



Las Vegas

Agenda Item No.: 3.

AGENDA SUMMARY PAGE
RECOMMENDING COMMITTEE MEETING OF: MAY 4, 2010

DEPARTMENT: CITY ATTORNEY
DIRECTOR: BRADFORD R. JERBIC

☐ Consent ☒ Discussion

SUBJECT:

ABEYANCE ITEM - Bill No. 2010-16 requires certain contractors and employers of employees hired to staff gaming hospitality operations to be signatory to collective bargaining agreements where the City or the City's Redevelopment Agency has a specified financial or proprietary interest. Proposed by: Bradford R. Jerbic, City Attorney

Fiscal Impact

☐

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This bill will require certain contractors and employers of employees hired to staff gaming hospitality operations to be signatory to collective bargaining agreements where the City or the City's Redevelopment Agency has a specified financial or proprietary interest. The bill is in furtherance of the Memorandum of Understanding that the City and the Redevelopment Agency entered into with the Culinary Workers Union Local 226 last December. This item was held in abeyance at the April 20, 2010 Recommending Committee Meeting

RECOMMENDATION:

This bill should be submitted to a Recommending Committee for review, hearing and recommendation to the City Council for final action.

BACKUP DOCUMENTATION:

1. Bill No. 2010-16
2. Business Impact Statement

Motion made by STAVROS S. ANTHONY to Do Not Pass

Passed For: 2; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

COUNCILMAN BARLOW declared the Public Hearing open.

CITY ATTORNEY BRAD JERBIC indicated that he previously requested this matter be held in abeyance because he could not be present at the last Recommending Committee Meeting and he wanted to make a record and provide some legislative history on this matter. Last year, the

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Council was involved in prevailing litigation wherein the City Manager negotiated an agreement with the Culinary Union in exchange for it not pursuing an Initiative and Referendum Petition against the City of Las Vegas. The agreement consisted of a number of accords, including that this ordinance be crafted and approved by June 1, 2010. He explained that the agreement was reviewed by both parties and minor modifications were made that are included in this bill draft. The bill requires that, in the future, if there are any monies, land or contribution made to a Redevelopment project that involves new restricted gaming/hospitality and the Agency or City has a proprietary interest in the financial outcome of such a project, then its developers will have to use the local union that represents hospitality workers, or the Culinary Union for the project. This does not mean the Culinary Union will have to be engaged for every project involving the Redevelopment Agency or the City. The only trigger is if the City should be involved in a project in which it has interest in a gaming/hospitality project and it receives a percentage to recover some of the City's investment, or some other type of project in which the City were to have a proprietary interest.

COUNCILMAN BARLOW confirmed that this ordinance will only apply to future projects. As far as those underway, CITY ATTORNEY JERBIC stated we would have to research for possible impact.

To COUNCILMAN BARLOW'S question whether this ordinance would position the City in a good or bad posture, CITY ATTORNEY JERBIC replied that the Culinary Union took a strong interest in the City's Redevelopment Agency and its projects that in 2003, it began circulating a petition that would have terminated the Redevelopment Agency had it been placed on the ballot and would have made it impossible to provide financing for the new City Hall project. Hence, the need for the negotiated agreement with the Culinary Union, which was fashioned after agreements being used in other cities throughout the country that desired organized labor on board for projects utilizing public monies.

COUNCILMAN BARLOW asked if this ordinance would pertain to any other union as well. CITY ATTORNEY JERBIC answered that it does not require negotiations with other unions. Culinary Union is the only union that represents hospitality workers.

ATTORNEY JENNIFER LAZOVICH, 8345 Sunset Road, asked if this ordinance would apply to hotels/casinos within a special improvement district (SID). CITY ATTORNEY JERBIC did not believe the ordinance would apply under that scenario, as there is no schedule and it would merely involve the assessment of an SID for a project, which ties to a property and not to the profits of a business.

CITY ATTORNEY JERBIC further explained that the reason the courts uphold ordinances such as this one is because they recognize that if there is a disruption to the business or a taken percentage of the business, then there is an interest in making sure there is no disruption. In this case, the Culinary Union will, in exchange, guarantee they will not strike for the life of a project, whereby there is no disruption to the source of payment. Tax increment financing (TIFs) and SIDs do not fall under this ordinance, as they are tied to property values and not to labor disruption. This ordinance only applies to proprietary interest, and in exchange, there is no labor disruption.

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COUNCILMAN ANTHONY appreciated hearing the history and understood the intent of the ordinance; however, in his opinion, the underlying philosophy is that the City of Las Vegas is dictating to private companies whether or not they should form a relationship with unions. He could not support the ordinance, as he felt it was a role the City of Las Vegas should not embark upon.

CITY ATTORNEY JERBIC confirmed with the Councilmen that the ordinance will go forward to City Council with a recommendation for denial.

COUNCILMAN BARLOW declared the Public Hearing closed.

