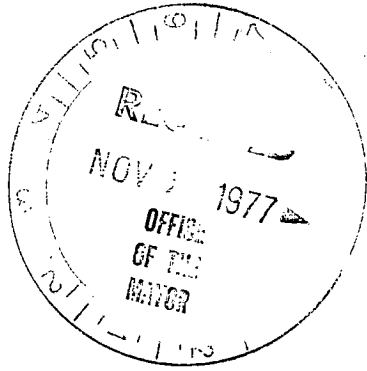


MINUTES

BOARD OF CITY COMMISSIONERS

Las Vegas, Nevada
July 17, 1973



A Special Meeting of the Board of City Commissioners of the City of Las Vegas, Nevada, held this 17th day of July, 1973, was called to order by His Honor, Mayor Oran K. Gragson, at the hour of 7:30 P.M., with the following members present:

Mayor
Commissioner
Commissioner
Commissioner
Commissioner

Oran K. Gragson
George E. Franklin
Hal F. Morelli
Paul J. Christensen
Ron Lurie

STAFF
PRESENT

City Attorney
Deputy City Attorney
Admin. Asst.
City Clerk

Carl E. Lovell
Janson F. Stewart
Kenneth A. Bouton
Edwina M. Cole

See Page 2 of these Minutes

MONORAIL
TRUST
AGREEMENT

Mayor Gragson: This is the date and hour set for Public Hearing regarding the proposed Trust Agreement with the County. I want to attempt to set the ground rules clearly. Then we can discuss this proposed Trust Agreement. I am sure that all interested parties have copies available to them.

We can discuss this in toto as it relates to the City's participation with the County and as this Agreement relates to the total System. With those ground rules established if there are any proponents on this, we will hear them and then hear the opposition to it.

After the Hearing on this matter has been completed, time permitting, we will open the meeting up for discussion on any and all matters that anyone wants to bring before this Commission.

And with that, knowing Mr. Galane's position, if you would like to begin, you may at this time.

As I have indicated, I think it would be in the best interest of all who do not have a copy of this Agreement can go through it line-for-line, especially when you get into the "meat" of the proposed Trust.

Are you ready to proceed, Mr. Galane?

Attorney Morton R. Galane: Your Honor, before we proceed I would respectfully request that we should first hear from the City Attorney regarding the viewpoint of the Legal Staff of the City of Las Vegas, which has the direct responsibility to the electorate . . .

Mayor Gragson: I am sure you are aware that our City Attorney's office drafted and presented this proposed Agreement to us -

To: Edwina M. Cole
City Clerk, Las Vegas, Nevada

Date: July 11, 1973

CALL OF SPECIAL MEETING: A Special Meeting of the Board of Commissioners of the City of Las Vegas, Nevada, is hereby called to be held in the Commission Chambers of the City Hall on the 17th day of July 19 73, at the hour of 7:30 p.m. to consider the following matters:

ITEM	Commission Action	Department Action
1. <u>MONORAIL TRUST AGREEMENT</u>	(No formal action)	Discussion only

Oran K. Gragson
MAYOR

NOTICE OF SPECIAL MEETING:

To: Oran K. Gragson Mayor

Harold F. Morelli Commissioner

Paul J. Christensen Commissioner

A. R. Trelease City Manager

Ron Lurie Commissioner

William E. Adams Asst. City Mgr.

George E. Franklin Commissioner

Carl E. Lovell, Jr. City Attorney

You, and each of you, will please take notice that pursuant to the above call of the Special Meeting this day issued, a Special Meeting of the Board of Commissioners of the City of Las Vegas, Nevada, will be held as stated above.

Edwina M. Cole
CITY CLERK

ACCEPTANCE OF NOTICE: We, the undersigned Mayor, Commissioners, City Manager, Assistant City Manager, and City Attorney of the City of Las Vegas do hereby admit due service of the foregoing Notice of Special Meeting:

Oran K. Gragson
Harold F. Morelli
Ron Lurie
George E. Franklin

Paul J. Christensen
W.E. Adams
Carl E. Lovell, Jr.
(W.E. Adams, Ass't. City Manager, on Annual Leave)

Mr. Galane: But I am not aware of negotiations that may have preceded this and whether there has been the type of analysis of this proposal that enables the City Attorney to determine that this meets the criteria of the public interest -

Mayor Gragson: You indicated the last time you appeared here on the date when we set the Public Hearing, that you were prepared to discuss this in all aspects of it. I will grant your request and ask the City Attorney to give the City's legal position on it. I would say this: When this was referred to the City Attorney's office for drafting, it was understood that the City's interests, in all cases, would be adequately protected.

Mr. Galane: That is a relative concept . . .

Mayor Gragson: I will ask the City Attorney at this time to do exactly what you have requested.

