

Library

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON GOVERNMENT AFFAIRS

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 27, 1981

The Senate Committee on Government Affairs was called to order by Chairman James I. Gibson, at 2:38 p.m., Wednesday, May 27, 1981, in Room 243 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator James I. Gibson, Chairman
Senator Jean Ford, Vice Chairman
Senator Keith Ashworth
Senator Gene Echols
Senator Virgil Getto
Senator James Kosinski
Senator Sue Wagner

GUEST LEGISLATORS:

Assemblyman Paul Prengaman

STAFF MEMBERS PRESENT:

Andrew Grose, Research Director
Fred Weldon, Senior Research Analyst
Anne Lage, Committee Secretary

SENATE BILL NO. 707

Reapportions election districts of board of regents and state board of education.

Mr. Andrew Grose, Research Director, testified that Senate Bill No. 707 reflected the map which was submitted by the Board of Regents and then coordinated with the state Board of Education.

Mr. Ted Sanders, Superintendent of Schools, testified that they were in support of this bill, if consideration would be given to a slight change in a boundary to accomodate a board member who had just moved outside the proposed line. As it only involved a slight change, Mr. Grose stated that this could be done without any problems.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 27, 1981

Senator Ford moved "Amend and Do Pass" on Senate Bill No. 707.

Senator Kosinski seconded the motion.

The motion carried. (Senators Wagner, Getto and K. Ashworth were absent for the vote.)

ASSEMBLY BILL NO. 65

Provides for reorganization of central data processing division, data processing commission and computer facility.

Mr. Gary Cruz, Legislative Counsel Bureau Audit Manager, testified that this bill was a result of a study performed by the legislative commission subcommittee on data processing for the past two years. The study addressed several issues. He distributed copies of the study to the committee members and reviewed its contents.

Mr. Cruz stated that the growth and usage of data processing over the last five years had been 137 percent increase. If the growth continued at that rate there would be several problems.

The subcommittee addressed the organizational problems. One of the primary goals of the data processing commission was to stop the proliferation of equipment throughout the state. This had not been accomplished. Also, the commission had failed to take any steps to provide the back up and recovery should a computer facility be destroyed by fire, flood or some other natural disaster. They had not developed a long range plan for growth of equipment that data processing needed for state government.

This bill would provide for a structure which would constantly evaluate and determine the cost justification for all applications, both existing ones and new ones.

Mr. Glen DuBois, Implementation Director for the Governor's Management Task Force, testified in support of this bill. He stated that the Governor's Management Task Force recognized the same problems in their review that the subcommittee had identified. The primary purpose of this bill was to bring a central control point to the data processing community. The most significant problem was proliferation of equipment, manpower and software expense. The purpose of this consolidation of the computer facility, the central data processing software division of general services and the planning and research division of this proposed department, was to identify what the ramifications

SENATE COMMITTEE OF
GOVERNMENT AFFAIRS
May 27, 1981

of those decisions were and to set consistent standards for the acquisition of equipment and for the training of personnel. The statewide planning and policy making body would be the department for data processing as proposed in this bill. This body would be responsible for providing the impact on all other agencies if an agency were to withdraw.

Mr. Gordon Harding, Central Data Processing, reviewed amendments to this bill for the committee.

On page 6, line 27, "commission" should be changed to "director".

On page 8, section 30 should be changed to section 31 and a new section 30 be added as follows: "There is hereby appropriated from the state general fund to the department of data processing the sum of \$123,696 for the fiscal year commencing July 1, 1981, and ending June 30, 1982 and the sum of \$173,115 for the fiscal year commencing July 1, 1982 and ending June 30, 1983 to provide for the salary and related expenses of the director and the staff of the division of planning and research."

On page 7, section 26, the amount of the repayment should be changed to \$350,000.

Mr. Harding indicated that the director would be a new position.

On page 2, line 2, he requested that "unclassified service" be changed to "classified service".

Mr. Fred Davis, Reno Chamber of Commerce, testified in support of this legislation.

Mr. Richard Bunker, Director Gaming Control Board, testified that he was in support of page 2, lines 37-40, line 48 and page 8, lines 15-23, which were the exclusionary provisions for the Nevada Gaming Control Board and the Commission. He stated that Senate Bill No. 340 which had been passed by both houses of the legislature, would provide \$900,000+ for the Gaming Control Board to develop their own computer capability.

Senator Ford moved "Amend and Do Pass" on Assembly Bill No. 65 and re-refer it to Finance.

Senator Getto seconded the motion

The motion carried unanimously.

ASSEMBLY BILL NO. 186

Changes composition of board of trustees of Airport Authority of Washoe County.

Ms. Betty Morris, Trustee Washoe County Airport Authority, testified that she was in opposition to this bill. She stated that she has been on the authority board since 1977. Ms. Morris stated that the legislature created a model authority which was successfully working and was responsive to the community and to the appointed elected bodies.

Mr. Fred Davis, Greater Reno/Sparks Chamber of Commerce, testified that he was opposed to this bill. He felt that there was too much demand on the time of the elected officials. He felt that the board should be allowed to function as it had in the past.

Mr. Bob Kendro, Director of Finance for the Airport Authority, testified that he had worked for the authority since its inception. He stated that the airport facility had improved since the authority had taken over. Their financial statements show their capability, so there did not seem to be a need for a change.

Assemblyman Paul Prengaman testified that the airport in question was in his legislative district. Mr. Prengaman stated that this change could be done with minimum disruption because all terms of the authority members terms expire July 1, 1981.

He stated that an amendment was necessary on page 2, lines 20 and 21. To conform with Assembly Bill No. 2 this language would have to be deleted. Another amendment would be to go back to the special act which created the airport authority and remove the provision which excluded elected officials from the board. Mr. Prengaman distributed a handout which he felt demonstrated that over the past year the air traffic coming into the city of Reno was declining. (See Exhibit C.) He reviewed the testimony which had been given in the Assembly which was also included in Exhibit C.

Mr. David Henry, Washoe County, testified that as the bill was written, the Washoe Commissioners could not support it. They felt the authority was doing an adequate and satisfactory job. They did not feel that they had the time to spend on the authority.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 27, 1981

Mayor Ron Player, Mayor of the City of Sparks, testified that their had been some relief from airport noise. He stated that Sparks had gained more relief by working with the FAA than they had with the authority.

Mayor Player stated that he and the city council had no problem with the bill. He stated that they would work with the situation whether or not the bill was passed.

Ms. Debi Langston, City of Reno, testified that the city of Reno was in opposition to this bill. Their city charter prohibited councilmen from sitting on boards. The Reno City Councilmen did not feel they had the time which would be necessary to participate as a member of the airport authority.

The committee decided to give this bill further consideration.

ASSEMBLY BILL NO. 693

Changes procedure for reconveying land which has been acquired by eminent domain or dedicated or donated to local government.

Mr. Mike Cool, City of Las Vegas, presented his testimony to the committee in support of Assembly Bill No. 693. (See Exhibit D.)

Mr. Joe Denny, Clark County, testified in support of this bill.

Senator Getto moved "Do Pass" on Assembly Bill No. 693.

Senator K. Ashworth seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 350

Revises provisions for factfinding and arbitration in disputes of local government employers and employees.

Mr. Fred Weldon, Senior Research Analyst, distributed and reviewed the amendments to this bill. (See Exhibit E.)

The committee decided that \$150 per day per panel member would be a fair amount to be paid. That would be \$450 per day for the panel.

Senator Kosinski testified that he and Senator Wagner had considered having a resolution which covered criteria for evaluation of impasse. (See Exhibit F.)

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 27, 1981

Mr. Fred Welden had made comments on those criteria.
(See Exhibit G.)

Senator Kosinski thought that the criteria needed to be further refined. He suggested doing that by resolution. Chairman Gibson suggested providing for continued monitoring of the process which would be related to the criteria which would be spelled out by the legislature by resolution. The commissioner would be assigned to monitor the process.

Senator Kosinski suggested that Fred Weldon compile a short section which would be included in the law indicating some broad goals for gathering data from the negotiating process.

Senators Ford and Getto presented their suggested chart of the proposed time schedules. (See Exhibit H.)

Chairman Gibson suggested processing Senate Bill No. 350 using the amendments which had been discussed.

Senator K. Ashworth moved to process Senate Bill No. 350 with the amendments which had been discussed.

Senator Getto seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 367

Revises Local Government Employee-Management Relations.

Senator Kosinski moved "Indefinite Postponement" on Senate Bill No. 367.

Senator K. Ashworth seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 536

Extends collective bargaining to state employees and removes governor's emergency power to submit disput to binding factfinding.

Senator Ford moved "Indefinite Postponement" on Senate Bill No. 536.

Senator Ashworth seconded the motion.

The motion carried unanimously.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 27, 1981

SENATE BILL NO. 537

Extends collective bargaining to state employees and provides for public referendum under certain circumstances.

Senator K. Ashworth moved "Indefinite Postponement" on Senate Bill No. 537.

Senator Getto seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 550

Prohibits employee organization from requiring its members to be affiliated with another organization.


Senator Kosinski moved "Indefinite Postponement" on Senate Bill No. 550.

Senator K. Ashworth seconded the motion.

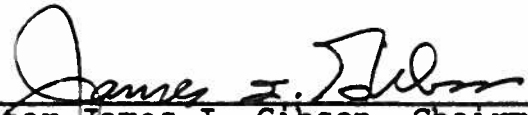
The motion carried unanimously.

As there was no further business, meeting was adjourned at 6:40 p.m.

Respectfully submitted by:


Anne L. Lage, Secretary

APPROVED BY:


Senator James I. Gibson, Chairman

DATE: June 22, 1981

SENATE AGENDA

COMMITTEE MEETINGS

Committee on Government Affairs , Room 243 .

Day Wednesday , Date May 27, 1981 , Time 2:00 p.m. .

S. B. No. 707--Reapportions election districts of board of regents and state board of education.

A. B. No. 65--Provides for reorganization of central data processing division, data processing commission and computer facility.

A. B. No. 186--Changes composition of board of trustees of Airport Authority of Washoe County.

A. B. No. 693--Changes procedure for reconveying land which has been acquired by eminent domain or dedicated or donated to local government.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON GOVERNMENT AFFAIRS

DATE: May 27, 1981

EXHIBIT B

PLEASE PRINT PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME ORGANIZATION & ADDRESS TELEPHONE

Betty Morris Airport Authority of Washoe County ^{J. Beck School}
825-0206

Bob Kendro " " 715-2599

GARY CREWS LCB - AUDIT 5622

GP Etchberry NEW LEAGUE OF CITIES 882-2121

TED SANDERS DEPT OF EDU 885-5700

MIKE COOL City of Las Vegas / fire AB 693 883-0769

Joyce Woodhouse NSEA 882-5574

Joe Fisher NSEA

ROSS CALVERTSON NBEAC 883-0900

Bill Bunker Federated Fire Fighters

DEPLANING PASSENGERS

RENO AIRPORT 1977 - 1978 - 1979

EXHIBIT C

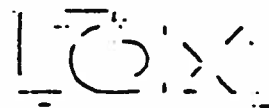
	1977	1978	1979	1980	% of 79
January	45,387	52,074	96,808	90,259	93.2
February	49,391	56,347	110,094	97,898	88.9
March	62,358	67,420	124,526	107,856	86.6
April	57,142	60,894	72,902	89,062	122.2
May	53,766	88,565	94,163	92,415	98.1
June	56,609	92,601	129,762	97,263	75.0
July	63,823	98,608	136,892	107,495	78.5
August	73,031	105,833	143,414	115,663	80.6
September	61,644	107,323	119,630	98,619	82.4
October	62,139	103,576	114,412	92,224	80.6
November	56,608	98,028	105,891	79,784	75.4
December	<u>54,798</u>	<u>106,593</u>	<u>103,705</u>	<u>85,453</u>	<u>82.4</u>
TOTAL	696,696	1,037,862	1,352,199	1,154,011	85.34

	1980	1981	% of 1980	% of 1979
January	90,259	84,006	90.6	86.8
February	97,898	83,062	84.8	75.4
March	107,856	88,741	82.3	70.2

AIRPORT AUTHORITY OF WASHOE COUNTY

FINANCIAL STATEMENTS
and
ADDITIONAL INFORMATION
with
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 1980



Fox & Company
Certified Public Accountants

3. Accounts receivable from Federal Aviation Administration (continued)

A substantial portion of the accounts receivable from government agencies, shown as a current asset, represents reimbursements due from the FAA for operating costs subject to grants and land acquisition costs incurred prior to the expansion project subject to the Authority's revenue bond resolution.

