

**CITY COUNCIL MEETING OF  
February 21, 2007**

**VERBATIM TRANSCRIPT ITEM 50**

**Item 50 Discussion and possible action to authorize the City Manager to pay \$273,000 as the City's portion of a proposed settlement in the matter of City of Las Vegas and Nevada Business Services v. Las Vegas City Employees Association (LVCEA), Nevada Supreme Court Case No. 47902, if other signatories to the Nevada Business Services (NBS) interlocal agreement legally authorize their contractually-required sums - All Wards**

**Appearance List:**

OSCAR GOODMAN, Mayor

BILL HENRY, Senior Litigation Counsel

STEVE WOLFSON, Councilman

STEVEN ROSS, Councilman

LAWRENCE WEEKLY, Councilman

BRUCE SNYDER, General Counsel, Las Vegas City Employees Association

LOIS TARKANIAN, Councilwoman

TOMMY RICKETTS, President, Las Vegas City Employees Association

DIANA REED WATERS

SANDRA MARTINEZ

LARRY BROWN, Councilman

40 minutes

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**OSCAR GOODMAN**

Item 50 is discussion and possible action to authorize the City Manager to pay \$273,000 as the City's portion of a proposed settlement in the matter of City of Las Vegas and Nevada Business Services versus Las Vegas City Employees Association, the LVCEA, Nevada Supreme Court Case Number 47902, if other signatories to the Nevada Business Services interlocal agreement legally authorize their contractually required sum. This pertains to all Wards. Mr. Henry.

**BILL HENRY**

Thank you, Mayor. In 1983, the City of Las Vegas entered into an interlocal agreement with Clark County, and subsequently with other jurisdictions, to create Nevada Business Services. This was to take advantage of federal funds that were available for job training. And so, in essence, Nevada Business Services which was a governmental organization under the federal laws of the time was created to pass through these funds. This interlocal agreement was amended a number of times, including in 1984 where the signatories contemplated what would be the responsibility of the signatories for debts that could not be paid with federal funds. And they entered into an amendment to the interlocal agreement, setting forth a funding formula.

The funding formula that is relevant to us today provided that for any of these debts that could not be paid by federal funds, the City of Las Vegas would pay 42 percent, Clark County would pay 42 percent, North Las Vegas would pay nine percent, Henderson would pay five percent and Boulder City would pay two percent. Around 2000, there was a change in federal law and the board of Nevada Business Services decided to take advantage of Nevada of this change in federal law which permitted a private corporation, if you will, to pass through these funds. And so, in 2000, a vote was taken to eliminate Nevada Business Services and the next day, Nevada Business Services Inc. was created.

This is relevant because the employees of Nevada Business Services, the governmental entity, had an employment contract and were represented by the Las Vegas City Employees Association. This employment contract provided that if there was to be a reduction in force, formal written notice had to be given. The Executive Director of Nevada Business Services did not give this formal written notice before he executed a 100 percent reduction in force.

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The union, Las Vegas City Employees union, in behalf of this group of employees, grieved this matter to the Employee Management Relations Board and they prevailed. The grievance they chose to file was against Nevada Business Service, a now defunct organization without assets, and the City of Las Vegas. They could have chosen to file this grievance against all the signatories but for their own reasons, which I dont know, they just chose the City of Las Vegas.

Here was the rub, because under the rules of practice, before the Employees Management Relations Board, theres no capability the third party in, other defendants. And so we ended up, in essence, with a judgment against us. Nevada Business Services and the City of Las Vegas sought judicial review of this under the rules of NRS 233b before a state district judge, and ultimately the judge ruled in behalf of the Las Vegas City Employees Association. Nevada Business Services and the City of Las Vegas took an appeal before the Nevada Supreme Court, and thats where the matter is now. Under the rules of practice of the Nevada Supreme Court, all civil appeals are subject to mediation or arbitration where a settlement judge is appointed by the court to get together with the parties and see if something can be worked out. Such a meeting occurred last year and Nevada Business, or pardon me, the Las Vegas City Employees Association agreed to settle this matter for six hundred and fifty thousand dollars. This would be an amount that would be exclusive of interest that had accrued on their cause of action. And so, they were giving up something.