Mr. Galane: We feel we owe that obligation to the City Attorney's office and we respectfully relinquish our priority position of opposition so that they may present in totality their evaluation of this proposal, and its background of negotiations which preceded its formulation. We feel there are still residual deficiencies that require correction.

Mayor Gragson: I am sure the City Attorney will present that -

City Attorney, Carl E. Lovell: Mr. Galane, and members of the Public, the City Attorney's office, both in the prior administration and in mine, have considered this, and since July 2nd we have been in a concerted effort to analyze, and to take apart, the various aspects of all of the Trust Agreements and try to develop a historical sense and, step-by-step analysis of what has gone on thus far.

At the present time, we analyze the historical development as follows: On December 30, 1971, there was a rather loose typed contract, with its provisions made between Mr. Kavanaugh and his associates, the County and the City, wherein there was supposedly a Feasibility Study to be made in regard to all of the ramifications and aspects concerning the possible development of a Monorail System.

This contract allowed the County and/or the City to create a Public Trust, and upon evaluating the feasibility reports made by Mr. Kavanaugh and his associates, could then determine whether, in fact, they wanted to proceed further - primarily that if, in fact, any feasibility reports were made, that there would be a duty to attempt to work together insofar as the County and/or the City developed a Monorail System.

There were several members of the then existing County Commission who, as individuals and not as Public Officers, got together and under the new Public Trust Law, formed a Public Trust. They then assigned - and it was accepted by Resolution - this Trust indenture to the County Commission as the beneficiaries of the purpose of the Trust, which was to create this Monorail System.

At that time the City of Las Vegas did not become a part of the Trust Agreement, and to this date is not a part of this Trust Agreement. Since that time and, even today, we are awaiting the outcome of any Feasibility Reports being made by Mr. Kavanaugh and his associates, whose duty is to provide the City - and especially the County, at this stage - any reports on the feasibility of developing the System, on or before the end of this year.

Presently, it is the determination - and has to be the determination - of the City whether, in fact, and if they do win, they want to get involved, or become involved, in the Monorail System and therefor with the County and the Trustees and the Trust Agreement.

TRUST AGREEMENT -
MONORAIL
continued

Tonight the City Attorney's office feels that we are here - and I will analyze the situation with regard to it - to determine whether the contract which has been rewritten by our office and made available to the public prior to the meeting, is sufficient and does not cause any negative aspects - or, in the future, will not cause any detriment - insofar as the position of the City is concerned at this time. But, whether it will also allow it if, in fact, we are to proceed to try to agree with the County to go ahead in evaluating all aspects of the Feasibility Reports and hold joint Public Hearings on the Monorail - if, in fact, later, after these evaluation reports are in - we feel we want to, in the City's territory, continue and build the Monorail System within our boundaries.

The City Attorney's office feels that at this time there are no negative aspects in regard to agreeing with the County, for the following reasons:

Under the proposed contract which, I'm sure you and Mr. Galane have read, this Agreement would have to be signed by the County Commissioners, the Trustees and the Trustors. There are certain provisions in there that would require the Trustors and Trustees to amend the Trust Agreement itself for certain favorable aspects and considerations for the benefit of the citizens of Las Vegas, and the same would have to be accepted by the County Commission.

In addition to this, the City and the County both would be able, and capable, under the Trust Agreement and the agreement with the County, to appoint vacancies of Trustees. There would be two (2) additional Trustees who would be approved by the City; that the direction of the Trust would be handled by a majority vote of the Trustees; that all of the monies received by the Trustees, after expenses, etc., have been paid - and there may be either net profits or fund dissolution - certain monies left to be divided between the City and the County; that the roots of the Monorail - the contracts, the construction and the operation and the issuance and sale of bonds, are all subject to the City's approval; that all engineering and structural designs are subject to the City's approval; that the contractor would execute a written guarantee - a bond or a like security - would be obtained in case the Monorail should be a failure and must be dismantled - not at the public cost, but at the cost of either the Contractor or the cost of the bond for security.

In addition to this, at any time after the City agreed with the County, and held Public Hearings and began evaluating the Reports - the Feasibility Studies, and other evaluations - if it felt that on behalf of the citizens of the City of Las Vegas, the City could, at that time, indicate that it did not want the Monorail System built within the City and, therefore, in regard to that, could withdraw from the contract, if you will, and not allow the Monorail System to be developed within the City's boundaries.

In addition to this, we felt, Public Policy-wise, that certain considerations have had to be made. If the City and County Agreement be signed by all parties, the City would have the opportunity to take part in Public Hearings, which are to be held now by the County, after the Feasibility Studies are completed, to have a "say" and an influence on the type of transportation system to be chosen, both in and outside of the City's boundaries - if any system would be chosen - to have a continual "say" in regard to development of the transportation system to its completion. If the contract would not be signed by all parties, then the City would not enter into the agreement - and the opposite of those three points I have made would be true - that is, we would not be able to take part in the Public Hearings - we would not have an influence on the type of the transportation system chosen and we would not be able to have a "say" in the continued development of it, at least in the County.