All amounts due under FAA grants are subject to final approval and compliance audit by the FAA. No provision is considered necessary for amounts, if any, which may ultimately be disallowed, or required to be refunded through reduction of future grants.

4. Long-term debt

Long-term debt consists of the following:

Principal only

	June 30.	
	<u>1980</u>	<u>1979</u>
Revenue bonds:		
Series A, subseries January 1, 1979, 7.00% to 8.50%, due July 1, 1982-2006	\$44,500,000	\$44,500,000
Less unamortized discount	<u>411,711</u>	<u>427,856</u>
	<u>44,088,289</u>	<u>44,072,144</u>
General obligation bonds:		
1961 series, 3.25% to 3.80%, due May 1, 1980-81	* 28,000	55,000
1966 series, 4.50% to 6.00%, due September 1, 1979-81	* 225,000	325,000
1971 series, 5.75% to 6.50%, due August 1, 1979-91	770,000	810,000
1974 series, 5.80% to 7.00%, due May 1, 1980-91	* <u>805,000</u>	<u>850,000</u>
	<u>1,828,000</u>	<u>2,040,000</u>
Notes payable, 7.10%, due 1984	<u>2,897,899</u>	<u>-</u>
Other long-term obligations:		
Obligation to City of Reno	1,672,245	1,672,245
Obligation under capital lease	<u>11,020</u>	<u>12,825</u>
	<u>1,683,265</u>	<u>1,685,070</u>
Total long-term debt	<u>50,497,453</u>	<u>47,797,214</u>
Less current portion	<u>331,033</u>	<u>283,754</u>
	<u>\$50,166,420</u>	<u>\$47,513,460</u>

due June 30, 1981

4. Long-term debt (continued)

Maturities of long-term debt will require the following principal payments (based on amounts outstanding at June 30, 1980):

<u>Year ended June 30, (Bond year ended July 1, as to revenue bonds)</u>	<u>Amount</u>
1981	\$ 331,033
1982	\$ 947,855
1983	\$ 889,620
1984	\$ 951,906
1985	\$ 3,918,590
Thereafter	\$43,870,160

Details and conditions relating to the Authority's long-term debt arrangements are as follows:

a. Revenue Bonds

The January 1, 1979 Revenue Bonds were issued to finance a substantial portion of a major airport expansion project. Bonds maturing on or after July 1, 1989 (\$38,910,000 of principal amount) are subject to redemption prior to maturity at the option of the Authority, after January 1, 1989. Any such redemptions must be made in inverse order of maturities and, if made prior to January 1, 1999, would require payment of a premium of 1/4% of principal per year from redemption date to maturity date.

Pursuant to the bond resolution, unexpended proceeds of the January 1, 1979 Revenue Bonds are held, except as discussed below, in the Construction Fund which is in the custody of a trustee. All interest earned on investments of these unexpended proceeds, and all grant monies received for the above-mentioned expansion project are also required to be held in the Construction Fund and used only for the project.

All revenues, other than interest on Construction Fund and certain unrestricted investments, are defined in the bond resolution as "Gross Pledged Revenues" (see Note 5) and are required to be deposited with the trustee into the Revenue Fund, which is established by the bond resolution. Amounts required to meet operation and maintenance expenses are then transferred to the Authority's Operation and Maintenance Account, and remaining funds are allocated to additional accounts established by the resolution in the following amounts and order of priority:

Bond Fund Interest and Principal Accounts - one month's portion of the next required debt service payment on the revenue bonds. (First two years requirement consists of interest considered to relate to the project construction period which, accordingly, is being capitalized and was funded by bond proceeds.)

revenue
to
return
at -
in go
bond fund
unexpended
accounts

4. Long-term debt (continued)

a. Revenue Bonds (continued)

Subsequent to the date of the financial statements the Authority has initiated procedures for the planned issuance of a second subseries of the Series A Revenue Bonds in order to finance additional improvements. These bonds would have a claim on revenues on a parity with the January 1, 1979 subseries, and are expected to be of a similar aggregate face amount.

The revenue bond trustee arrangement was awarded on a competitive basis to a bank, of which a principal officer also serves on the Authority's Board of Trustees.

b. General Obligation Bonds

The general obligation bonds represent a portion of such bonds issued by the City of Reno relating to the Municipal Airport Fund, assumed by the Authority on July 1, 1978. Debt service payments are made to the City from operating revenues.

c. Notes payable

Notes payable consist of the following unsecured bank loans for interim construction financing:

7.10%, due August 4, 1984	\$ 2,225,000
7.10%, due September 1, 1984	<u>1,925,000</u>
	4,150,000
Less undrawn funds, as of June 30, 1980	<u>(1,252,101)</u>
	<u>\$ 2,897,899</u>

bonds didn't cover construction

What is this money used for?

Debt service on the above loans is paid from operating revenues.

d. Obligation to City of Reno

In connection with the transfer of assets and liabilities from the City of Reno as discussed in Note 1, the Authority has agreed to pay the City \$2,500,000 under a contract, formally executed in 1980, which provides for payments of \$150,000 per year for the fiscal years 1979 through 1981, \$200,000 per year for 1982 through 1992, and \$150,000 in fiscal 1993. The contract further provides that the portion of the payments in excess of \$100,000 per year (the maximum amount which can be paid from revenues, pursuant to the Authority's bond resolution, as discussed under 4a above) are to be paid on a "best effort" basis. This obligation was recorded during 1979 based on the above full payment schedule (proposed at that time), assuming payments to be due the last day of each fiscal year, discounted at an imputed interest rate of 7%.

1984 3 million more due for short term

AIRPORT AUTHORITY OF WASHOE COUNTY
 SCHEDULE OF DEBT SERVICE REQUIREMENTS ON BONDS
 June 30, 1980

Bond year ended July 1	Revenue Bonds		General Obligation Bonds		Total debt service requirement
	Principal	Interest	Principal	Interest	
1981	\$ -	\$ 3,337,265*	\$ 222,000	\$ 99,652	\$ 3,658,917
1982	630,000	3,337,265	225,000	87,777	4,280,042 *
1983	680,000	3,283,715	110,000	78,988	4,152,703
1984	735,000	3,225,915	110,000	72,523	4,143,438 p 12
1985	790,000	3,163,440	120,000	66,184	4,139,624 +
1986	850,000	3,096,290	130,000	59,248	4,135,538
1987	915,000	3,024,040	140,000	51,664	4,130,704 3 mil
1988	990,000	2,946,265	150,000	43,455	4,129,720 more
1989	1,065,000	2,862,115	160,000	34,538	4,121,653 short
1990	1,150,000	2,787,565	165,000	24,995	4,127,560 term
1991	1,235,000	2,707,065	205,000	15,030	4,162,095
1992	1,330,000	2,620,615	90,000	2,700	4,043,315
1993	1,435,000	2,527,515	-	-	3,962,515
1994	1,545,000	2,427,065	-	-	3,972,065
1995	1,665,000	2,318,915	-	-	3,983,915
1996	1,795,000	2,198,203	-	-	3,993,203
1997	1,935,000	2,068,065	-	-	4,003,065
1998	2,085,000	1,924,875	\$ -	-	4,009,875
1999	2,245,000	1,770,585	-	-	4,015,585
2000	2,420,000	1,604,455	-	-	4,024,455
2001	2,610,000	1,425,375	-	-	4,035,375
2002	2,810,000	1,229,625	-	-	4,039,625
2003	3,030,000	1,018,875	-	-	4,048,875
2004	3,260,000	791,625	-	-	4,051,625
2005	3,515,000	547,125	-	-	4,062,125
2006	3,790,000	283,500	-	-	4,063,500
	<u>\$44,500,000</u>	<u>\$58,527,358</u>	<u>\$1,827,000</u>	<u>\$636,754</u>	<u>\$105,491,112</u>

* Revenue bond interest through January 1, 1981 has been funded from the bond proceeds.

this is only if they can meet the current debt schedule - if they cant it will be more.

30 million more - could add another 75 million new bonds

don't check short term financing debt

Mr. Dini stated that John Crossley, auditor for the Legislative Counsel Bureau would report on the audit made of the Airport Authority at his request. A copy of the audit is attached hereto as EXHIBIT C and made a part of these minutes.

Mr. Dini: One thing we ought to get into is the change orders on construction. There is no provision in the law for local governments to be limited on the number of change orders. I have ordered a bill that puts the same rules for local government as we have for state government, where you can only have 10% of the contract on change orders. We think it might be a good idea to put that limitation on local governments, too.

Mr. John Crossley, Legislative Auditor and Jerry Cruse, Audit Manager testified.

Mr. Crossley: We have the letter that I wrote to Mr. Dini and have attached our schedules regarding our special report. Regarding Schedule I, in the contracts, there are two provisions, (1) terminal and lease amounts in the terminal that are fixed and will be paid (2) landing fee-if an airplane does not land there is no fee to be paid. The minimum guarantees are based only on the terminal and lease amounts. That is the reason for the piggyback airlines. If they don't land, they still have to pay and so they will be bringing in other airlines.

In Schedule 2, the agreements with the car rental agencies are not as firm as with the air lines. There is a facility lease and a concession agreement. In the concession agreement where they go down below the 85%, they can renegotiate that, the lease could be bid, however, having a facility gives a little more credence to the fact that they are going to stay there. Schedule 3 shows the decided increase in passengers in 1979 and 1980, with a decrease of 16% from July to December, 1980, under the forecast. The action that the Legislature took this session already was on the short term loan where they increased the percentage to 12% and the airport did borrow \$2.7 million to complete what they have in progress. This is shown on Schedule 4. On Page 2 of Schedule 4, there still is a shortfall, but they have informed us that they will be able to take care of that through their landing fees and other types of revenues they collect. This is the \$501,735 shortfall. The short term loan of \$2.7 million was negotiated at 10.5% interest.

In Schedule 5 - Application of Revenues - the \$44.5 million bond issue is set up differently in that the operation and maintenance expenses are first paid before the bond interest and/or principal is paid.

In Schedule 6, which is the project summary, Item 2 shows the budget for the terminal expansion as \$18,000,000. Right now, the total commitment is \$26.4 million. This is an increase of \$8.4 million. \$1.0 million will be paid for by the airlines. Those are change orders that they have requested and must be financed by them. The rest of the change orders were as a result of passenger volume increased and they felt they had to expand the terminal. At that time, in response to a question by the chairman, Mr. Kadlic advised that he had reviewed the statutes and found no problem with the change orders. They are within the basic contract bid, as changes are within the shell, and nothing new is being added to the basic construction outline. So back then, the members of the Commission had questioned about the change orders and wanted to make sure that the change orders that they could make were within the law and, obviously, they were, as there is no provision in the local government law for change orders. As you can see on Page 3 of Schedule 6, we are up to Change Order No. 86, just on the terminal building alone. What they have done is taken money from the other items and pulled them in to the terminal expansion and have deferred many of the items that they had proposed. There was nothing wrong with this, as far as we could see; it was nothing illegal, but was moving money. In 1971, we admitted into the Public Works Board a 10% limitation, which was increases and decreases. So, really, you are giving them a 20% range when you say 10%.