Having said that, I bring this matter before you and with an agenda item that ask you to authorize the City Manager to pay the Citys forty-two percent of six hundred and fifty thousand dollars, which would be two hundred and seventy-three thousand dollars, if the other signatories to the interlocal agreement legally authorize their contractually required sums. That is, if the Clark County Commission authorizes their manager to pay two hundred and seventy-three thousand dollars; if the North Las Vegas City Council authorizes their manager to pay \$58,500 and if the City Managers of Henderson and Boldy, Boulder City agree to pay \$32,500 and \$13,000, respectively.

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**MAYOR GOODMAN**

All right. Any questions of Mr. Henry? I have a couple. One, in the appeal to the Supreme Court, did we raise the issue of not being able to bring in third party defendants?

**BILL HENRY**

The matter has not been briefed yet. There would be two or three issues that, I believe, that we would bring to the Nevada Supreme Court. That would be one.

**MAYOR GOODMAN**

Okay, because it seems patently unfair that if the fault lies with another jurisdiction that we get saddled with the bill. But, you know what, thats for another day and maybe another dollar, but thats something that concerns me.

Im interested in how the formula was fixed between the various jurisdictions, but that really is not the main issue. I, if I were North Las Vegas that doesnt have a judgment against me, why would I come up with any money? Why would Boulder City come up with any money or Henderson if they dont have a judgment against them?

**BILL HENRY**

In my opinion, the interlocal agreement that sets the funding formula going back to 1984 requires them to step up and pay this amount because the judgment is not only against the City of Las Vegas but against Nevada Business Services. And because of that, all the signatories have an obligation.

**MAYOR GOODMAN**

Okay. Assuming arguendo that Henderson says, Im not paying, what happens?

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**BILL HENRY**

Well, under this agenda item, if you were to vote on this agenda item as its written and authorize the payment, and Henderson or any of the other signatories did not step up, then your City Manager could not expend the funds, there would not be a settlement, we, and

**MAYOR GOODMAN**

The appeal

**BILL HENRY**

we would brief this matter before the Nevada Supreme Court and see how we did.

**MAYOR GOODMAN**

All right. Councilman Wolfson?

**COUNCILMAN WOLFSON**

Thank you. Mr. Henry, in your opinion if we were to not go along with this settlement, in other words, all the parties, for whatever reason, arent on board or if we decide not to do it, what is our potential exposure on the high side?

**BILL HENRY**

I believe that, at this time, our ex, our potential exposure is eight hundred and fifty to nine hundred thousand dollars, and depending on how long it takes the Nevada Supreme Court to rule on this matter, the clock keeps running on the interest.

**COUNCILMAN WOLFSON**

Thats the total amount that would be subject to the formula distribution you talked about.

**BILL HENRY**

Yes.

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**COUNCILMAN WOLFSON**

So our portion, theoretically, could go from the

**MAYOR GOODMAN**

Two seventy-two.

**COUNCILMAN WOLFSON**

two seventy-three up to three or four hundred thousand dollars.

**BILL HENRY**

Well, I mean, were assuming the situation with the other jurisdictions wont step forward, and if they dont, the current judgments against us and NBS. NBS is defunct; has no assets and so the judgments against us. And so, ultimately, under the scenario that you draw out, we could be paying in excess of eight hundred and fifty-nine hundred thousand dollars.

**COUNCILMAN WOLFSON**

Is your recommendation, on behalf of the City of Las Vegas, to enter into this type of settlement?

**BILL HENRY**

It is.

**MAYOR GOODMAN**

Councilman Ross?

**COUNCILMAN ROSS**

Thank you, Your Honor. Councilman Weekly, you wanna go before I do?

**MAYOR GOODMAN**

Oh, Im sorry.

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**COUNCILMAN WEEKLY**

No, I was just going to ask the question. And would that be simply because is of the fact that we are signed on as fiscal agent? And maybe the other municipalities, I don't think that they are. Is that what's tying us to this?

**BILL HENRY**

No, what's tying us to this is that the complaint that was brought by the Las Vegas City Employees Association originally was against us, the City of Las Vegas, and Nevada Business Services. And so the judgment, joint in several, is against us and Nevada Business Services, but they have no assets.

**COUNCILMAN WEEKLY**

But isn't that because, I mean, you're saying the City of Las Vegas has bought into it because of those NBS employees are under the assumption that they were members of the CEA, not officially City of Las Vegas employees, but because they were under the auspices of the City of Las Vegas union.