TRUST AGREEMENT -
MONORAIL
continued

Also, if the contract was not signed and the City did not enter into the contract with the County, the Feasibility Study now being done, may not include the area of the City. Therefore, the evaluation of the Monorail System development within the City would not be right for determination because its facets and aspects had not been considered.

The 1971 agreement between the County and the City and Mr. Kavanaugh & Associates, we do not feel is necessarily binding upon on both parties - the City and County together - because of certain paragraphs - primarily, 10, 11 and 12 - and the terms of the Trust Agreement wherein it states that either/or the County or the City may or may not be bound, depending on what the Feasibility Studies are, or depending upon the desire of the parties - we do not feel that if we choose to get into this contract now with the County, that we would be bound to continue with it to 100% completion. Therefore, it is the City Attorney's position that we are, in the City, in a position to get into, with the County, an Agreement whereby we can take a look at the Feasibility Studies, Reports and Evaluations and, at that time, can decide upon the merits of those aspects. In addition, we can take a look at the contracts, the structure and the architecture, and everything else, to see that, in fact, it is going to be favorable to the City and, if not, we can still be in a position to withdraw without having to proceed with contracts, or whatever.

As a result we see no negative aspects today insofar as the Agreement we're talking about tonight is concerned. That is, an agreement to get together with the County to determine whether we should develop a System at all. We would rather, the City Attorney's office feels, be in a position to have a "say" in attempting to decide, rather than hesitate in any way to have a "say" and not decide at all.

In addition, there are other aspects which will obviously come up once the City and the County were to decide, if they do - those aspects are a possible Legislative annexation of the County area, and to what extent, at the 1975 Legislature. This is open to speculation at the present time. However, we are concerned about the results of possibly all, or a part, of the County area in which the Monorail would be developed - who would have control and say-so over the development of the Monorail if, in fact, it ended up entirely or partially within the City.

The other aspect is - we are concerned about the Bus System as it exists now, control over it and the interests and rights of the Public Service Commission - also control of the rates and routes involved. Those things still have to be determined between the County and the City, and those are other possible areas which we will have to settle.

Mayor Gragson: At this time I would ask if any of the Commissioners have any comments.

(No response)

Mayor Gragson: Hearing none, I will open the meeting for discussion.

Mr. Galane: Honorable Mayor and Members of the City Commission of Las Vegas. I would like to approach our presentation from two viewpoints. The first viewpoint would be a technical one in which we respectfully take issue with certain expressions of the City Attorney. The second viewpoint would be a practical viewpoint in which we evaluate what we believe would be prejudice to the Public interest - the City of Las Vegas went on record now and further committed itself to this proposed venture . . .

Mayor Gragson: Insofar as the Trust Agreement is concerned -

Mr. Galane: The statement has been made that one of the basic reasons justifying the Board of City Commissioners to place its seal of approval upon this new proposed Agreement, is that the City be able to participate in determining whether it wishes to

approve or disapprove that proposal which the Kavanaugh interests makes, or that Feasibility Plan which the Kavanaugh interests render.

The City has had that right since the day the Mayor of Las Vegas signed this 10-page document, dated December 30, 1971, which we deem to be one of the documents that will be ever-regretted by the officials who became signatory to the document.

The reason the City has always had that right, gentlemen, is in Paragraph 2, on Page 2, of that document. It states: "If, after completion of the preliminary work mentioned above in Paragraph 1, it should be determined by the interested parties, including the County and the parties to this Agreement, that the System, or a substantial portion thereof is technically and economically feasible, Trustees of such Trust and Contract shall without unnecessary or unreasonable delay, cooperate and use best efforts to mutually agree upon a definitive contract which shall provide that a contractor shall manufacture, engineer and construct and arrange for the financing of such a System, with Revenue Bonds to be issued by the Trust, etc. . . ."

Stated, not in lawyers' terms, but in ordinary terms, it means that the City, right now, has the right, as a party to that December 30, 1971 document, to approve or disapprove the so-called Feasibility Study, which has been promised to the officials of this County and this City, month after month after month after month, and not one piece of paper has yet been produced since the signing of the December 30, 1971 document.

To suggest, therefore, that the City is going to gain something it doesn't have, or that the City needs a new signature for this new commitment to participate in the choice of Systems, is not to perceive what the City's rights and prerogatives now are. Indeed, the City has gone far enough. The County is in enough trouble with this December 30, 1971 document, and the City is a party to it.