Schedule 7 describes short term money borrowed - \$4.1 million. This is along the same lines as the \$2.7 million. You cannot refinance short term money with short term loans. You can only do it once. The \$2.2 million is due August, 1984 and the \$1.9 is due September, 1984. This money is being borrowed at 7.1% interest. At some point in time, they have to find means of either paying this off or refinancing on a long term basis. They can't come in on a short term basis.

Last fall, you will recall, they were trying to finance another bond issue for about \$30 million. This did not materialize for several reasons, one being the high interest rate. They are preparing financial statements as of December 31, 1980. We have been unable to do a report on this phase but are waiting for the financial reports. They are apparently not sure what they want to accomplish in that bond issue. The airline companies have not told them how much money they will put up. We know they have the \$4.1 million, the \$2.7 million, they have Stage 2 which they want to start, the balance of the items in Stage 2, but they don't know what they are going to accomplish with the new issue they are trying to float.

The final key point is the determination of the landing fees.

On Schedule 9, the landing fees are determined by how much is necessary to finance the operation. They take their operating costs, the amount of their fixed payments, proposed capital outlay and then set the landing fees. They back into the figure. Operating costs come off the top, then they can finance their fixed payments.

We have several other documents: the proposed issue on the \$44.5 bond, the 1980 audit report by Elmer Fox, which is strictly a financial audit. It does not include performance, economy, etc., and covers the period January-June, 1980. We have a copy of the current year budget, as of February, showing their projections for the balance of 1981. We have their January 23, 1981 cash position, their tentative budget for 1981-82, which includes two different landing fees: \$1.62 and \$1.27. A decision has not been made as to which fee they will adopt. We did not do a complete audit which would have included operations.

We recommend you consider the change order proposal, which would also be good for all local governments.

Mr. Prengaman: You mentioned that they were \$8.5 million over and that the airlines were picking up \$1 million. Where is the other \$7.5 million?

Mr. Crossley: This was taken out of the \$44.5 because of the projects they did not complete, as shown in Schedule 6, Pages 1 and 2. There is no restriction when they float contracts for bonds as to the use of the funds. The airlines also agree to move funds from one project to another. There is no restriction on the Airport Authority, when they make change orders, to go to bid and take a firmer look at what they are doing.

Mr. Prengaman: They have \$29 million more in bonds that they want. Is that sound judgment? Looking at the short term that they owe? How are they going to pay that short term? You have \$4.1 and \$2.7.

Mr. Crossley: This is one of the reasons why they can't get this report for the new bond issue. They cannot guarantee traffic. There is a lot of concern with the tapering off of traffic. They had a high rate of increase, but that is fairly normal with a new terminal. The \$4.1 is due in 1984 and \$2.7 is due 1986. They have to hope the traffic materializes or, again, pay these off with the new bond issue. We are anxious to see the audit report which is due June 30. It is in draft form now. I think everyone is waiting to see what the traffic will do.

Mr. DuBois: How does the 16% drop in traffic compare nationally, or in other areas?

Mr. Dini: Did McCarran have that kind of decrease? .

Mr. Crossley: Nationally, the others are not dropping quite as significantly. The deregulation had a lot to do with the drop. If they do not float the \$29 million bond issue, the terminal would remain just like it is. The federal money that they receive cannot be used on the terminal. It can only be used on outside facilities, like runways, safety. As of last Friday, they were exploring the possibility of another runway.

Mr. Prengaman: Aside from tightening up the 10% on change orders and maybe take a look at where they are, what other recommendations would you make? Is some oversight necessary?

Mr. Crossley: If you had an oversight committee, who would they report to?

Mr. Prengaman: Possibly some further scrutiny - a councilman, perhaps. It does speak for some change at this time. Maybe putting a couple of councilmen on that board. Somebody else, as you have a captive group here. I feel they are in a very sensitive time and the decisions they make now are critical. They are out after \$29 million in additional bonds. It just might not be a good thing at this time. I think some change has to be effective right now.

Mr. Dini: Who is their legal counsel?

Mr. Prengaman: They have a deputy district attorney and also contract from time to time. One of their advisers is with a bonding company. Maybe they need someone outside that business.

Mr. Crossley: What you might consider is before they float a new bond issue, they could present it to the Interim Finance or they might need the approval of the Department of Taxation, because they are under the local government act. I don't know that you could construct a law just for them. I don't think you can. But it might be good for them to report to the Interim Finance before they actually go on the market, regardless of the advice they have. You could have either the Legislative Commission, the Interim Finance Committee or the Department of Taxation.

Mr. Prengaman: I still feel the public should have some input. That's why I keep going back to some sort of elected official on that board, because they are responsible to the public.

Mr. Dini: We have run out of time for today. We will need to do some more work on it. We would appreciate anymore data you can get for us, Mr. Crossley, and we will take it up again.

Mr. Crossley: All right. Will do.

Mr. Dini: adjourned the meeting at 10:30 A.M.

Respectfully submitted,

Lucille Hill
Lucille Hill
Assembly Attache

**AUDIT DIVISION
WASHOE COUNTY AIRPORT AUTHORITY
SPECIAL REPORT TO ASSEMBLY GOVERNMENT AFFAIRS**

EXPLANATION OF LETTER TO ASSEMBLYMAN DINI

1. Schedule of Airlines - Signed and Unsigned
2. Information on Car Rental Agencies
3. Passenger Volume
4. Effect of \$2.7 Million Short Term Loan
5. Application of Revenue
6. Status of Phase I
7. Non-Construction Fund Projects
8. Description of Phase I and Phase II
9. Determination of Landing Fee Rates

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 485-5627
KATH ANIWORTH, *Senator, Chairman*
Arthur J. Palmer, *Director, Secretary*
INTERIM FINANCE COMMITTEE (702) 245-5640
DONALD R. MILLO, *Assemblyman, Chairman*
Ronald W. Sparks, *Senate Fiscal Analyst*
William A. Buble, *Assembly Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 485-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 485-5637
JOHN R. CROSSLEY, *Legislative Auditor* (702) 485-5620
ANDREW P. GROSS, *Research Director* (702) 485-5637

April 23, 1981

Mr. Joseph E. Dini
Chairman of Government Affairs
Legislative Building
Carson City, Nevada 89710

Dear Assemblyman Dini:

We have completed our preliminary inquiries into the Airport Authority of Washoe County. The personnel have been extremely cooperative in providing us and allowing us to obtain information. The following is a brief outline of our findings.

1. The Authority has signed contracts through 1996 with six major airlines. These contracts provided that the airlines will pay terminal rental and lease space, and provide for landing fee for per pound landed. The terminal and lease amounts are fixed. The landing fee is obviously not. Three other major airlines have not signed, but the Airport Authority is currently trying to obtain signed contracts. Certain other airlines will probably not sign major contracts, but will utilize the space of the major airlines.
2. The association between the rental car agencies and the Airport Authority is different from that of the airlines and the Airport Authority. Three major rental car agencies have facilities built on the premises. This gives more reliance that they will remain operative at the airport.
3. The passenger volume significantly increased in 1979. Based on our analysis, volume was forecast to increase 33% between 1978 and 1979. Actual results were a 49% increase, or 16% over the forecast. The same was true in 1980. There was a 10% increase over the forecast. The first six months in 1981 was at least 16% under the forecast.

1395

4. The airport did obtain the \$2.7 million short term loan. This allowed for normal shutdown of Phase I projects in progress.
5. One of the main things about the \$44.5 million bond issue is that the operating costs of the airport are paid first, then the bond costs.
6. A review of the nineteen items that were to be accomplished in Stage I indicates that many of these items were deferred and the money was spent on the terminal. The terminal was originally budgeted for \$18 million, and now that total commitment is \$26,400,000. This means they are \$8.4 million over their budget for the terminal. This brings up one of the major points we identified in our review. No where in the statutes does a control exist on the amount a construction contract may be changed. In 1971, the Legislature amended into the Public Works Board Law a 10% limitation on State construction change orders. This change applies to both increases and decreases. No such law exists for local governments, and it is our feeling that one should exist.
7. The airport borrowed \$4.1 million for other items which they classified as non-construction fund items.
8. The Authority is preparing to float another bond issue to accomplish two things:
 - a. to complete Stage I
 - b. to start on Stage II

One of the major problems in preparing another bond issue is that they are experiencing difficulty in working with the airlines as to what the airlines will actually finance. There was supposed to be a set of financial statements completed as of December 31, but they are still pending completion. Another firm was to prepare a bond proposal as they did for the first issue. However, that is not forthcoming since they do not know how many projects will be accomplished in the new bond issue. What it amounts to is how much money will the airlines put up for future expansion of the airport.

Mr. Joseph E. Dini
Page three
April 23, 1981

The determination of the landing fee is the critical issue. The Airport Authority determines its operating costs, the amount of fixed payments, the proposed capital outlay, and then sets the landing fee rate.

We are available to discuss any of the above points and show you some of the schedules and analyses we have developed. Please call us at your convenience.

Sincerely yours,



John R. Crossley, C.P.A.
Legislative Auditor

JRC:hjr
pc: Senator Keith Ashworth

WASHOE COUNTY AIRPORT

SCHEDULE 1

SIGNATORY AIRLINES - Signed contracts through 1996

1. United
2. Air California
3. Western
4. Republic
5. Delta
6. Braniff

NOT SIGNED

1. American
2. PSA
3. Frontier

OTHER

1. Eastern
2. TWA

**WASHOE COUNTY AIRPORT
AUTOMOBILE RENTAL CONCESSION**

SCHEDULE 2

	<u>1979</u>	<u>1980</u>
Operating Revenue	<u>\$3,551,879</u>	<u>\$4,710,996</u>
Automobile Rental Concession	<u>\$ 675,512</u>	<u>\$1,044,476</u>
Automobile Concession Rental as a % of Operating Revenue	<u>19%</u>	<u>22%</u>

The following automobile concessionaire's have constructed major facilities on the airport property.