**BILL HENRY**

I

**COUNCILMAN WEEKLY**

And that, also too, Mark Vincent, who is our Finance Director, is signed on as a fiscal agent. Is that our tie in, because I don't think

**BILL HENRY**

That's

**COUNCILMAN WEEKLY**

the other municipalities don't have the same type of tie in that we have.

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**BILL HENRY**

Well, the other, fundamentally, we all have the same tie is, which is that contractual obligation dating back in 1984. In addition, if we go back to the action taken in 2000, the two actors amongst the signatories that were doing, perhaps, relevant things, were Clark County, who provided Deputy District Attorney to give legal advice on this breakup of NBS and conversion to NBS Inc. and the City of Las Vegas that was giving management support services, including financial services. I suspect without knowing that that's why Las Vegas City Employees Association decided to name us but not name the others.

**COUNCILMAN WEEKLY**

Okay.

**MAYOR GOODMAN**

Councilman Ross?

**COUNCILMAN ROSS**

Id like the two gentlemen to introduce themselves before I go on, Your Honor, if that's all right, with your permission.

**MAYOR GOODMAN**

Very good. Mr. Ricketts.

**BRUCE SNYDER**

My name is Bruce Snyder. Im the General Counsel for the Las Vegas City Employees Association. Excuse me. I have Tommy Ricketts, our President here today. We also have a couple of the class members; Diana Reed Waters and some others sitting down there. Couple statements. The EMRB and the court did not find that there was liability on the City just because they were doing administrative tasks. They actually found, in their findings, that the City was a joint employer of the NBS employees and there's 23 of them in the class, by the way. That it went beyond the fact that the City was providing financial support services or human resources support

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services, that there was actually an intertwining or intermingling and that they were, in effect, City employees.

Also want to mention that it was more than just NBS closing on June 30th and NBS Inc. opening on July 1st that what EMRB and the court both found is that the reason for doing so was anti-union animus. That the employees who were active in the union were not retained by NBS Inc. and that the NBS Inc. refused to recognize the collective bargaining agreement or the union as the representative of those employees. And so that certain employees lost their job, those that were rehired by the new entity were retained at other than their contractually negotiated rates of pay and benefits. And that's why the action was brought. I was not the attorney of record at the time the complaint was filed, so I cannot speak as to all the issues as to why certain people were included as defendants and others were not. But there were other defendants besides NBS and the City of Las Vegas. There was also the Job Training Board, which is now defunct. There was the Southern Nevada Work, Workforce Investment Board, which still exists and Councilman Ross, I believe, said something, (inaudible) the chair. And there is also the Chief Local Elected Officials Consortium. These latter two entities, it's our understanding, it's our belief, that they control the inter-governmental agreement that sets aside which entity pays which percentage on -- issues like this. And, although, we are grateful that you are going to recommend today two hundred and seventy-three thousand as your share, we had hoped that since there is a big liability, we believe we will prevail at the Supreme Court just as we have prevailed at the EMRB and at the District Court. And by the time the Supreme Court renders its decision, this case will be about one million to one point one million. And it is joint in several liabilities, so we can just come back after the City for the full amount and your entire exposure could be a lot more than the two seventy-three today. It was our hope today that you were going to recommend the whole six fifty, then turn around and through action on your behalf, seek contribution from the other entities by enforcing that inter-governmental agreement. By doing so you would reduce your ultimate exposure that you would have under this case, should we prevail at the Supreme Court and the other entities in the meantime do not agree to settle. If I was some of the other entities, maybe I would not settle because they were not named as defendants. And so, you know, for example, Boulder City, I'm not sure if they're gonna settle and they're with their small contribution could put a hindrance and could totally upgradely (sic) your liability potential for the future. So, we were hoping that you would

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recommend the whole six fifty turn around and in the future take appropriate legal action to recover the difference between six fifty and two seventy-three by enforcing the agreement. The other alternative would be to have the Southern Nevada Workforce Investment Board directly approve the whole six fifty and that Board itself enforce all the entities who belong to that Board, all the different jurisdiction, force them to contribute, including yourself to contribute your share. So, that's another way of resolving the issue.