The true reason why the proponents of this venture seek the execution of this new - what you might call Trust Agreement - is that they want one more commitment. They know that each commitment, though it be minor in nature, makes it that much more difficult for officials who adopted a Resolution of approving the commitments, to extricate themselves from a situation which is, upon its face, absolutely inconsistent with the concept of a Mass Transit Plan. They know that the concept of a Monorail designed to cater solely to the cream of passenger traffic, and tourist traffic, in no way be consistent with those programs that the Regional Planning Council are now seeking to develop with Federal aid, from what is called UMTA (The Urban Mass Transportation Administration) and they are desperately seeking small commitments from whatever official bodies they can get the commitment from, and they instill, very subtly, a fear in the City - a fear that may be described in simple terms of this nature - you know, we really don't need you, because if we have the Strip, we have the big money, and if you don't go along with us, then perhaps we won't add the routes that will place the stations at the certain Downtown Casinos, which perhaps feel there could be some advantage if there were stations there. And then they instill the further fear - if you don't go along with us now in what we are proposing, then you will simply be left out - not because we desire to freeze you out, but because you City Commissioners were derelict in not protecting the assurance that the isolated Clubs in the Downtown City area will have those one or two stations.

I say to you Gentlemen, that in exchange for the suggestion which amounts to this subtle instilling of a fear that perhaps you might be sacrificing Stations for one or two Clubs Downtown, your action, if you make a commitment tonight, will be interpreted by the

public, and by the media - and that is what they want - you having sanctioned the Monorail. The public will not analyze your action in terms of the fact that you have merely protected a purported desire to be on the "in", so to speak, when the so-called Feasibility Study, if such a Study is ever rendered, comes in, because the public now knows that the City always had that right from the very day it put its signature in December of 1971 upon that original document - but the Public will interpret your action as saying - we've put our official seal and stamp of approval on a further commitment to the Monorail. Those are the facts.

Now, let's talk about a few technical deficiencies in this Agreement and then we will return once again to how destructive it can be.

Above all, there is no provision for protection as to the rates to be charged to the public for the use of the Bus System which the Kavanaugh interests have an option to acquire. We stated that deficiency at the County Convention Hall in the presence of the Honorable Members of this Commission and other Officials, and I cannot believe my eyes that to this day the deficiency remains.

There is no protection with regard to routes of the Bus System to be acquired.

There is no protection with regard to route abandonment with regard to the Bus System to be acquired.

The contract proposed tonight does not protect the people. The contract proposed tonight is not designed to protect the citizens who are using the busses - who may be concerned with intra-connection between the busses and the so-called Monorail - the contract is designed, I repeat, to get a seal of approval in exchange for removal of some implied threats, that maybe one or two stations located at the Downtown Clubs will be left out of the picture.

The Bus System that is now in existence, we respectfully believe encompasses North Las Vegas. Has anybody paid the slightest attention to the signature - the actions - and approval or disapproval of the official bodies of the City of North Las Vegas?

When you talk in terms of a little commitment, or a partial commitment, you have to also talk in terms of human psychology. When a management of a private company embarks upon a policy or program, history has shown that it is very difficult for the thinking of that management to reverse course, and change the policy or program. And an Official Body, such as a City Commission, faces the identical thinking. Once it takes an action, putting its seal of approval on one step in the program, it has started the machinery rotating, which makes it that much more difficult to revert direction of movement. They have your signature on the dotted line, and they have your vote, and they are brilliant psychologists in the field of promotion and in dealing with Official Bodies upon whom they depend in order to achieve the goals they have set out for themselves.

Let us see if you make that commitment, what are the risks that you must anticipate? At the risk of repetition we, again, state - as we have stated many times before - if anyone has publicly made a commitment, that is his goal and policy on behalf of the people of the City of Las Vegas - that there be an integrated mass transit system - he must ever burn in his conscience the fact that a vote in favor of this contract is a destruction and a subversion and an undermining of that objective.

These are not ideas which stem from the minds of a private attorney. This merely is an occasion that affords a private attorney the opportunity to express the ideas of others in official positions.

At a meeting of the Clark County Regional Planning Council on June 8, 1972, there was an open discussion of what should be done to employ a private concern on the basis of the Federal Government furnishing 2/3rd's of the funds, to be matched by 1/3 local services

equivalent to funds, to enable the Regional Planning Council to formulate an integrated mass transit system as a basis for subsequently applying for Federal Aid for construction - and, indeed, if one studies the UMTA statutes - funds for the operation of a Mass Transportation System. And, at that meeting, the following words were expressed: Now, this is not intended to be solicitous of officials, or flattering of officials - indeed, everything in my professional history has been to the contrary, sometimes to my own prejudice, but it is intended to bring home to you facts of record that cannot be denied, and positions taken from which there cannot be a reasonable retraction - and these were the words:

"An official present stated that he believed that this program should be for an area-wide Urban Mass Transit System, including Henderson and Boulder City. He felt that there has been too much emphasis put on a Monorail, that will do nothing in the way of moving people that live here. The Monorail could be a very deadly project - costing 75 Million Dollars and would not accomplish very much towards solving the problem of movement of people in this area". The minutes show that those were the words of a member of this Honorable Board of City Commissioners - Commissioner George Franklin.