- (a) Hertz
- (b) Avis
- (c) National

WASHOE COUNTY AIRPORT

SCHEDULE 3

<u>Fiscal Years</u>	<u>Total enplaned passengers</u>
1965	227,540
1970	387,780
1971	375,395
1972	389,467
1973	450,917
1974	523,220
1975	521,823
1976	537,356
1977	643,722
1978	795,055
1979	1,252,601
1980	1,309,822
July-Dec. 1980	571,423

SCHEDULE 4

March 12, 1981

AIRPORT AUTHORITY OF WASHOE COUNTY

Summary Sources and Uses of Funds

SOURCES

Cash in Bank	\$ 295,023	
Short Term Loan	2,700,000	
Receivables:		
ADAP (1)	\$ 426,000	
ADAP Inner Taxiway A		
Change Order #1	89,503	
Investment Interest Rec'ble	1,721	
Airline:		
Change Orders (2)	252,664	
ADAP 11 Sponsor Share	-	
		<u>769,888</u>
TOTAL SOURCES		\$ 3,764,911

USES

Contracts Payable (3)	\$ 2,765,773	
Future Requirements	<u>732,706</u>	
TOTAL USES		<u>3,498,479</u>
NET FUNDS AVAILABLE		\$ <u>266,432</u>

- (1) See ADAP Summary
- (2) See Reimbursable Change Orders Invoice Summary
- (3) See Construction Fund Contracts Summary

March 12, 1981

AIRPORT AUTHORITY OF WASHOE COUNTY

Cash Needs Analysis
for Stage I Capital Improvements Program

USES

Cash Requirements - Contracts Payable	\$ 2,765,773	
Future Requirements	<u>732,706</u>	
TOTAL REQUIREMENTS		\$ <u>3,498,479</u>

SOURCES

Cash in Bank	\$ 295,023	
Interest	1,721	
Short Term Loan	2,700,000	
Shortfall	<u>501,735</u>	
TOTAL		\$ <u>3,498,479</u>

AIRPORT AUTHORITY OF WASHOE COUNTY

**Detail Analysis of Cash Needs
March 12, 1981**

	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>Contracts Payable</u>
Vasco (C.O. 1 through 79)	\$ 395,584	\$ 350,000	\$ 230,000	\$ 105,903	\$ 359,456	\$ 359,456	\$ 1,854,815
Vasco (C.O. 80 through 85)	54,416						
G.A. Apron Taxiway	35,734		71,410				107,144
G.A.O.B.	10,000						10,000
Burns & McDonnell (Amendments 1-21)	34,550	35,238	35,238	35,238	27,725	10,000	177,989
Burns & McDonnell (Amendment 22)	72,750	24,250					97,000
Burns & McDonnell (Amendment 23):							
Inspection	45,000	45,000	46,000				136,000
Airline C.O. Design	32,000	8,000					40,000
Restaurant Design	5,000	20,000	5,000				30,000
LW Casework		57,000	57,000	56,293			170,293
G.A. Apron/Taxiway Asphalt	9,573						9,573
Terminal HVAC Computer - Yarnis	1,256		12,271				13,527
Inner Taxiway "A"		119,432					119,432
Total	\$ 695,863	\$ 658,920	\$ 456,919	\$ 197,434	\$ 387,181	\$ 369,456	\$ 2,765,772
Future Requirements:							
Future C.O.'s - Vasco	\$ 28,703	\$ 28,703	\$	\$	\$	\$	\$ 57,406
Future R.F.O.'s - Vasco	58,536	25,042	18,781	47,641			150,000
C.O. for Food & Beverage							
Concession - Vasco		185,000	185,000				370,000
Burns and McDonnell - Inspection				35,000	20,000		55,000
C.O. for New Roof - Vasco		15,000					15,000
Land Acquisition	5,100	32,500	4,000				41,600
Furniture for Lobby				43,700			43,700
Future Requirements	\$ 92,339	\$ 286,245	\$ 207,781	\$ 126,341	\$ 20,000	\$	\$ 732,706
Total Requirements		\$ 945,165	\$ 664,700	\$ 323,775	\$ 407,181	\$ 369,456	\$ 3,498,479
Cash Required from Present to March 31, 1981	\$ 788,202						

March 12, 1981

ADAP Summary

<u>Grant Number</u>	<u>Grant Amount</u>	<u>Total Reimbursement</u>	<u>Reimbursements Received</u>	<u>Reimbursements Receivable</u>
05	\$ 1,352,716	\$ 1,352,716	\$ 751,832	\$ 426,000
06	5,532,325	5,532,325	5,258,438	-
07	1,315,037	1,195,037	1,195,037	-
08	1,408,000	899,610	899,610	-
09 Runway Grooving	1,500,000	1,052,264	1,052,264	
10 G/A Taxiway	1,783,586	1,685,696	1,384,164	301,532
11 Taxiway A	<u>1,635,129</u>	<u>1,635,129</u>	<u>1,243,305</u>	<u>391,824</u>
	\$ <u>14,526,793</u>	\$ <u>13,352,777</u>	\$ <u>11,784,650</u>	\$ <u>1,119,356</u>

WASHOE COUNTY AIRPORT

SCHEDULE 5

Application of Revenues

The Application of Revenues ("Flow of Funds") to various funds and accounts is governed by provisions of the Resolution. Figure 2 presents a condensed summary of the flow of funds; a complete description is presented in the Summary of Certain Provisions of the Bond Resolution section of the Official Statement.

The Resolution provides that all Revenues will be deposited into the Revenue Fund established under the Resolution. Monies held in the Revenue Fund will be deposited into the following funds and accounts established under the Resolution in the following order of priority:

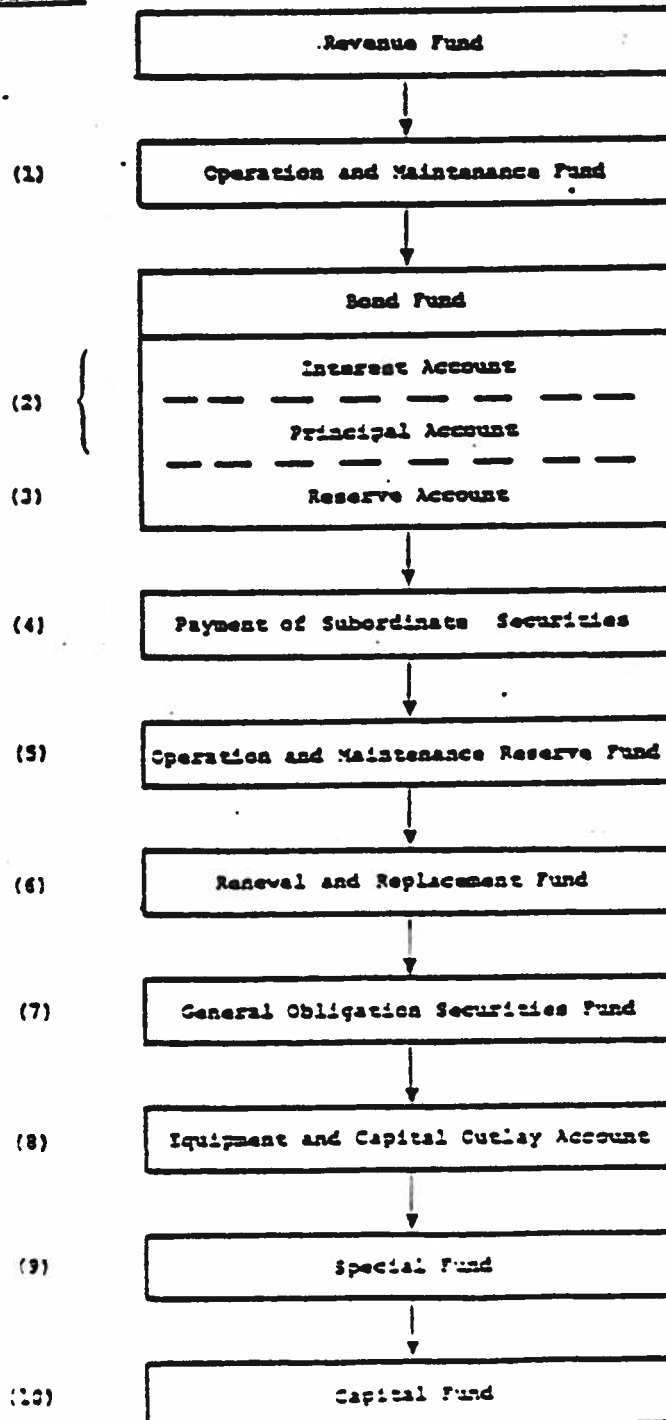
- (1) Operation and Maintenance Fund (current annual budget for operation and maintenance expenses)
- (2) Bond Fund Interest and Principal Accounts (pay principal and interest on Airport Revenue Bonds)
- (3) Bond Fund Reserve Account (replenish Revenue Bond reserve, if required)
- (4) Payment of debt service on Subordinate Securities
- (5) Operation and Maintenance Reserve Fund (33% of budgeted operation and maintenance expense)
- (6) Renewal and Replacement Fund (up to \$600,000 limit, or such larger amount determined by the Director of Airports after consultation with the Airport Consultant)
- (7) General Obligation Securities Fund (principal and interest on City general obligation bonds issued for Airport purposes, principal and interest on short-term notes, or interfund loans)
- (8) Equipment and Capital Outlay Account of the Operation and Maintenance Fund (amounts budgeted for equipment purchases and minor capital outlays)
- (9) Special Fund (equal to 35% of gaming revenues)
- (10) Capital Fund (all monies remaining in the Revenue Fund as a reserve for capital improvements, for securities redemption for any law suit obligations, or to make transfers of over-payments made by the Signatory Airlines from the Capital Fund into the Revenue Fund.)

WASHOE COUNTY AIRPORT

SCHEDULE 5
(continued)

SUMMARY OF APPLICATION OF REVENUES
AS ESTABLISHED BY THE RESOLUTION

Priority



1979 Revenue Bonds Construction Fund
Project Summary
April 1, 1981

SCHEDULE 6

1407

Item	Project		Budget	Design Inspection	Construction	Other	Total Commitment	(Over (Under) Budget		
1.	Land Acquisition	A9	\$ 16,456,000	\$	\$	76-77	\$ 501,288	\$		
		AH				77-78			6,160,641	
		A9				77-78			591,538	
		A9				78-79			359,844	
		AH				78-79			67,415	
		A9				11-30-79			50,490	
		JT/802							3,114,917	
		JL/803							837,905	
		JV/804							1,494,877	
		JV/804				Demolition			47,557	
		\$ 13,226,472	13,226,472	(3,229,520)						
2.	Terminal Expansion	A6	18,000,000	3,029,000	38,431	195,078	26,425,446	In Prog.	8,425,446 (3)	
		07/806.2			1,128,430					
		08/806.01			22,034,507					
				23,201,368						
3.	Apron Expansion Phase A	AJ	980,000	19,651 ⁽⁴⁾	821,263	31,390	872,304	Complete	(107,696)	
4.	Auto Parking/ Access	BAI/AR	949,000	171,900	24,550	(1,641)	1,297,672	Complete	340,672	
		AO			16,790					
		AS			92,241					
		BA			899,259					
		JW/832			94,042					
		1,126,882	(1,110)							
5.	ICC/FIS Bldg.	6A	900,000	80,400	846,039	Brnz Sign 1,263	927,702	Complete	27,707	
6.	Nvgl. Aids	2A/810	53,000					Deferred	(53,000)	
7.	Taxiway B, F & Inner Taxi- way A	Part J./ 811	1,890,000	278,500	2,388,625		2,667,125	In Prog.	777,125	
8.	Runway 16/34 & Taxiway A	AK	365,000	980 ⁽⁴⁾	277,124	SEA	13,000	291,104	Complete	(73,896)
9.	Runway 7/25, Taxiway B	4A/813	460,000	45,200			45,200	Deferred	(414,800)	
10.	CFR/Tracon Drainage	AL	59,000	2,327 ⁽⁴⁾	46,320	SFA	2,081	50,728	Complete	(8,272)
11.	Fuel Facility Site Prep	6E/815	100,000			(2) Appraisal	600	600	Deferred	(99,400)
12.	Rental Car Site Prep	5D/816	500,000	62,200	599,471	Appraisal	600	662,271	Complete	162,271

1979 Revenue Bonds Construction Fund Project Summary
 April 1, 1981
 Page 2

Item	Project	Budget	Design Inspection	Construction	Other	Total Commitment	Over (Under) Budget	
13.	Expand Apron, Phase B	87 JL/817	750,000 (1)	88,500	1,502,255	93	1,590,848 Complete 840,048	
14.	Gen'l Aviation Apron/Taxiway	20/818	2,900,000	235,500	1,019,739	Asphalt 130,244	2,185,483 In Prog. (714,517)	
15.	FBO Reloca- tion	30/819	1,300,000	60,500		60,500	Deferred (1,239,500)	
16.	Gen'l Aviation Office Bldg.	8X/820	1,500,000	140,000	1,426,560	SPPC 20,913	1,587,473 In Prog. 87,473	
17.	Runway Grooving	1A/812	378,000	20,000	278,850		298,850 Complete (79,150)	
18.	Runway 16/34 Exten. Paving	7B	50,000	14,346 (4)		5	14,351 Complete (35,649)	
19.	Runway/ Taxiway Repair	8T/823.01 8V 8X 8Q/823.02	300,000	8,000	43,952 151,000 203,752	34 65 10 109	203,861 Complete (96,139)	
TOTAL			\$ 47,890,000	\$ 4,249,004	\$ 34,538,248	\$ 13,620,738	\$ 52,407,990	\$ 4,517,990

- (1) Construction contract with Helms was split between bond funds (JL) 69.5% and non-bond funds (JM) 30.5%. The Bond Fund portion is to be further split between Items 7 and 13. The contract included the one-half of Taxiway "A" in Item 7 as well as all of Item 13.
- (2) Fuel Facility Site Preparation, Item 11, has been combined with Rental Car Site Preparation.
- (3) Change Orders 19 through 11 and 37, 38, 43, 47 56, 58, 67, 70, 71 and 82 are to be paid by the airline requesting the change (\$967,593).
- (4) Design and Inspection fees are not incurred by Burns and McDonnell.