**MAYOR GOODMAN**

We're sort of in a blind spot here, as far as whether or not we'll ever be able to get any kind of enforcement from the other entities, assuming that we would follow your suggestion, which I'm not of the mind to do at this point. I, it bothers me greatly that there is a law in effect that doesn't allow us to bring in the other parties so that they would be a party to the law suit and be subject to whatever liability there is at the end of the day. That seems to be a legitimate, appellant issue to me, but how do you respond to that, on that issue because we don't have the pleading before us and basically we're relying on briefings from our City Attorney's Office as to how to go on this thing. But on that issue, how do we stand on the, how do you evaluate the issue as to whether or not a law which would preclude a defendant from bringing in third party defendants to share in the liability? How that

**BRUCE SNYDER**

Well

**MAYOR GOODMAN**

would stand out?

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**BRUCE SNYDER**

Thank you. Its my understanding that the City did file a motion to dismiss when the complaint was first filed with EMRB, on this very issue, that all the necessary parties were not named as defendants. That motion to dismiss was not granted. Later on it was arranged, I believe, at the hearing and the EMRB stated that there were, other that, perhaps not all the parties that could have been named were named, that the parties that were named were sufficient to go forward. This was an item that the City and, I believe, the County both raised in front of Judge Togliatti and her decision was about 60 pages; it took about a year to write. And I can give all of you a copy. Sorry. But, and she went into great detail as to that, although it may not have been the best thing, it did pass muster in that, you know, the case could go forward and we won and

**MAYOR GOODMAN**

Is theres actually a law that says you cant bring in third party defendants?

**BRUCE SNYDER**

Im not aware of that, but I guess right now thats neither here nor there. I mean

**MAYOR GOODMAN**

No, I

**BRUCE SNYDER**

its past the EMRB, its past, you know

**MAYOR GOODMAN**

I understand

**BRUCE SNYDER**

the Supreme Court.

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**MAYOR GOODMAN**

It is an appellat issue or it may be an appellat issue. Okay. I understand

**BRUCE SNYDER**

Right.

**MAYOR GOODMAN**

where youre coming from.

**BRUCE SNYDER**

Yeah.

**MAYOR GOODMAN**

Anybody else? Okay. Councilman Ross?

**COUNCILMAN ROSS**

Thank you, Your Honor and thank you gentlemen. Mr. Henry, I appreciate your presentation, Mr. Snyder, yours as well. This isnt one of the most favorite things we get to deal as public servants here on this Council, Your Honor, and its quite unfortunate. This is simply, we need to do whats right. Years ago a collective bargaining item was ignored by a previous Director. And do you remember the Directors name, Mr. Henry, at the time?

**BILL HENRY**

Richard Blue.

**COUNCILMAN ROSS**

Mr. Blue had either neglected to or on purpose had ignored this collective bargaining issue, which has been a great concern of mine. These employees were displaced and as a result of this, these bad choices, and this could have been avoided easily enough by following that collective bargaining agreement. As weve already been heard today, this has gone through a tremendous

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process. The ones that are suffering from this, of course, are those employees who lost their jobs and part of this suit.

The item, gentlemen, on the agenda today is our portion of the writ, of the settlement, and I think its only right that we, as a City, be proactive in this approach. Right now with this dollar amount, our share of forty-two percent, because we need to be the lead here and example, in regards to the other municipalities that share a cost in this, to my colleagues, I want to share that with you.

We certainly could have put that entire amount on the agenda, but I dont think that would have given them the opportunity to participate. Each municipality needs to put this on their agendas for approval. I have not received, and Im sharing this with my Councilmembers and Your Honor, any inclination that any of them have, are dodging their financial responsibility, as to their portion of this settlement. And until that time, Im gonna move forward with good faith. Just a correction, Mr. Snyder, Im the Chairman of the Local Elected Official Consortium; wouldnt want the responsibility of being the Chairman, more so, of that Workforce Board.

But this is, again, one of those challenges that occurred years ago and its unfair if we continue to draw this out. And, Mr. Snyder, Mr. Ricketts, you have my commitment that I work closely with the other municipalities to get this to some kind of closure. This is our portion of it. Were gonna stand by that and do whats right. And I would ask my fellow constituents to do the same in supporting that.