Commissioner Franklin: May I interrupt, please - I would point out that I also voted "no" on that horrible agreement of December on the Monorail, and I have consistently followed the same position advanced at that meeting of the Regional Planning Council, and I still unalterably opposed to the Monorail and I am still 100% for an Urban Mass Transit System for this area.

Mr. Galane: We must remember - Honorable members of the City Commission - that, by Federal Law, the only body that has the authority to obtain Federal monies - the only body who has the credentials to obtain money from the Federal Government - without which there is absolutely no chance of an integrated Mass Transit System - is the Regional Planning Council. In everything thing that the proponents of this speculative venture has done, whether they designed it in that manner or not, will have the effect of - and I have used these words before - undermining, subverting and destroying the work of the Regional Planning Council. I read in the media that they have recently appointed a Special Committee for the purpose of proceeding and implementing the program and obtaining a Federal UMTA Grant essential to the development of the integrated Mass Transit System.

Much more dangerous, however, than the problem of development of an integrated Mass Transit System, we believe in this program, is the chain reaction that this will have upon the reputation of bonds which will have to be issued in the name of governmental bodies in this County and this City in the future, and I will explain to you why.

This has nothing to do with the Regional Planning Council - this has nothing to do with integrated Mass Transit - this has nothing to do with a position taken by individual Commissioners on certain occasions - this is designed to instill permanently in the minds of the Members of this Commission the consequences of any further action that could be interpreted as approval, sanction or commitment. If there is a plan to issue bonds results in the bonds being sold to a very limited number of sophisticated institutional buyers, then there would not be conceivably be a problem. Now, what do I mean by that? I mean that if the bonds are bought by United States Steel - they walk in and say - we'll buy 120 Million Dollars in bonds and there is a default. A very sophisticated institutional buyer would not necessarily be permanently frightened of Clark County and the City of Las Vegas bonds - but they have not come forth with a commitment. At the Convention Hall they brought in what they said were bonding experts from the large metropolitan areas - they brought in bonding lawyers - they threw names around that were so impressive that if we didn't have the swiftness of perception, we might have overwhelmed. It is what the layman speaks in simple peoples' talk - a Snow Job, if I ever heard one!

The danger, Gentlemen, is that the bonds will be purchased by the

public, particularly at a time when they know that the bonding market is attractive - there is a shift of the buying public out of the Stock Market - there is a reluctance to buy Common Stock because of the collapse of the Stock Market that occurred within recent years, and those who are wise to the frailties of the people know that there are new markets to be exploited - some have developed in Chicago the concept of puts and calls - some of developed the concept of commodity trading, and there are big debates whether they come under the regulation of the Security Exchange Act. And there seems to be an attraction now to bonds, particularly bonds that may be sold by this new idea of the Charitable Trust, and that is what this meeting tonight is all about. It is the commitment to the concept of the Charitable Trust, and in a few moments we will get to this so-called Charitable Trust, and start to become a mechanism for some very uncharitable objections by private enterprise.

If the people - that is, the members of the Public at large - become the purchasers of bonds, and there is a default, as sure as the sun rises in the morning, there will build up a resistance to any Bond Issue in the name of the City of Las Vegas and the County of Clark in situation where such Bond Issues will be absolutely essential for the public interest. And any body that has made a commitment anywhere along the line, must have the foresight to realize it will face the wrath of the people. If somebody attacks an incumbancy on the basis that they put their seal of approval upon an instrument which has proved to work a prejudice to the bonding capacity of the City of Las Vegas - and that you must face as a practical, political problem staring you in the face.

It is so simply to say - all we want from you is a Resolution that says - an Agreement that has clauses - anyone who has practiced law knows about all the words and the clauses - it's a lawyers' field day. To give you an interesting example: In the December 20, 1971 contract - show you the trouble you can into - you don't take your time on what you are approving. In Paragraph 10 - and this affects the Charitable Trust because it goes to the difficulty you can be getting into casting these votes that these people are seeking - it is not Paragraph 10 of the new contract - it's the old one in 1971 - they inserted an interesting provision, and with your permission, may I read it to you first, and then show you what the consequences could be:

"Contractors - contractor means, according to the document - the Joint Venture of Customs Cab, Inc. and A. J. Kavanaugh & Associates - and there still is a little mystery as to what is surrounding Custom Cab, Inc. is, and what their function is, but we are not here tonight, really, to discuss that - "Contractors and their associates have, and will be required, to incur very substantial costs and expenses in connection with the preliminary planning, engineering, surveys and studies, preliminary work necessary to a determination of the feasibility of the Project. In the event that if for any reason the City, County or Public Trust to be created contemplated hereunder, does not enter into a definitive contract with Contractor to construct and operate the facility, or if the City, County or such Trust should contract with others for the construction and operation of such facility, within a period of five (5) years from this date - and I now emphasize to you this language - "none of the Plans, Designs, Drawings, Specifications, Surveys, Studies, Information, or other material furnished hereunder by Contractors or their Associates, shall be used unless and until all of the reasonable and necessary costs and expenses incurred for all of such preliminary work shall have been reimbursed to Contractors and their Associates."