BUDGET PERFORMANCE ANALYSIS

Projects Completed	Over	\$ 1,379,493
	Under	(400,802)
Projects In Progress	Over	9,290,014
	Under	(714,517)
Land Acquisition		(3,229,528)
Construction Fund Projects Deferred		(1,806,700)
		<u>\$ 4,517,990</u>

SCHEDULE 6

April 1, 1981

Terminal Building Expansion

	<u>Temporary Bag Claim Building Ford-A6</u>	<u>Computer for Mechanical Equipment Yemis-BK (806.03)</u>	<u>Terminal Building Addition Vesko-BK (806.02)</u>	<u>Bag Claim Addition & Temporary Concourses Vesko-BZ (806.01)</u>	<u>Burns & McDonnell AD (825.02)</u>	<u>Other</u>
Original Contract	\$ 38,431.00	\$ 105,141.00	\$ 15,610,000.00	\$ 814,000.00		
C.O. #1		12,922.00				
C.O. #1-19				314,430.00		
C.O. #1-73			5,708,820.00			
C.O. #71			67,174.00			
C.C. #72			15,998.00			
C.C. #73			18,976.00			
C.O. #74			19,752.00			
C.C. #75			12,276.00			
C.C. #76			2,692.00			
C.C. #77			12,638.00			
C.C. #78			4,987.00			
C.C. #79			100,000.00			
C.O. #80			18,553.00			
C.O. #81			11,988.00			
C.C. #82			85,884.00			
C.O. #83			17,383.00			
C.O. #84			47,386.00			
C.C. #85			150,000.00			
C.C. #86			130,000.00			
Total Contract	\$ <u>38,431.00</u>	\$ <u>118,063.00</u>	\$ <u>22,034,507.00</u>	\$ <u>1,128,430.00</u>	\$ <u>3,029,000.00</u>	\$ <u>77,015.00</u>
Total Commitments for Item #2						\$ 26,425,446.00
Airline Charge Order Reimbursement (85)						<u>(967,593.00)</u>
						\$ 25,457,853.00
Project Budget for Item #2						<u>(18,000,000.00)</u>
Over Budget						\$ <u>7,457,853.00</u>
Payments	<u>38,431.00</u>	<u>105,747.05</u>	<u>20,340,446.00</u>	<u>1,128,430.00</u>		
Contract Balance	\$ <u>-</u>	\$ <u>12,315.95</u>	\$ <u>1,694,061.00</u>	\$ <u>-</u>		

SCHEDULE 6

1410

This schedule reflects the changes in Amendment No. 23.

April 1, 1981

Burns and McDonnell Contract
By Project

<u>Item</u>	<u>Project</u>	<u>Task I & II</u>	<u>Task III</u>	<u>Task IV</u>	<u>Task V</u>	<u>Task VI</u>	<u>Task VII</u>	<u>Task VIII</u>	<u>Additional Services</u>	<u>Total</u>
<u>Construction Fund</u>										
2	Terminal Expansion	BK	\$ 2,086,300	\$ 817,800	\$	\$	\$	\$ 15,000	\$ 109,900	\$ 3,029,000
4	Auto Parking/ Access Roadways	BA	126,700	19,000					26,200	171,900 Complete
5	F.I.S. Building	6A	60,000	18,000					2,400	80,400 Complete
7	Taxiways D, F and Inner Taxiway A	JF/JK JL (Part)		53,500			130,000		95,000	278,500
9	R/W 7/25 and Taxiway B	4A		2,200			40,000		3,000	45,200
12	Rental Car Site Preparation	5B		10,000		40,200			12,000	62,200
13	Expand Apron, Phase B	JL (Part)		12,000			60,000		16,500	88,500 Complete
14	General Aviation Apron/Taxiway	2B		81,000			30,000		124,500	235,500
15	F.B.O. Relocation	3B		8,000		30,000			22,500	60,500
16	Relocate FSS/NWD	BS		33,000		90,000			17,000	140,000
17	Runway Grooving			10,000					10,000	20,000
<u>Total Construction Fund</u>			<u>\$ 2,273,000</u>	<u>\$ 1,064,500</u>	<u>\$</u>	<u>\$ 120,000</u>	<u>\$ 40,200</u>	<u>\$ 260,000</u>	<u>\$ 15,000</u>	<u>\$ 4,211,700</u>

Dums and McDonnell Contract by Project
 April 1, 1981
 Page 2

<u>Item</u>	<u>Project</u>	<u>Task I & II</u>	<u>Task III</u>	<u>Task IV</u>	<u>Task V</u>	<u>Task VI</u>	<u>Task VII</u>	<u>Task VIII</u>	<u>Additional Services</u>	<u>Total</u>
<u>Non Construction Fund</u>										
20	Interim Air Cargo	JH	\$ 12,000	\$	\$	\$ 89,100	\$	\$	\$ 66,000	\$ 167,100
21	Apron Expansion, Phase B-1	JM	12,500				46,000		15,000	73,500
22	Maintenance Facility	JN	<u>12,000</u>			<u>50,700</u>			<u>10,000</u>	<u>72,700</u>
<u>Total Non Construction Funds</u>			<u>\$ 36,500</u>	<u>\$</u>	<u>\$</u>	<u>\$ 139,800</u>	<u>\$ 46,000</u>	<u>\$</u>	<u>\$ 91,000</u>	<u>\$ 313,300</u>
<u>Operation and Maintenance Fund</u>										
Staff Consultation			\$	\$ 200,000	\$	\$	\$	\$	\$	\$ 200,000
Stead Land Use, Task IX									10,000	10,000
Finance Team, Task X									<u>18,000</u>	<u>18,000</u>
<u>Total Operation and Maintenance Fund</u>			<u>\$</u>	<u>\$ 200,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 28,000</u>	<u>\$ 228,000</u>
TOTAL			<u>\$ 2,273,000</u>	<u>\$ 1,101,000</u>	<u>\$ 200,000</u>	<u>\$ 120,000</u>	<u>\$ 180,000</u>	<u>\$ 306,000</u>	<u>\$ 15,000</u>	<u>\$ 4,753,000</u>

Non-Construction Fund
Project Summary
April 2, 1981

	Description	Project	Budget	Design Inspection	Construction	Other	Total Committed	Changes Under Consideration	Revised Commitment	Over (Under) Budget
20.	Interim Air Carson	026	\$ 864,000	\$ 167,100	\$ 822,407		\$ 989,587		\$ 989,587	Complete \$ 125,587
21.	Apron Expansion Phase B-1	027	796,000	73,500	656,927		730,427		730,427	Complete (65,573)
22.	Maintenance Facility	028	1,225,000	72,700	1,006,541		1,079,241		1,079,241	Complete (145,759)
23.	Fuel Facility	030	1,000,000	285,000		298,542 ⁽¹⁾	583,542		583,542	In Progress (416,458)
24.	Stead Hangar Renovation	029	265,000	1,809	212,093		213,902		213,902	Complete (51,090)
	TOTAL		\$ 4,150,000	\$ 600,109	\$ 2,698,048	\$ 298,542	\$ 3,596,699		\$ 3,596,699	\$ (553,301)

Budget Performance Analysis

Projects completed		\$ (136,843)
Projects In Progress	Over	\$
	Under	(416,458)
		\$ (553,301)

Status of Estimated Non-Bond Project Financing

Valley Bank Note	Amount	Cash	Receivable
1979-1	\$ 2,225,000	\$ 1,451,506	\$ 773,494
1979-2	1,925,000	1,902,035	22,965
	\$ 4,150,000	\$ 3,353,541	\$ 796,459

(1) Fuel Facility Tanks (Resource Development)

WASHOE COUNTY AIRPORT

SCHEDULE B

Stage I

<u>Item Number</u>	<u>Item</u>	<u>Estimated total cost</u>	<u>Eligible ADAP</u>	<u>Estimated ADAP</u>	<u>Estimated net cost</u>
1	Land acquisition	\$16,456,000	\$15,530,000	\$ 9,381,000	\$ 7,075,000
2	Expand terminal	18,000,000	—	—	18,000,000
3	Expand apron, Phase A	980,000	918,000	907,000	73,000
4	Auto parking/access	847,000	—	—	847,000
4A	Interim employee parking	102,000	—	—	102,000
5	Federal Inspection Services building	900,000	—	—	900,000
6	Navigational aids	53,000	50,000	17,000	36,000
7	Taxiways B, F, 1/2 A	1,890,000	1,770,000	910,000	1,380,000
8	Runway 16/34, 1/2 Taxiway A	365,000	342,000	338,000	27,000
9	Runway 7/25, Taxiway B	460,000	431,000	224,000	336,000
10	Drainage at Crash/Fire/Rescue— Terminal Radar Approach Control Facility	59,000	55,000	54,000	5,000
11	Fuel facility	100,000	—	—	100,000
12	Rental car site and access	500,000	—	—	500,000
13	Expand apron, Phase B	750,000	703,000	203,000	547,000
14	General aviation taxiway/apron	2,900,000	2,718,000	784,000	2,116,000
15	Relocate fixed base operators	1,300,000	—	—	1,300,000
16	Relocate Flight Service Station/ National Weather Service	1,500,000	—	—	1,500,000
17	Runway grooving	378,000	354,000	354,000	24,000
18	Runway extension planning	50,000	47,000	22,000	38,000
19	Runway/taxiway repair	300,000	—	—	300,000
	Total Project costs	<u>\$47,890,000</u>	<u>\$22,918,000</u>	<u>\$12,684,000</u>	<u>\$35,206,000</u>

WASHOE COUNTY AIRPORT

SCHEDULE 8
(continued)

	<u>Estimated total cost</u>	<u>Estimated grants-in-aids</u>	<u>Estimated net cost</u>
<u>Stage I</u>	\$47,890,000	\$12,684,000	\$35,206,000
<u>Stage II</u>			
Cargo building/apron	\$ 2,000,000	\$ 1,875,000	\$ 125,000
Extend Runway 16R/34L	2,000,000	1,875,000	125,000
Construct Runway 16L/34R	2,000,000	1,875,000	125,000
Vehicle circulation	100,000	—	100,000
Security fencing	35,000	33,000	2,000
Runway end identifier lights, Runway 16R	8,000	7,000	1,000
Expand apron, Phase B-1	1,266,000	1,187,000	79,000
Purchase land and extend runway	2,000,000	1,875,000	125,000
Security fence/perimeter roadway	555,000	520,000	35,000
	<u>\$ 9,964,000</u>	<u>\$ 9,247,000</u>	<u>\$ 717,000</u>
Total Approved Capital Program	<u>\$57,854,000</u>	<u>\$21,931,000</u>	<u>\$35,923,000</u>

WASHOE COUNTY AIRPORT

SCHEDULE 9

Signatory Airline Rates and Charges. The Agreement provides that Signatory Airline rates and charges will be reviewed at least annually and adjusted as necessary so that total revenues from such rates and charges, together with all other Airport System Revenues, will be sufficient to pay Operation and Maintenance Expenses, make required deposits to various funds and accounts established under the Resolution, and generate 1.25 times debt service on the 1979 Bonds.

