the first portion of the Bill itself they did not feel it should be in the Bill. He stated it expands supervisory personnel but it will dilute the employee groups.

RICHARD F. BROWN, Nev. Assn. School Administrators

Mr. Brown stated his group would be in opposition to the Bill and the language in the present statute should be maintained.

The testimony was then concluded on AB 442.

AB 471 - EXCLUDES RESERVES FOR CAPITAL IMPROVEMENTS OF
LOCAL GOVERNMENT EMPLOYER FROM ASSETS SUBJECT
TO RECOMMENDATION OR AWARD BY FACTFINDER IN
LABOR NEGOTIATIONS

BOB SULLIVAN, Carson River Basin Council Govts.

Mr. Sullivan stated the most controversial factor of the Bill is found on page 2, near the bottom. He stated the concept of the Bill is endorsed but the percentage is not uniformly endorsed. He said the intent of the Bill would be valueless in terms of setting some funds aside. He advised the Committee the small counties do not get such a tight ceiling that they can't make any capital improvements.

RON JACK, Deputy City Manager, City of Las Vegas

Mr. Jack read from a prepared statement into the record, a copy of which is attached hereto and made a part hereof. He stated it seems the public does not want to see governmental entities go into debt in order to finance needed capital projects. He stated this attitude, unfortunately, conflicts with the capital improvement needs of local governments serving expanding populations. He advised the Committee, however, that the 25% figure contained in the Bill is too high and they would recommend creating a capital improvements reserve fund which would be comprised of somewhere between 2-1/2% to 5% of the general fund.

PAM STAMNAS, Nevada Public Employee Action Coalition

Miss Stamnas stated their major argument was that if a complete 25% was taken away, the public employees salaries, benefits, and fringe benefits would be less than they would be expecting and a good contract could not be negotiated.

Chairman Dini asked if 2-1/2% or 5% would affect them that bad and Miss Stamnas responded it would not affect them as great.

Chairman Dini announced the testimony was concluded on AB 471.

COMMITTEE ACTION:

AB 429 - Mr. Jeffrey moved to INDEFINITELY POSTPONE; seconded by Mr. Craddock, and unanimously carried.

AB 442 - Mr. Bergevin moved INDEFINITELY POSTPONE: seconded by Mr. Marvel, and unanimously carried.

There being no further business to come before the meeting, the same was adjourned.

Respectfully submitted,

Sandra Shatzman
Assembly Attache



March 8, 1979

Mr. Joe Dini, Chairman
Committee on Government Affairs
Nevada State Assembly
Carson City, Nevada

Dear Mr. Dini:

Speaking for the members of the Nevada Independent Insurance Agents we would like to encourage a "do not pass" vote in the Government Affairs Committee on Assembly Bill 24. As justification for our position we would like to offer some points for your consideration.

It might be helpful to summarize the present structure under which the insurable risks of the State of Nevada are handled. The Board of Finance is responsible for this function and they, in turn, have delegated the duty to an Insurance Committee which is comprised of the Insurance Commissioner as Chairman serving with the Director of Administration, the Director of Commerce and the Superintendent of Banks. It should be noted that, while the function may not be well publicized, this committee and most particularly its chairman serves as the risk manager for the State. He and his committee have developed a working relationship with the Nevada Independent Insurance Agents over the past several years which, in essence, makes us the risk management staff for the State. To respond to the duties which this relationship established, we created an insurance board which we call "The NIIA Placement Committee". In our organizational structure the Placement Committee is a standing committee of our Association but in matters concerning the State's insurance program it operates with complete autonomy from the rest of the organization. The committee is made up of five professional and highly knowledgeable member agents who serve staggered four year terms. At present the members are Messrs. Darrell Taylor, Lauren House, CPCU, Rusty Swain, Bud Hursh, Louie Uriarte and Marshall Heuer, CPCU. Their experience in the industry totals 145 years. Past committeemen include other agents well known for their technical expertise such as Remo Fratini, Chuck Marriage, Frank Kerestesi and Loy Martinet. We would like to stress that these men serve on this committee with no compensation. They are reimbursed for expenses by NIIA but otherwise donate their time and knowledge. In addition to the services of the committeemen, NIIA also provides a fulltime, paid staff to handle the daily requirements of the

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State's risk and insurance program. The Placement Administrator, Mr. Larry Kees, devotes approximately ninety percent of his time to the function and his assistant, Ms. Ruth Griffin, works fulltime on the State's insurance program. Both of these staff persons are educated and competent in the field and, in their capacities, work exclusively on the State's needs. They are not even permitted to write their own personal insurance let alone be involved in private, outside insurance related income producing activities.

Having this structure in mind we now direct attention to the activities of the State's Insurance Committee and the NIIA Placement Committee and staff. First, there is a joint annual meeting to review the State's insurance program. In preparation for this meeting NIIA prepares specifications for expiring coverages and searches the market place for competitive proposals in terms of price, coverage and services offered. The market place, as used here, means any of hundreds of companies since NIIA is both an agent and broker and, therefore, has access to nearly every major company in the nation which is a market for large public risks. At the meeting there is usually much discussion which culminates with buying and risk handling decisions from the State committee. Throughout the year NIIA works less formally with the committee chairman (the Insurance Commissioner/Risk Manager) on matters both important and routine and both insurance and non-insurance related. As stated above, the NIIA staff works fulltime on direct insurance activities such as claims, endorsements and the like and also works extensively on risk identification and measurement, data collection and analysis, valuation of properties and, to a lesser extent, loss control and loss prevention. In short, the relationship of NIIA with the State and with the Insurance Commissioner is much more than serving as an insurance buyer. It is more akin to a cooperative effort at efficient and economical risk management.