Every time they get up publicly, they say - this will never cost you anything, and I say that they have language in there that is very, very dangerous, and we don't know what some shrewd lawyer may someday cook up that could cost us something, because I have great difficulty understanding how the people of the City of Las Vegas will ever reject the Feasibility Study - if such a Study is ever forthcoming - and then go about what is really needed - an

integrated Mass Transit Plan, and avoid using what they call "information or other materials." We have to use information. Indeed, they used our information. If you read what little they gave the County Commission - and I'm talking now about that so-called Pete Marwick Preliminary Study, they had to go to our State Highway Department to get information, and if we want to develop something independently, I have great difficulty understanding how we're going to do it without using some information that they developed, and by the commitment that was made through this December 1971 document, we're in trouble enough. I haven't seen a disclaimer in writing. I haven't yet seen anybody put in a document saying we will withdraw from that position, so you will always have an escape, or an "out" clause. I've heard a lot of talk. I remember an informal meeting before the City Commission in the month of March, if my memory is accurate - about the night of March 14th of this year, at which I heard Mr. Kavanaugh make a statement to the effect that any time the City wants to walk away from an obligation, it can. When we said: Where is that in writing? He said "gentlemen don't need anything in writing. I believe a tape recording was made of that particular meeting, but I now show you it is not fact - that there are enough commitments already of record that would prove embarrassing to any Public Official, let alone new commitments.

Now, what is the solution to our problem? One could stand here and speak all night and become progressively boring.

First, one absolute solution is not to make one more single commitment at a time when the State of Nevada and the County of Clark, and all of their officials, are obviously having second thoughts about the whole Project. Why the Honorable Board of City Commissioners, to satisfy a concern, or fear, of those who may want one or two Downtown Stations, and have some irrational concern that perhaps they are going to lose out on something, should bring about spirited action by this Body tonight, I will never understand. And the consequences can be politically suicidal, because it means the City Commission is going on record, first, with the first signature and then taking the document to the County Commission for additional signatures - and who wants to bear the onus of initiating any steps to implement the consummation of the goals of this speculative venture? viewed against the background of what has taken place?

The second solution: Why are we hesitant to give the Regional Planning Commission a fighting chance to obtain its Federal aid and bring in - what, apparently, it is prepared to, and staffed to do, and has employed specialists to do - an integrated Mass Transit System that qualifies for the money from the Federal Government for construction and operation.

Why would we do anything that could be interpreted in the media as undermining their work? And, Gentlemen, that will be the effect. You think all you are going to do is make some general statement that all we did here tonight is approve some technical thing that will put us in the "in" group. You are the City of Las Vegas - that's as "in" group as anyone will ever want to be, and I assure you they won't dare do anything - they won't dare do anything - when the time comes without coming back before the Board of City Commissioners of the City of Las Vegas. Who are they kidding when the suggestion is made that if you don't put your signature on a document tonight, you are going to be left out in the cold because they really don't want, or aren't too excited or thrilled, with extending whatever-it-is along Las Vegas Blvd. down to the Downtown Stations. They understand the inter-relationship that exists among the municipalities and the County, and you understand it, and you will not be frozen out of anything. They won't get the first toes off the ground unless they respect. At that time when they've come forth with something that makes sense for the interests and the rights of the Board of City Commissioners of the City of Las Vegas.

Therefore, do not be misled, or deceived, into taking premature action and lend your name. That's how this will be reported and interpreted by the people. That is what you will have to answer to - that you have

simply made a loan of your good name to help along toward the road of success by a commitment tonight of some technical document that helps us, sort of, be on the "inside" with a lot of technical provisions that protect us, and it isn't going to protect us at all. You have all the protection that you need, because you are the Board of City Commissioners of the City of Las Vegas. Never forget that!