The forecasts of Signatory Airline rates and charges in this report are based on two important assumptions:

1. The Signatory Airlines, collectively, will be financially capable to pay the rates and charges required under the Agreement in every year that the Bonds are outstanding.
2. The Authority will calculate Signatory Airline rates and charges in a manner consistent with provisions of the Agreement.

Page 3

AIRPORT AUTHORITY OF WASHOE COUNTY

BRIEF OF MINUTES
Friday, August 3, 1979

MEMBERS PRESENT:

Silvio Petricciani, Vice Chairman
Elizabeth M. Morris, Secretary
H. Marvin Byars, Trustee
Jerry Higgins, Trustee
George D. Hutchins, Trustee
Donald L. Carano, Trustee - 4:20 p.m.

ALSO PRESENT:

Robert L. Mandeville,
Executive Director
Kenneth R. Joule,
Director of Airport Operations
Robert L. Kendro,
Director of Finance
John J. Kadlic,
Deputy District Attorney

MEMBERS ABSENT

George E. Aker, Treasurer

The Board met in special session in the Washoe County Administration Building, 1205 Mill Street, Reno, Nevada, called the roll and conducted the following business:

CHANGE ORDER NO. 5, VASKO/NIELSEN-NICKLES CONTRACT

Change Order #5 to the contract for the terminal building expansion with Vasko/Nielsen-Nickles Co. provides for finished tenant space in the south concourse. Mr. Mandeville reviewed in depth the proposed construction involved in the change order; the unfinished space was not in the original contract. An analysis of the contract since the original award of \$15,610,000 was provided; Mr. Mandeville reviewed the contract since its inception. The City of Reno entered into a contract with Burns and McDonnell in February, 1977, as design leader for the terminal building expansion project. Burns and McDonnell associated with several Reno based architects and engineers in order to comprise the entire design team. From February, 1977, through September, 1978, the design team was designing the terminal facility for three carriers, United, Air West and Western. During the latter design phase (summer of 1978) it became evident that there would be changes in the airline tenants. In August, 1978, it was determined that the design must be frozen to get the contract ready for the revenue bonds. Future change orders are anticipated for ticketing and back office areas and additional modification to the south concourse. There may be as much as another \$1 to \$2 million in change orders needed to accomplish this task; and Mr. Mandeville reviewed the anticipated changes the carriers will be making.

The improvements are requested and will be paid for by the carriers through either present bond funds or additional debt.

4:20 p.m. - Chairman Carano present.

It is felt that the only alternative, to finish the contract without change orders and then enter into a second contract for the interior building finishes, is not a viable option in terms of the needs of the airlines.

On motion by Trustee Morris, second by Trustee Carano, which motion duly carried by unanimous roll call vote, Change Order No. 5 to the Vasko/Nielsen-Nickles Co. contract for the terminal building expansion in the amount of \$954,181 was approved, and the Chairman was authorized to sign.

#79-139, CHANGE ORDER NO. 7, VASKO/NIELSEN-NICKLES CONTRACT

The design team has been working closely with the City of Reno Fire and Building Departments with respect to the temporary bag claim and north, south and Airwest concourses. A temporary certificate of occupancy was issued with the agreement that

AIRPORT AUTHORITY OF WASHOE COUNTY

BRIEF OF MINUTES

Thursday, March 13, 1980

3:30 p.m.

Mr. Mandeville reviewed some anticipated changes to the Western, Air California, and United spaces and advised that some of United's changes will be in the form of a change order with United assuming the cost of those changes. United feels it is in the best interests of the project not to confuse it with multiple general contractors.

Mr. Mandeville advised that at one point consideration was given to stopping work to allow for redesign. It was determined at that time that the better approach was to continue with the contract, dealing with the changes as they arise.

There was much discussion about the change order review process, whether the change orders would delay the opening, and the percentage of markup on change orders.

Mr. Mandeville noted that a mailgram was in route from Ken Lemke, Chairman of the Airport Affairs Committee, and Dave Montano, Chairman of the Technical Committee, indicating the airlines' support for the expansion program and the change orders.

There was some discussion about the status of the airline agreements. Mr. Mandeville noted that no signed agreements have been received from the new carriers; they are anticipated shortly and no serious problem is foreseen. The airlines did not receive their agreements until January, 1980. Management concurs, however, with the signatory airlines that before any capital projects or changes to the project will be considered signed agreements must be received.

Chairman Carano expressed concern that the extras not put out for competitive bid are becoming a major item.

Mr. Avery noted that bidding the change orders would have caused delays; any time a second contractor is inserted in a major project, it will impact the first contractor and create delays for both.

Mr. Mandeville indicated that the airlines have been advised that any future change orders which could delay the project will not be considered.

In response to a question by Chairman Carano, Mr. Kadlic advised that he had reviewed the statutes and found no problem with the change orders; they are within the basic contract bid as the changes are within the shell, and nothing new is being added to the basic construction outline.

The initial budget for the terminal building expansion has been exceeded; and contingency plans to deal with that overage have been discussed with the Board. Bond counsel has assured that no covenants of the bond ordinance have been violated regarding using more money than initially anticipated.

In response to a question about the effect on the rate base formula of a decrease in the number of airlines, Mr. Mandeville indicated that the signatory carriers have agreed to fund the expansion project.

Mr. Mandeville reviewed the amendment to the signatory carriers' agreements which was negotiated before the seven new carriers began service and (1) expanded the concept of the project from \$3 million to \$60 million; (2) increased the term of the agreement to 1996; and (3) provided a means for dealing with unanticipated capital improvements which might be needed under the longer agreement. He reviewed the formula for capital improvements not outlined in the agreement under which the airlines can defer a project not listed for a maximum of twenty-four months, at which time the Authority can proceed, charging the rate base formula.

Mr. Protzmann reviewed in detail a summary of the project costs and the changes in that summary since it was last presented to the Board.

AIRPORT AUTHORITY OF WASHOE COUNTY

BRIEF OF MINUTES

Thursday, March 13, 1980
7:00 p.m.

MEMBERS PRESENT:

George E. Aker, Treasurer - 8:26 p.m.
H. Marvin Byars, Trustee
Donald L. Carano, Chairman
Jerry Higgins, Trustee
George D. Hutchins, Trustee
Elizabeth M. Morris, Secretary

ALSO PRESENT:

Robert L. Mandeville,
Executive Director
Kenneth R. Joule,
Director of Airport Operations
Robert L. Kendro,
Director of Finance
H. E. Protzmann, Director of Planning,
Engineering & Maintenance
John J. Kadlic,
Deputy District Attorney

MEMBERS ABSENT:

Silvio Petricciani, Vice Chairman

The Board met in regular session at the Washoe County Administration Building, 1205 Mill Street, Reno, Nevada, at 7:00 p.m., called the roll and conducted the following business:

APPROVAL OF MINUTES

On motion by Trustee Higgins, second by Trustee Hutchins, which motion duly carried by unanimous vote of those present, the minutes of February 14 and 28, 1980 were approved as submitted.

APPROVAL OF BILLS, WARRANTS & DRAFTS

On motion by Trustee Morris, second by Trustee Higgins, which motion duly carried by unanimous vote of those present, warrants 593 through 599, 738 through 739, and 749 through 862 dated March 13, 1980 totaling \$320,269.25 were approved and payment authorized.

80-42, CHANGE ORDERS 32-38, VASKO/NIELSEN-NICKLES CONTRACT

On motion by Trustee Byars, second by Trustee Hutchins, which motion duly carried by unanimous vote of those present, Change Orders 32 through 38 to the Vasko/Nielsen-Nickles contract totaling \$1,523,652 were approved and the Chairman authorized to sign.

80-43, STREET NAMING, AIRPORT PROPERTY

Following Mr. Joule's review, Trustee Morris advised this was a discussion subject of the Standards Committee, the street names still being open for suggestions. Mr. Joule advised, in response to Trustee Higgins' question, that streets were named at the request of the Regional Planning Commission.

On motion by Trustee Hutchins, second by Trustee Morris, which motion duly carried by unanimous vote of those present, the street names designated in Memo 80-43, Sky Way, Aviation Boulevard and Aero Drive, were approved.



Airport Authority of Washoe County

Cannon International Airport
Geno Stead Airport
Box 10490
Reno, NV 89510
Phone 702/785-2675

March 13, 1981

The Airport Authority of Washoe County Board of Trustees meeting attendance for the past eighteen months (July 1979, through December 1980), is as follows:

<u>AUTHORITY MEMBER</u>	<u>NO. OF MEETINGS</u>	<u>TIMES ABSENT</u>
George E. Aker	47	15
H. Marvin Byars	47	11
Donald L. Carano	47	15
Jerry Higgins	41	3
Joe W. Howard	6	0
George D. Hutchins	47	4
Elizabeth M. Morris	47	0
Silvio Petricciani	47	7

sr

Distribution of airport noise discussed

By DICK COPPER
Journal staff writer

Reno City Council members were assured Monday by Washoe County Airport Authority representatives that them is not hearing the brunt of jet noise from takeoffs at Cannon International Airport.

Airport Authority Executive Director Robert Mandeville said jet noise is being distributed over three takeoff patterns, including one over northeast Reno.

Councilman Joe McClelland, in a joint meeting between the City Council and Airport Authority trustees at Reno City Hall, said he had received complaints from northeast businesses and residents about increased jet activity over their neighborhoods in the last three months.

Mandeville said there are three alternate takeoff patterns being used, rather than a single takeoff pattern, in order to spread out the effects of jet noise from Cannon International.

The city of Sparks has complained in the past that Sparks

neighborhoods have been absorbing all the jet noise.

The Airport Authority, according to Mandeville, is following a noise reduction study several years in the making, which recommended a distribution of jet noise over several areas.

He said the Federal Aviation Administration had the final say in which takeoff patterns could be used. The approved northerly flight tracks are over northeast Reno, another that follows U.S. 395 freeway and a third over Conductor Heights in Sparks, Mandeville said.

To the south, he said, jets can follow patterns over the South Hills area to the southwest, another parallel to South Virginia Street and a third that swings southeast over the Double Diamond Ranch.

SA Erickson, chairman of the Airport Authority trustees, said the trustees can decide which flight track is appropriate, based on the types of planes they fly and safety factors. Some larger aircraft cannot be banked sharply on

takeoff, he said, and follow a direct line out of the airport.

In another discussion, council members questioned airport officials about the possibility of the Airport Authority conveying water rights if will accumulate as it acquires land around the airport.

In a second phase of the airport's expansion, the Airport Authority intends to purchase about \$20 million worth of property to create a noise buffer around the airport.

Erickson said the Airport Authority trustees should adopt a policy on conveying water rights and would consult with the city staff.

Airport officials also agreed to the city's proposal for a council member to be a liaison with the Airport Authority, attending its meetings and reporting back to the council.

McClelland said the liaison is necessary so the council can be aware when the city and the Airport Authority's interests are the same and when they differ.

MSN 5-5-81

Nevada Briefs

Salvation Army dinner tonight

The Reno branch of the Salvation Army has scheduled its annual advisory board civic dinner meeting at 7:30 tonight in the Bonanza Room at John Ascuaga's Nugget.

Attorney General Richard H. Bryan is scheduled to be the guest speaker.

Capt. David C. Patrick also is scheduled to give a statistical picture of the organization's work during 1980, which includes visiting institutions, transient relief, youth camps and programs, Thanksgiving and Christmas activities and the adult rehabilitation center.