**MAYOR GOODMAN**

I appreciate that. Im gonna do it on the proviso that we get an answer within or you try to get an answer within 30 days from the others because I dont want the interest to keep on running if theyre not gonna settle it. I want it brought back to us.

**BILL HERNY**

Well, Mayor, as it stands right now, as I understand it, the interest does not keep on running because there is an offer on the table.

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**MAYOR GOODMAN**

Okay.

**BILL HENRY**

And the last I heard there was to be a meeting of finance directors about this tomorrow.

**MAYOR GOODMAN**

Okay.

**BILL HENRY**

If youre gonna put a time limit on it, I, given how long it takes to get things on Council agendas and Commission agenda, I wonder if youd be willing to go as long as 45 days.

**MAYOR GOODMAN**

Well, certainly. What I wanna do is I wanna stop the interest from running against us. If were going to approve our portion today, we shouldnt be penalized if it breaks down with the other jurisdictions.

**BRUCE SNYDER**

Your Honor?

**MAYOR GOODMAN**

Yes.

**BRUCE SNYDER**

There was originally a deadline in February that was extended and now the settlement judge has extended the deadline again until April 12th to get all the entities on board. So

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**MAYOR GOODMAN**

Okay. Well thats

**BRUCE SNYDER**

And, you know

**MAYOR GOODMAN**

ambitious.

**BRUCE SNYDER**

If it looks like its really gonna happen, we would always be willing to extend it, you know, but there's gotta be a certain time where everybody needs to either vote it up or vote it down.

**MAYOR GOODMAN**

I agree with you. I agree. Okay, may I have a motion, please?

**COUNCILWOMAN TARKANIAN**

Mr. Mayor

**TOMMY RICKETTS**

Excuse me

**COUNCILWOMAN TARKANIAN**

can I ask a question. Oops, you wanted to ask a question.

**TOMMY RICKETTS**

Go ahead, Councilwoman.

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**COUNCILWOMAN TARKANIAN**

Talking with Councilman Ross and were committing to pay this, but were committing to pay this only if the others pay theirs. Should we just make our commitment to pay what we know is ours? Is there a reason why we dont do that?

**BILL HENRY**

Well, yes, because if we just pay two hundred and seventy-three thousand dollars, I suspect that the CEA would be glad to take it, but it would not get us off the hook. If, that is, if the others didnt come in with their money for the agreed settlement price of six fifty, then the CEA would proceed against the City and NBS in the Nevada Supreme Court.

**COUNCILWOMAN TARKANIAN**

I just dont know the hardship thats, because I wasnt here at the time all this happened. The hardship for those individuals that were in jobs, that were involved, and it seems to me what youre saying today is, at a minimum, the two hundred and seventy-three is what we owe. We may owe more if the others dont contribute. Am I misunderstanding that? But dont we owe the two seventy-three one way or the other?

**COUNCILMAN ROSS**

Your Honor, could

**BILL HENRY**

No.

**COUNCILMAN ROSS**

I answer that for the Councilwoman?

**COUNCILWOMAN TARKANIAN**

Is there a legal aspect to this Im not understanding?

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**BILL HENRY**

Well, theres perhaps a legal aspect that I havent adequately explained, Councilwoman. We either have a settlement at sixty-fifty or we dont.

**COUNCILMAN ROSS**

Mr. Henry, give me a second here, if I might. We are on the hook for the entire amount, Councilwoman. We are the ones who are responsible for this settlement agreement.

**COUNCILWOMAN TARKANIAN**

This whole six hundred and something

**COUNCILMAN ROSS**

Correct.

**COUNCILWOMAN TARKANIAN**

as the court rules right now.

**COUNCILMAN ROSS**

The City of Las Vegas, per the interlocal agreement that we have with the Southern Nevada Workforce Investment Board and the other municipalities, their portions are adjusted by percentages. This is our percentage of that settlement. So, basically, you know, we could have put this entire amount on the agenda to be paid, and then, we, the City of Las Vegas, would be chasing the other municipalities.

**COUNCILWOMAN TARKANIAN**

No

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**COUNCILMAN ROSS**

I would like the County, the City of Henderson, the other municipalities, the opportunity to step up to the plate and do the right thing. So, this is our portion of that interlocal agreement amount.