Speaking of the economics of the present system, we would like to call your attention to the disposition of commissions which NIIA receives on policies covering the State. From the gross commission we pay our expenses and we donate excess amounts to programs which we like to call "public good". Examples of these in 1978 included contributions to: the Northern and Southern Nevada Children's Homes, the Governor's Youth Traffic Safety Conference, the Lion's Gift of Sight project, the state-wide School Bus Driver's Rodeo, the Attorney General's Crime Prevention Program, the UNR Wolf Pack, the UNLV Rebels, the University's Medical School, the UNR and UNLV Business Colleges, the State's Bureau of Services to the Blind, a wildlife project of the Department of Fish and Game, a safety film for the Nevada Industrial Commission and the Nevada Insurance Education Foundation. Through the latter organization we are the chief sponsor of the salaries for professors of insurance in the business schools at both UNR and UNLV. Total public good expenditures in the past year were \$89,427.25. Since 1966 we have donated over \$449,000. to projects which ultimately benefit our fellow Nevadans.

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We acknowledge that AB24 was written to answer insurance related problems which have existed in the last few years for many of the cities and counties in Nevada. However, we feel that, in most instances, the problems arise from insurance pricing rather than risk management deficiencies. Nevertheless, as an alternative to the concepts of AB24, we offer our services and resources to assist the State and its political subdivisions in risk management activities. We already perform many of these functions for the State and we willingly offer full cooperation with the Insurance Commissioner to fill the needs of the cities and counties. Furthermore, we can provide this service at no additional cost to the State. We can divert some funds from public good to defray the cost of additional risk management services and, through cooperation with the Insurance Commissioner, our Placement Committee can provide risk management counseling to interested municipalities.

We hope that your committee will not favor a bill which creates another layer of government and expense. Rather, we ask that you consider the present system along with our offer of additional, cost free assistance as a suitable alternative.

Respectfully submitted,

Bill Thomason
NIIA Legislative Chairman

The current definition of a "confidential employee" is broad and could arguably include individuals in a number of different city departments. In the particular instance of the City of Las Vegas in addition to Personnel employees, certain employees in Finance, the City Attorney's office, the City Manager's office and the office of Budget and Management are likely to be privy to management decisions affecting employee relations.

The definition as it is currently stated is similar to definitions in statutes of other states. Oregon's definition, for example, covers employees who assist or act "in a confidential capacity to persons who formulate, determine and effectuate management policies in the area of collective bargaining." Florida's statute covers personnel employees as well as those who have a role in budget preparations and those who administer the results of collective bargaining.

As you are well aware, the collective bargaining process is a sensitive one. Our personnel director tells me of an example he recently encountered in which the typist for management was dating a member of the employee bargaining unit. It was amazing, he said, how the necessary elements of strategy and surprise seemed to disappear. Of course we recognize that good faith can't be totally insured, but specializing the definition of confidential employees to personnel departments only increases that possibility. In

The second part of AB 442 amends the definition of supervisory employees. The current definition parallels that used in the National Labor Relations Law and is one that both labor and management worked hard to get into the statutes.

In August of this past year, the League of Cities at its annual meeting passed a resolution in support of a capital reserve fund, which would be exempt from a factfinder's determination of a city's ability to make a monetary settlement with an employee union. That resolution noted that efficient management and long-range planning require that cities be able to save over the long term for planned capital outlays.

At that time of the League of Cities meeting, the City of Las Vegas, along with every other city in Nevada, voiced support for this concept. After this past Tuesday, I would venture to guess that all Nevada local governments agree with Las Vegas in seeing the necessity for such a capital reserve fund. As you are aware, this past week by an overwhelming 3 to 1 vote, the citizens of Clark County refused to authorize a bond issue for the construction of a new courthouse. The vote came as no surprise. It seems that the public does not want to see governmental entities go into debt in order to finance needed capital projects. This attitude, unfortunately, conflicts with the capital improvement needs of local governments serving expanding populations. The creation of an exempt capital reserve fund with existing tax revenues would satisfy both the citizens' desire for responsible planning and expenditure of funds and local government needs in serving growing numbers of people.

AB 471 (continued)

The introduction of AB 471 is timely indeed and will allow local governments to pay as they go.

We recognize, however, that the 25% figure contained in SB 471 is too high. I envy the optimism of those who believe any local government is capable of putting away 25% of their annual expenditures. We would recommend creating a capital improvements reserve fund which would be comprised of somewhere between 2½ to 5 percent of the general fund. By way of example:

	<u>2½%</u>	<u>5%</u>
Las Vegas	\$1.2 million	\$2.4 million
Fallon	119,000	238,000
Yerington	119,000	238,000
Reno	912,000	1.8 million
Sparks	226,000	452,000
Winnemucca	83,000	166,000

*R.S.
L.A.W.
B.G.*