GEROVITAL

For the names of Nevada physicians who prescribe GEROVITAL CAPSULES & NOW Gerovital injections

Please call 329-4759 Or ask your pharmacist

Licenses revocation sought

Journal Capital Bureau
Carson City supervisors will be asked Thursday to revoke the liquor licenses of the Lucky Spur, Hound-dog's Tavern and the Black Street Disco which a number of under age youngsters were allegedly found during a recent police sweep, Deputy District attorney Bill Macklox said Monday.

Macklox also said he had advised Justice of the Peace Davis that his office does not intend to press criminal charges against owners William Wagner, Robin Souders and Charles James.

He explained that conviction would only bring a maximum fine of perhaps \$500, whereas granting the licenses involved would serve as a more forceful reminder to other establishments.

Supervisors are scheduled to meet at 9 a.m. in the Justice Court meeting room.

Reno

2nd Judicial Court of State of Nevada

... places preliminary in- junction on locally owned furniture co. at 1405 S. Wells Ave. Investment losses and attorney fees forces a reduction of over \$200,000 worth of furniture ... In all departments ... including such famous brand names as Bur-

ington House, American Heritage, Elegance, Lazy Day, Broyhill, Singer, Mission, Riverside, Isenberg, Beauty Craft, Larwin, Richards, Williams, Vandyke, Bassett, Thomasville, John and Gillespie.

1405 S. WELLS

UP TO 75% OFF

Retail Sales and Service

For all Your Plumbing and Heating Needs

CALL SAVAGE & SON, Inc.



620 S. VIRGINIA - 323-4193

NORTHERN NEVADA

REAL ESTATE SCHOOL

ENROLL NOW

Phyllis Braselton, Director

TEXT BOOKS, PRIVATE TUTORING AND CRASH COURSES ARE INCLUDED AT NO EXTRA COST.

Make the

Wright



TESTIMONY RELATIVE TO AB 693

EXHIBIT D

THE CITY OF LAS VEGAS ENDORSES AB 693. IT IS A COMPANION MEASURE TO AB 484 WHICH HAS ALREADY BEEN PASSED BY BOTH THE SENATE AND THE ASSEMBLY AND HAS BEEN APPROVED BY THE GOVERNOR. HOWEVER, THE CITY IS NOW OF THE OPINION THAT AB 484 DID NOT GO QUITE AS FAR AS PERHAPS IT SHOULD HAVE, AND FOR THAT REASON WE ARE SUPPORTING AND ENDORSING AB 693.

WHAT AB 484 DID WAS TO CLEAN UP THE PROCEDURE WITH RESPECT TO RECONVEYING LAND WHICH HAD BEEN DONATED OR DEDICATED TO A CITY FOR GOVERNMENTAL PURPOSES, AND IT DID THAT IN A VERY EXEMPLARY MANNER. IT REQUIRES THAT THE PROPOSAL TO RECONVEY THE LAND MUST FIRST BE REFERRED TO THE PLANNING COMMISSION OF THAT CITY FOR STUDY AND A RECOMMENDATION, AND, AFTER THAT RECOMMENDATION HAS BEEN RECEIVED BY THE GOVERNING BODY, THE GOVERNING BODY MUST HOLD A PUBLIC HEARING ON THE MATTER. IF, AFTER THE PUBLIC HEARING, THE GOVERNING BODY DETERMINES THAT IT IS IN THE BEST INTEREST OF THE CITY TO RECONVEY THE LAND, IT MUST OFFER TO RECONVEY IT, FREE OF CHARGE, TO THE ORIGINAL DONOR OR DEDICATOR. IF THE ORIGINAL DONOR OR DEDICATOR IS UNABLE OR REFUSES TO ACCEPT THE RECONVEYANCE, THE CITY MAY THEN SELL THE LAND BY SEALED BID OR BY PUBLIC AUCTION.

TO THE EXTENT THAT THE FOREGOING APPLIES TO LAND WHICH HAS BEEN DONATED OR DEDICATED, IT IS A VERY SATISFACTORY PROCEDURE. HOWEVER, IT APPLIES ONLY TO LAND WHICH HAS BEEN DONATED OR DEDICATED AND STOPS SHORT OF ADDRESSING THE PROBLEM WHICH ARISES WITH RESPECT TO LAND WHICH HAS BEEN PURCHASED AND SUBSEQUENTLY DEDICATED TO A PUBLIC USE AND LAND WHICH HAS BEEN CONDEMNED OR

PURCHASED UNDER THE THREAT OF CONDEMNATION.

TO ILLUSTRATE THE FIRST ASPECT OF THIS PROBLEM, THE CITY OF LAS VEGAS HAS PURCHASED LAND IN THE PAST AND IMMEDIATELY DEDICATED IT TO A PUBLIC USE. FOR EXAMPLE, TULE SPRINGS PARK, WHICH IS NOW FLOYD LAMB STATE PARK, WAS PURCHASED BY THE CITY FOR THE PURPOSE OF ESTABLISHING A PARK, AND, WHEN THE PARK WAS ESTABLISHED, THE LAND BECAME DEDICATED TO A PUBLIC USE. THE PROBLEM I AM DISCUSSING DID NOT ARISE WITH RESPECT TO THIS LAND, SINCE THE CITY DISPOSED OF IT BY DONATING IT TO THE STATE OF NEVADA. HOWEVER, HAD THE CITY FOUND THAT THE RETENTION OF TULE SPRINGS PARK WAS UNDULY BURDENSOME ON THE CITY AND CHOSE TO DISPOSE OF IT IN SOME OTHER WAY, THERE IS NO MECHANISM IN THE STATUTE TO AUTHORIZE SUCH DISPOSITION. THE LAND WAS NOT DONATED TO THE CITY, AND HENCE AB 484 WOULD NOT APPLY, BUT IT HAD BEEN DEDICATED TO A PUBLIC USE, AND HENCE COULD NOT BE SOLD AS LAND HELD BY THE CITY IN ITS PROPRIETARY CAPACITY. SIMILARLY, LORENZI PARK WAS PURCHASED BY THE CITY MANY YEARS AGO AND DEDICATED IMMEDIATELY TO PUBLIC PARK PURPOSES AND THEREFORE WOULD NOT BE ELIGIBLE FOR RECONVEYANCE UNDER AB 484 OR FOR SALE AS PROPRIETARILY OWNED PROPERTY. ANOTHER EXAMPLE IS THE PROPERTY IMMEDIATELY TO THE SOUTH OF THE LAS VEGAS CITY HALL WHICH HOUSED THE OLD BUNKER BROTHERS MORTUARY. THE CITY PURCHASED THIS PROPERTY AND USED IT FOR A NUMBER OF YEARS AS THE CITY HALL ANNEX AND PRESENTLY USES IT AS A PUBLIC PARKING LOT.

I AM NOT SUGGESTING THAT THE CITY WOULD WANT TO DISPOSE OF EITHER LORENZI PARK OR THE OLD BUNKER BROTHER PROPERTY. I

AM MERELY USING THEM TO ILLUSTRATE THAT THERE IS NO PROVISION PRESENTLY IN THE LAW, IN VIEW OF THE CIRCUMSTANCES UNDER WHICH THEY WERE ACQUIRED AND USED, WHICH WOULD PERMIT THE CITY TO DISPOSE OF EITHER ONE.

ADDITIONALLY, THE CITY, AS WELL AS ALL OTHER CITIES AND COUNTIES IN THE STATE, HAS PROPERTY WHICH HAS BEEN CONDEMNED FOR PUBLIC USE UNDER THE EMINENT DOMAIN PROCEDURES SET FORTH UNDER CHAPTER 37 OF NRS OR PURCHASED UNDER THE THREAT OF EMINENT DOMAIN. THERE IS A RUDIMENTARY PROCEDURE FOR DISPOSING OF THAT LAND, WHICH IS PRESENTLY PROVIDED FOR IN NRS 37.260. HOWEVER, I FEEL THAT, BY INCORPORATING THE PROVISIONS WHICH NOW EXIST FOR THE RECONVEYANCE OF DONATED OR DEDICATED PROPERTY INTO CHAPTER 37, YOU WOULD BE PROVIDING THE PERSON WHOSE PROPERTY HAS BEEN CONDEMNED, MORE PROTECTION THAN IS PRESENTLY PROVIDED BY NRS 37.260. THE PRESENT LANGUAGE PROVIDES THAT ALL A GOVERNING BODY OF A CITY OR A COUNTY IS REQUIRED TO DO, IN ORDER TO DISPOSE OF PROPERTY WHICH HAS BEEN CONDEMNED OR PURCHASED UNDER THE THREAT OF EMINENT DOMAIN PROCEEDINGS, IS TO DETERMINE THAT THE PROPERTY IS NO LONGER NEEDED FOR THE USE FOR WHICH IT WAS ACQUIRED OR FOR ANY OTHER REASONABLE PUBLIC USE. AFTER THAT DETERMINATION HAS BEEN MADE, THE PROPERTY MAY BE PUT OUT TO BID FOR WHATEVER PRICE SOMEBODY IS WILLING TO PAY FOR IT.

ON THE OTHER HAND, IF THE DISPOSAL OF LAND ACQUIRED PURSUANT TO CHAPTER 37 IS MADE SUBJECT TO THE PROVISIONS WHICH NOW APPLY TO THE RECONVEYANCE OF DONATED LAND, BY VIRTUE OF AB 484, THE PROPOSAL FOR SUCH DISPOSITION MUST FIRST BE REFERRED TO THE PLANNING COMMISSION OF THE CITY OR COUNTY INVOLVED FOR STUDY

AND A RECOMMENDATION, AND, AFTER THAT RECOMMENDATION HAS BEEN RECEIVED BY THE GOVERNING BODY, THE GOVERNING BODY MUST THEN HOLD A PUBLIC HEARING ON THE DISPOSITION. IN ADDITION, IF, FOLLOWING THE PUBLIC HEARING, THE GOVERNING BODY STILL DESIRES TO PURSUE THE DISPOSITION, IT MUST OFFER TO RECONVEY THE PROPERTY, FOR THE CURRENT APPRAISED ~~PRICE~~^{VALUE}, TO THE PERSON WHO OWNED THE PROPERTY AT THE TIME OF ITS ACQUISITION. ONLY IF THE ORIGINAL OWNER IS UNABLE OR REFUSES ^{to purchase the property for its appraised value}, OR IF THE PROPERTY HAS BEEN COMBINED WITH OTHER LAND OWNED BY THE CITY OR COUNTY AND IMPROVED IN SUCH A MANNER AS WOULD REASONABLY PRECLUDE THE DIVISION OF THE LAND, TOGETHER WITH THE LAND WITH WHICH IT HAS BEEN COMBINED, INTO SEPARATE PARCELS, IS THE CITY OR COUNTY PERMITTED TO SELL THE PROPERTY BY WAY OF COMPETITIVE BIDDING.

THERE ARE NO SIMILAR PROVISIONS IN THE LAW RELATING TO THE DISPOSITION OF PROPERTY WHICH HAS BEEN ACQUIRED THROUGH CONDEMNATION OR THROUGH THE THREAT OF EMINENT DOMAIN PROCEEDINGS, AND THE CITY FEELS THAT BY MAKING SUCH DISPOSITION SUBJECT TO THOSE PROVISIONS, YOU WOULD BE PROVIDING ADDITIONAL PROTECTION TO LAND OWNERS WHOSE PROPERTY IS TAKEN BY CONDEMNATION.