**COUNCILWOMAN TARKANIAN**

And I understand that.

**COUNCILMAN ROSS**

Does that make sense?

**COUNCILWOMAN TARKANIAN**

Its, what youre doing is youre making it as what we plan to do with the hope that they will step up and do what they should do.

**COUNCILMAN ROSS**

Absolutely.

**COUNCILWOMAN TARKANIAN**

All right. Thank you.

**TOMMY RICKETTS**

Your Honor, if I could say a few words.

**MAYOR GOODMAN**

Certainly, Mr. Ricketts.

**TOMMY RICKETTS**

Tommy Ricketts, President of the Las Vegas City Employees Association. I inherited this having become the President in 1999. Having gone over to Nevada Business Services and having known quite few people that had transferred over there from working here in the tower, I got to know quite

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a few of em pretty good. We had several reps who were very active in our Association and this was our third bargaining group, which was very small group, but they had a contract that there was a lot of things in that contract and there was a lot of issues. Having sat through all the hearings, having participated in this from the start, I want to see this through.

I wanted to take the opportunity to, at least, address the fact that there have been instances in the past where this was, in my opinion, neglected; nobody wanted to deal with it. And unfortunately, sometimes you can agree to disagree, but Ive got to say, for the record, having sat through this and having seen the individuals that we represented that were displaced and out of work, you know, everybody can point somebody else to be, out to be the villain. The last thing I wanna do, I think, I have a very good working relationship with the City of Las Vegas, as do the employees, and as do I feel the same relationship with all of you on the Council. This wasnt done in mean spirit or anything else. I think the individual who was the Director, Executive Director of NBS, whos also the Executive Director of NBS, Inc. four months before they shut the doors, as was found out by the MBR (sic) during hearings, there was some very definite anti-union animus going on; not in essence by, directly by the City of Las Vegas. I dont feel that. I dont think that was the case. But I think that there was a responsibility and a tie because it was happening under the Citys nose.

The last thing I wanna do is continue this, but I did want to take the opportunity to at least, the two individuals, I believe, that are here from NBS, to at least address you or have that opportunity, if thats allowed

**MAYOR GOODMAN**

Sure.

**TOMMY RICKETTS**

Your Honor. And also think that, you know, on a separate note, regardless of which way you go, I wanna make sure that we go down the right road and we heal these wounds the best way we can and continue to make this, I guess, the example in the Valley. Nothing against the other entities, but Im proud to work for the City. Im proud to represent the employees that we represent.

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And, you know, Councilman Weekly, you'll be in new digs, next time I see you, probably, but I gotta tell you on a parting note, since I wanna at least give you my thanks, we've endorsed you on every term. You were a City employee, saw you in the hallways. You've always been an upstanding example of what a City employee should be. I gotta tell you, you taught me one thing, you know, you gotta get respect, and if you don't have that and if you don't stand up for what you believe in, you know, you only have you to blame. So, thank you. I appreciate the example that you've set for me and the leaders in my organization, as to, you know, what you should be in the community and also what you should be at work. So, thank you.

**COUNCILMAN WEEKLY**

Thank you.

**TOMMY RICKETTS**

I'd like to introduce Diana Reed. She was a claimant in the suit and was one of the individuals that was one of our reps that was displaced, humiliated and, I mean, it left a very bad taste in my mouth, and at the same time it happened under the City's nose. So, with that, Diana.

**MAYOR GOODMAN**

Ms. Reed.

**DIANA REED WATERS**

Hello. As they said, Mayor, my name is Diana Reed Waters. I was one of those employees. This has been going on now for six years. It's been affective since 2000. Councilwoman asked about how were the employees displaced. Believe me, we were definitely harmed by this. A lot of folks were very close to retirement. It affected the retirement benefits, medical benefits; it affected us harshly. Also, you know, this was stipulated, where they're only paying for two years. They are not paying for six years. You know this could have been pushed on and say, hey, pay for six years. We've given up a lot. Plus, there're still employees that are displaced; had not had another job. And as you said, you picked out and chosen as being a troublemaker, so therefore, you were not open for

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any other type of municipality position. So, the best I can suggest, to request is that the other employees have suffered tremendously as a result of this.

**MAYOR GOODMAN**

Thank you. Would you like the other, anybody else like to speak who was (inaudible)?