A third solution: Why not openly recognize everybody's governmental, and private - I hope I am not mis-quoting and am subject to correction, but I recall appearing before a special committee of the Chamber of Commerce, and I believe that at that meeting the members of the Chamber of Commerce's committee propounded a question to their bonding expert - the question was specifically asked by the Chairman of the Committee by Mr. Cashman - not by any private lawyer - an astute and experienced businessman, committed to the public interest, and not even speaking from a position of public office - and the question that he propounded to the bonding expert was: Will this proposal hurt or injure the bonding capacity of the City of Las Vegas, or County of Clark? And, Gentlemen, this was the answer:

That in the City of Ontario, California - I believe it was Ontario - At least it was Ontario or a neighboring city - I may be in error, subject to correction - bonds were sold for I believe for what I believe was called a "Raceway", and there was a default on those bonds, and the expert responded to Chairman Cashman and the other members of the Chamber of Commerce Committee that thereafter future efforts to sell bonds in the name of that governmental body, assuming for discussion to have been the City of Ontario, proved to be unsuccessful because of the "black mark" so to speak of having loaned the name of the City of Ontario to the sale of these bonds to the public for this Raceway. Therefore the conclusion was expressed by the bonding expert to Chairman Cashman of the Chamber of Commerce Committee, that if these bonds related to the proposed Monorail are sold to the public, and there is a default, no matter what promises they make to you in putting up bonds for dis-assembling - I read the contract - they're going to put up a bond that is going to tear the monstrosity down when the thing fails - no matter what they put in there, your good name for future bond issues will ever be prejudiced.

I repeat - if you lend your good name tonight to approving this document, it will be interpreted, publicly, that you have sanctioned the Monorail and you will bear the responsibility to the people one day for that action. I speak the truth tonight.

In conclusion, we first direct our opposition to this proposed document on the ground that, technically, it is still deficient. It needs a great deal of work - single to the document is the absence of protection as to rate and route pertaining to the users of the bus system. That is so fatal on its face that I don't see how you could conceivably vote in favor of this in the absence of such provisions.

Secondly, and more important, we oppose, in principle, the premature commitments that they are trying to draw out of this Body. That is what they want. They come in and say - give us your consent to hire another contractor. They don't need your consent to go out and hire a contractor. They're too smart for that. They want a Resolution. If you have a Resolution and a vote, who knows whether that isn't a commitment down the line?

They are here tonight for a Resolution - to get another commitment. A month from now they'll be before the County Commission and they will be representing to the County Commission - we have in our hands a Resolution from the City Commission - as they did when they wanted the County Commission to approve a new contract. However, Gentlemen, the County Commission astutely said to them - you're not getting any more commitments from us. Just do as you please, but do not ask us to for more commitments at this time -

We are against the principle of further commitment because of two (2) basic reasons: And that will be our summing up.

First, it is destructive of an integrated Mass Transit Plan, to which members of this Body, which has an awesome responsibility to the people, have made commitments that lead to their success in achieving the status they now enjoy.

Secondly, it is prejudicial to the long term future of Las Vegas' bonding capacity.. if any further commitments are prematurely made that may lead to the sale of bonds to the general public.

And from those two viewpoints there can only be one result tonight that, without prejudice, no action be taken, at least until certain steps are forthcoming. First: Let us see what you produce with all you promise under the contractual rights that were given in December of 1971. Secondly, give our Regional Planning Council an opportunity to bring in the fruits of their work in terms of Federal aid. Thirdly, do not exploit our names with signatures and seals and resolutions and approvals. Fourthly, do not suck us into a promotional venture that can ultimately lead to our political embarrassment, when you don't need these things at this point yet. Fifthly, stop using us before other governmental bodies and say - we gave you a Resolution - therefore you want a Resolution from a County Body based on what you got out of us two weeks before.

There must be an end to this exploitation and reciprocal back-and-forth utilization of resolutions by these different Bodies, and the only way to end it is to let them come in with something. They have everything they need. They have too much. We almost gave away a 40-year exclusive franchise that belongs to the people.

That is a good note of conclusion, Your Honor and Members of this Honorable Body - you almost gave away a 40-year Franchise that belonged to the people. Almost!. We didn't quite make it!

We thank you for your attention and respectfully submit to you, and urge to you, that you defer action without prejudice on this proposal, in the light of the factors that we have requested you take into consideration.

If there are specific questions, I would appreciate the opportunity to answer them to the best of my ability and would also seek the aid of members of the public. And I might note, in passing, that this issue has now risen to a level that it is no longer an opposition to any private contributor. There is an overwhelming - an overwhelming - public opposition to this program. I don't know if this Body is aware of it. The people are against it, and you must recognize it.

As I have said, I will answer any questions that are asked.

Mayor Gragson: What public services are provided, either in the form of utilities, transportation, etc., that is not done on a Franchise?