THE BOTTOM LINE OF AB 693 IS THAT, WITH ITS ENACTMENT, YOU WILL BE PLACING ALL PROPERTY WHICH IS OWNED BY A CITY OR A COUNTY IN ITS GOVERNMENTAL CAPACITY ON THE SAME FOOTING WITH RESPECT TO ITS RECONVEYANCE, REGARDLESS OF HOW IT WAS ACQUIRED. A CITY OR A COUNTY WOULD HAVE TO GO THROUGH THE SAME PROCEDURE FOR THE DISPOSITION OF PURCHASED OR CONDEMNED PROPERTY AS IS PRESENTLY ONLY REQUIRED WITH RESPECT TO DONATED OR DEDICATED PROPERTY. BECAUSE OF THIS, THE CITY FEELS THAT THE BILL PROVIDES ADDITIONAL PROTECTION TO FORMER PROPERTY OWNERS AND SUPPORTS ITS ENACTMENT.

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627

KEITH ASHWORTH, *Senator, Chairman*
Arthur J. Palmer, *Director, Secretary*

INTERIM FINANCE COMMITTEE (702) 885-5640

DONALD R. NELLO, *Assemblyman, Chairman*
Ronald W. Seaman, *Senate Fiscal Analyst*
William A. Bible, *Assembly Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627
JOHN R. CROSSLEY, *Legislative Analyst* (702) 885-5627
ANDREW P. GROSE, *Research Director* (702) 885-5637

May 27, 1981

EXHIBIT E

M E M O R A N D U M

TO: Chairman and Members of the Senate Committee on
Government Affairs

FROM: Fred W. Welden, Senior Research Analyst

SUBJECT: Outline of Proposed Amendments to the Local Government
Employee-Management Relations Act

Following are the proposed amendments to the Local Government Employee-Management Relations Act. These amendments address time schedules, criteria for determining "ability to pay," and the general process. The dates which are relevant to scheduling of major actions are underlined.

NRS 288.190

1. No change.
2. Delete subsection 2, and replace it with the following provisions:

Except in cases to which NRS 288.205 and 288.215 apply:

- (a) Either party may request mediation between April 1 and June 1.
- (b) Mediator selection:
 - (1) Party agreement, or if none
 - (2) Labor commissioner to submit list of seven possibles with striking process - labor first; last name left is the mediator. Mediator must be selected on or before June 5.

- (c) Mediator to attempt to settle dispute but no power to compel. Can establish times/dates for meetings. Mediator to bring parties to agreement as soon as possible and no later than June 30, unless mutually agreed to extend.
- (d) Labor and management to split costs of mediation. Each party to bear its own costs.
- (e) If parties do not invoke factfinding of NRS 288.200, parties may agree to choose mediator as above provided at any time to help resolve dispute.
- (f) If parties proceed to factfinding pursuant to NRS 288.200, mediator shall submit report of mediation efforts to commissioner of EMRB by July 10.
- (g) Parties may agree to have mediator serve as factfinder as well.

NRS 288.200

1. Change April 25 to May 1, and change May 25 to June 1. This change would mean that either party could submit the dispute to a factfinder between May 1 and June 1.

Provide that the dispute may not be submitted to factfinding unless mediation has been undertaken as provided in NRS 288.190.

2. No change.
3. No change.
4. Change June 15 to June 20. This is the date before which a schedule of dates and times for the factfinding hearing must be established.
5. No change.

6. Give the authority, which the governor presently may exercise, to a panel. The procedures associated with this authority would be as follows:

- (a) Either party may file with the commissioner of the local government employee-management relations board a request that binding factfinding be ordered. The commissioner must receive the request on or before June 25. At the same time that the party files the request with the commissioner, the party must notify in writing the state board of accountancy and the state bar association that the request has been made.

The request must include:

- (1) A list of the issues which are at impasse and each party's position relative to each issue.
 - (2) A statement of the projected fiscal impact of each party's position on the political subdivision.
 - (3) An outline of previous factfinding experiences of the parties, including the factfinders' recommendations and awards and the parties' actions relative to these recommendations and awards.
 - (4) A statement that the parties have used the services of a mediator.
 - (5) The schedule of dates and times for hearings as established pursuant to subsection 4.
 - (6) Any other information which is requested by the commissioner.
- (b) For each dispute in which such a request is submitted, a four-member panel is selected as follows:

- (1) Within 5 days after receipt of the notification that binding factfinding has been requested, the state board of accountancy and the state bar association each submit a list of five names of members who are not closely allied with any employee organization or local government employer to the commissioner and each party. (Latest date for this action would be ~~June 30,~~
~~July~~)
- (2) Within 8 days after receiving the list of names, the parties select a name from each list by alternately striking one name until only one name remains. This activity is undertaken separately for each list. The employee organization strikes the first name. Within this same time period, the parties notify the selected persons and the commissioner of the selections. (Latest date for these actions should be July 8.)
- (3) Within 5 days after receipt of the notification of their selection, these two members of the panel select a third member, ^{who must be a resident} who must be a resident of the State of Nevada and who must not be closely allied with any employee organization or local government employer. Within this same time period, the two members notify the third person of his selection and notify the commissioner of dates before August 10 upon which the three will be available to attend hearings. (Latest date for these actions would be July 13.)
- (4) The commissioner is the fourth member of the panel. He is a nonvoting member, and he chairs all hearings and proceedings of the panel.

- (c) Change the date by which the panel must make the order from "before June 1" to "on or before August 10." Provide that the commissioner may extend this date. Provide that the panel may make the order by a vote of ~~2/3~~ *majority of the voting members*
- (d) Delete the last sentence in subsection 6 and specify that in making its decision the panel must consider:
 - (1) Whether, in its judgment, the parties have bargained in good faith; and
 - (2) Whether, in its judgment, an impasse exists.

The panel may also consider factors relating to its evaluation of:

- (1) The history of actions of the parties in response to recommendations or awards made under previous factfinding proceedings;
 - (2) The best interests of the state and all its citizens;
 - (3) The potential fiscal effect both within and outside the political subdivision; and
 - (4) Any danger to the safety of the people of the state or a political subdivision.
7. Change the final sentence in the subsection to state that the factfinder's report must contain the facts upon which he based his determination of the financial ability of the local government employer and upon which he based his recommendations or award.
8. The existing subsection reads as follows:

Any reasonable and adequate sum of money necessary to insure against the risk undertaken which is maintained in a self-insurance reserve or fund must not be counted

in determining the financial ability of a local government employer and must not be used to pay any monetary benefits recommended or awarded by the factfinder.

Add to the self-insurance reserve or fund the following funds that may not be used in determining "ability to pay," nor may they be used to pay monetary benefits recommended or awarded by the factfinder:

- (a) Any ending balance of the general or a special revenue fund which exceeds the sum of the money appropriated for the opening balance of that fund for the succeeding fiscal year and 1/12 of the expenditures from that fund for the fiscal year just ended. (S.B. 411, enrolled.)
- (b) Enterprise funds for the following purposes:
 - (1) Governmentally-owned utilities which provide water, electricity, gas, sewerage and telephone service.
 - (2) Airports, cemeteries, convention authorities, golf courses, hospitals, parking garages, swimming pools and transit systems. (S.B. 411, as introduced.)
- (c) Debt service funds. (S.B. 411, enrolled.)
- (d) Money put into special assessment districts. (S.B. 411, enrolled.)
- (e) Money put into capital projects funds. (Not in tax package.)
- (f) Internal service funds. (Not in tax package.)

9. Change "governor's" to "panel's."

10. Provide that each member of the panel, other than the commissioner, is entitled to receive \$150 for each day he is engaged in panel business and is also entitled to the expenses and allowances prescribed in NRS 281.160.

NRS 288.205

Amend limitation on effective date to provide that the section is effective until July 1, 1985.

NRS 288.215

Amend limitation on effective date to provide that the section is effective until July 1, 1985.

FW/jld: 5.1/Act1

CRITERIA FOR EVALUATION OF IMPASSE RESOLUTION

1. The number of contracts which have been negotiated.
2. The number of negotiating sessions conducted in each contract negotiation.
3. The number of contract negotiations resolved prior to third party involvement.
4. The number of contract negotiations resolved during mediation.
5. The number of contract negotiations resolved during advisory fact-finding.
6. The number of contract negotiations resolved during binding fact-finding.
7. The number of contract negotiations resolved during "last best offer" procedures.
8. The outcomes of proceedings by the PANEL.
9. Did the parties comply with the letter and spirit of chapter 288 of the Nevada Revised Statutes?
10. What was the impact on local governments due to each award?
 - (A) Fiscal impact
 - (B) Lay-offs
 - (C) Changes in other priorities
11. What was the average time taken to reach settlement under each procedure?
12. What was the impact of binding fact-finding or "last best offer" on other bargaining groups?
13. How many, and what issues, have gone to "last best offer" or binding fact-finding; and the number of these disputes which have been resolved throughout various stages of the process?

OTHER CONSIDERATIONS

1. Cost of the negotiation process.
2. Length of negotiated contracts.
3. Can it be determined that either system of impasse resolution has had a more positive influence on the negotiating process?
4. What additional changes might be proposed to improve the existing procedure?

COMMENTS ON STUDY CRITERIA

EXHIBIT G

- 5+. Parties' reactions to recommendations of factfinder when factfinding was not binding. Were recommendations accepted and implemented by both parties?
6. (a) Resolved after binding factfinding was ordered, but before the factfinder's decision was made; or
(b) Resolved by award of the factfinder?
7. (a) Resolved after submission to factfinder, but before factfinder makes recommendation;
(b) Resolved by acceptance of factfinder's recommendations;
(c) Resolved after submission to arbitrator, but before final offers are made; or
(d) Resolved by award of the arbitrator?
14. If possible, within jurisdictions, compare the contracts made with the bargaining units that reached agreement early to the contracts made with bargaining units that reached agreement later.
15. If possible, within jurisdictions, compare the agreements that were reached after binding factfinding was ordered or through last-best offer with agreements made through other procedures.

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 485-5627

KEITH ASHWORTH, Chairman, Office
Arthur S. Palmer, Director, Secretary

INTERIM FINANCE COMMITTEE (702) 485-5640

DONALD R. BELLO, Chairman
Ronald W. Sparks, Secretary
WILLIAM A. BROWN, Secretary

ARTHUR S. PALMER, Director
(702) 485-5627

FRANK W. BAYNE, Chairman, Finance Committee
JOHN K. FROSTEN, Secretary
ANDREW P. GROSE, Secretary

May 27, 1981

EXHIBIT H

M E M O R A N D U M

TO: Senator James Gibson, Chairman
Senate Committee on Government Affairs

FROM: Senators Ford and Getto

SUBJECT: Chart of Proposed Time Schedules for
Local Government Employee-Management
Relations Act

Attached is a chart which illustrates the time schedules associated with activities which would be undertaken pursuant to the Local Government Employee-Management Act if it is amended as proposed.

JF/VG/llp:5.2.Time
Enc.

**TIME SCHEDULES ASSOCIATED WITH ACTIVITIES UNDERTAKEN PURSUANT TO THE
LOCAL GOVERNMENT EMPLOYEE-MANAGEMENT RELATIONS ACT
IF PROPOSED AMENDMENTS ARE ADOPTED**

DATE

ACTIONS WHICH MUST BE UNDERTAKEN ON OR BEFORE THE DATE

NEGOTIATION-MEDIATION

FACTFINDING

February 1	Notice of desire to negotiate.	
April 1	Request for mediation.*	
May 1	↓ ↓	Dispute may be submitted to factfinder.**
June 1	Request for mediation.	↓ ↓
June 5	Mediator must be selected.	Dispute may be submitted to factfinder.
June 20		Schedule for hearings must be established.
June 25		Request for binding factfinding must be received.
June 30	Mediation generally is concluded.	Lists of possible panelists must be submitted.
July 8		Parties must select two panelists and make notifications.
July 10	Report of mediator is due.	Two panelists must select third, make notifications, and provide list of available dates.
August 10		Panel must order binding factfinding if it is going to so order, unless this date is extended by the commission.

*This is the initial date for submitting a request for mediation.
**This is the initial date for submitting a dispute to a factfinder.

1935