**DIANA REED WATERS**

Sandra Martinez.

**SANDRA MARTINEZ**

(Inaudible)

**MAYOR GOODMAN**

Why dont you come up.

**DIANA REED WATERS**

Come up here, Sandra.

**MAYOR GOODMAN**

Please tell us who you are for the record.

**SANDRA MARTINEZ**

My name is Sandra Martinez, Councilman and members of the City Council. I dont think I could say it any better than Ms. Reed has already done.

**MAYOR GOODMAN**

Thank you, very much.

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**SANDRA MARTINEZ**

Thank you.

**MAYOR GOODMAN**

All right. Thank you gentlemen. Mr. Henry, anything further?

**BILL HENRY**

No, Your Honor.

**MAYOR GOODMAN**

All right. Fine.

**COUNCILMAN BROWN**

Your Honor?

**MAYOR GOODMAN**

Yes. (Inaudible), Councilman Brown.

**COUNCILMAN BROWN**

Question. Who would be responsible for the actions of the executive director? Would the by-laws call out that?

**BILL HENRY**

I dont know. Generally the Board is responsible for the actions of the executive director or, you know, the chief operating officer.

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**COUNCILMAN BROWN**

I guess, Mayor, you brought it up earlier, it may be there's an obligation out there. But I just think that if that board was the governing body for that executive director's action, then it appears to me that there'd be some linkage back to a legal responsibility of the board members.

**MAYOR GOODMAN**

That could well be. We hear that it was defunct or what was the word that you used? Bankrupt or

**BILL HENRY**

Well, it

**MAYOR GOODMAN**

Had no assets?

**BILL HENRY**

Yeah. Legally it stopped existing.

**MAYOR GOODMAN**

I understand, but the actions of those who were responsible, for what appears to be a, an act of mistreatment of City employees, you would think that they would be held financially responsible.

I know

**BILL HENRY**

Right. What

**MAYOR GOODMAN**

that if in fact, I'm not gonna point my finger at anyone, but if the director was responsible for this, I mean, he could have to respond in money damages, not just us.

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**BILL HENRY**

Each one of the signatories provided an elected official to sit on this board, Mayor.

**MAYOR GOODMAN**

No, I appreciate that, but I heard the name of somebody else who apparently was a director or in charge of, Mr. Blue.

**TOMMY RICKETTS**

He could be sitting on your Council.

**MAYOR GOODMAN**

Excuse me?

**TOMMY RICKETTS**

No. Im sorry. Strike that comment.

**COUNCILMAN ROSS**

Your Honor, if I could make a comment. Keep in mind, Nevada Business Services was the government entity receiving the federal dollars to provide worker training opportunities. When the federal law changed, it went from Nevada Business Services, the government entity, to Nevada Business Services, a 501C3 corporation and thus, I think it was the establishment of the Southern Nevada Workforce Investment Board. I cant, Im not sure on my timelines. Councilman Weekly, am I getting clo, am I close?

**COUNCILMAN WEEKLY**

Yes, you are.

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**COUNCILMAN ROSS**

So, once that transition took place, the release of all these employees occurred. That transition still couldve taken place if the director was following the collective bargaining agreement.

**MAYOR GOODMAN**

And thats my point.

**COUNCILMAN ROSS**

In a timely manner.

**MAYOR GOODMAN**

My point is that the director did something wrong. It seems so many times people get off the hook and walk away.

**COUNCILMAN ROSS**

Well, and I want to throw one caveat in there, Your Honor. We, the Southern, I dont know who the legal counsel was at the time. Mr. Henry, you could probably answer that, but our legal counsel for the Southern Nevada Workforce Board at this time is a member of the District Attorneys Office, from the County. So, and Mr. Henry, if Im correct, was that the same way prior in years past?

**BILL HENRY**

My understanding is, and I inquired into this, as I previously stated, some time ago, at the time this, Nevada Business Service stopped existing and the next day Nevada Business Services, Inc. started existing, the City provided management support, which was so intensive that it isnt true it is true that EMBR, EMRB found us to, in essence, be an employer. But the County, through a Deputy District Attorney provided legal advice.

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**MAYOR GOODMAN**

Was it good advice?

**BILL HENRY**

No. Ive spoken to the Deputy District Attorney who chose not to advise the client to give this legal notice.

**MAYOR GOODMAN**

I dont know. I think were letting people off the hook to easily here, but that doesnt have anything to do with the question of the settlement. But I, something doesnt smell right to me. It really doesnt.

**TOMMY RICKETTS**

Your Honor, if I could.

**MAYOR GOODMAN**

Yes.

**TOMMY RICKETTS**

At that time I was involved in some meetings where it wasnt like dealing with the City. I gotta tell you, Im glad I dont have to deal with that on a daily basis. I think the City, even though weve agreed to disagree, the legal counsel, the legal team, here weve got along professionally. This probably wouldnt be the same case, but from day one when these issues were coming about, and when issues in the workplace were brought to my attention, it was, is very upsetting. The advice and the very, I guess, arrogance or sarcastic way that it was presented was, you dont have to listen to them, dont worry about it. At the same light, the same individual is representing this case and has from the existence of this since 1999. So, I just wanted to tell you that its still the same individual.

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**MAYOR GOODMAN**

Well, yeah, but it stinks. It stinks. It really smells. It stinks and I feel that we have to limit our liability. And I understand where youre coming from. I just hope that your faith and your fellow elected officials in the other jurisdictions is warranted?.

**COUNCILMAN ROSS**

Well, I hope so too, Your Honor. And its important that we move forward with this in a good faith effort. We need to bring some closure to this.

**MAYOR GOODMAN**

I understand.

**COUNCILMAN ROSS**

You know, again, Ill do my best to make that happen for the CEA. But it, this is just an example, and not only to our City Managers Office, but to us as elected public servants, is that every board we serve on, every thing that we have the Citys name is tied to, we need to pay attention to whats going on so this doesnt occur again, so employees arent displaced, so collective bargaining agreements are met and lived up to.

Again, I cant emphasize more how this could have been avoided and we wouldnt be having this discussion today.

**MAYOR GOODMAN**

I appreciate that.

**TOMMY RICKETTS**

Your Honor, one last thing?

**MAYOR GOODMAN**

Yes.

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**TOMMY RICKETTS**

If this through you to Councilman Ross, if the other entities do not vote on this in lieu of going all the way through the Supreme Court and the expenditures, I would just ask the Council to do the right thing and reconsider a motion or an agenda item that would address this issue on behalf of these employees so that they can get on with their lives and we can, kind of, close this wound, in lieu of going through the Supreme Court hearing. Thank you.

**MAYOR GOODMAN**

I appreciate that. All right. Councilman Brown.

**COUNCILMAN BROWN**

Your Honor, my sense is that we want to hold this until our April 4th meeting, but are we going to take any action, as far as the monetary?

**MAYOR GOODMAN**

Yes, I think that the appropriate motion would be, based on what I heard, move to pay the two hundred and seventy-three thousand and then start immediately to get the balance from the

**BILL HENRY**

The agenda item, Mayor, is to authorize the City Manager to pay the two seventy-three

**MAYOR GOODMAN**

Okay.

**BILL HENRY**

if the other municipalities --

**MAYOR GOODMAN**

Right, that's what I mean.

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**BILL HENRY**

Awe, okay.

**MAYOR GOODMAN**

Right, but do it quickly

**COUNCILMAN BROWN**

Right.

**MAYOR GOODMAN**

so these people can get their money.

**COUNCILMAN BROWN**

**Okay. Your Honor, I would -- move to follow that recommendation, with the direction from the Board also to get some kind of written communication with the other entities indicating that we are on a timeline here, so its not just a communication breakdown that they can wait ninety days or a hundred and twenty days.**

**MAYOR GOODMAN**

Right.

**COUNCILMAN BROWN**

So, that would be my motion.

**MAYOR GOODMAN**

Well, we have that April deadline there, which is good.

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**BRUCE SNYDER**

Right. Its April 12th and we would also be willing to meet with whatever entities you need, you know, provided the other attorneys in the case.

**MAYOR GOODMAN**

All right. Very good. All right. There's a motion, let's vote, please. Post. Motion carries.  
**(Motion carried unanimously with Reese excused)** Thank you.

**BRUCE SNYDER**

Thank you.

**TOMMY RICKETTS**

Thank you.

**(END OF DISCUSSION)**

/cv/ac;yy