Mr. Galane: I can answer that very simply, with a simple question: What franchised public utility is allowed to function without regulation of its rates and routes? What public utility on the face of this earth has ever been given a franchise to allow it to function without regulation of its rates - abandonment of its routes - regulations of inter-connection - regulation of transfers? What bus line has ever been turned over to private interests so that they can abandon what they deem to be profitless and the people have no chance to appear in protest? That's the answer. "Franchise", Your Honor, means - obligation for regulation, and these people have not protected that, and what about the complete rejection of competitive bidding in the Trust Law when there were provisions made in the Oklahoma statutes, by amendment - perhaps an amendment after this was passed - but an amendment in the State from which Mr. Kavanaugh immigrated, and which he was fully aware of and they left out of our State laws the competitive bidding provisions giving us the optimum rates of interest on any deals made with bonding companies. That's the answer.

Mayor Gragson: Are you indicating that the Public Service Commission doesn't have the right to establish the rates and routes? They do have -

Mr. Galane: Let me ask - excuse me, Mr. Mayor, the Public Service Commission only has the right to approve the Charitable Trust. It doesn't say in the Law what kind of a Hearing they are going to have - it doesn't say how it is going to come about - but beyond that, and I was at the Convention Hall when and heard the spokesman - the usual techniques of regulations that now exist over Bus Companies - over Taxicab Companies - over Electric Power Companies - over every conceivable public utility - are not in existence with regard to this venture, and anybody who thinks otherwise, I respectfully suggest, has been lead into that belief by ambiguous language which talks about approval of the Public Service Commission of the Charitable Trust. - but that isn't enough. There is no protection, and that's why I said we almost gave away what belonged to the people. When a public utility is given a franchise, the reason we give it is because it is the most efficient way to function; but we give it to them in a monopoly form because competition can be desructive, and in exchange, we get consideration. In every fair deal - the lawyers call it quid pro quo - it is fair consideration - you get something back for what you give, and what we get back are the stringent requirements of regulation of the Regulatory Body. That's what Taxicab Companies give back, and these people have not given back and almost took away what belonged to the people. They are not going to get away with it.

Commissioner Franklin: Mr. Galane, we are now an hour and fifteen minutes into this Hearing - and we've been listening, etc. - and I still don't know how this matter even got in front of us. I can't, to the best of my recollection, recall any meeting of the County Commissioners whereby they took any action requesting that we enter into this contract. I know of no action by this Board where this Board recommended any such Agreement. I don't know how this is even before us.

Mr. Galane: The only history, Commissioner Franklin, that I can relate is that on March the 14th I was in Carson City, Nevada appearing before the State Supreme Court, and I received a telephone call from my office and was advised that an informal meeting scheduled at the City Hall that night, at which there could conceivably have been approval of a Charitable Trust by the City of Las Vegas. I was asked whether I could attend. I learned that the airplane didn't leave Reno until approximately 7:00 p.m. and would arrive at about 8:00 p.m., as I recall. I was picked up at the Airport and arrived at the meeting at a late hour and found a packed Meeting Room, at which the promoters of this venture had all of their array of representatives ready to give signature, and the debate, fortunately, opened up and at that time - to the credit of the Mayor - the statement was made - I believe at my request - that nothing will ever be done by the City of Las Vegas until there is a Public Hearing. That committment was made, and nothing should be done. If that's a valid way to bring it about, I don't know -

Commissioner Franklin: Let me ask you - you did read in our City Attorney's letter to us of the evaluation, that the Public Trust we're talking about - a Public Trust Indenture, as it is called, was created on April 25, 1972 by James Brennan, Myron Leavitt, James Ryan, Robert Broadbent and Tom Weisner as individuals - not as Public Officials. In addition, Jerry Hurst and _____ and _____ were made Trustees. Now, the contract we are being asked to enter into today is not with those gentlemen, as individuals to amend the Trust, but between the City of Las Vegas and the County of Clark.

Mr. Galane: That is a very astute point

Commissioner Franklin: Mr. Brennan is no longer a County Commissioner - however, Mr. Brennan is still a Trustor on that Trust

Mr. Galane: Very astute . . . we are simply sinking into a situation that we won't be able to extricate ourselves from, if we go on this way. I don't know what choice the City Commission has but to defer action -

Mayor Gragson: Let me point out here - there wasn't any intent on my part and, I'm sure, of any of the Commissioners, to take an affirmative, or negative, action this evening. We wanted to get input from you and all the others, and then evaluate that information.

Mr. Galane: What we're concerned about is that in the course of evaluating, somewhere along the line when things quiet down, there be a Resolution giving some sanctional approval. What I'm troubled by, very much, Your Honor and Members of this Commission, is a very practical one coming from observation of the democratic process. When the people are alerted by the media and the Press to the problems for one to say that we are going to defer action, can be misinterpreted. It can be misinterpreted - and I'm being very realistic and I'm speaking as a member of the public now - not in any official position - it can be misinterpreted if what you are saying is - when the furor quiets down and things cool off and the excitement has evaporated . . .

Commissioner Franklin: Then we will do the proper thing. I'm not too sure that is not the best way to do it, Mr. Galane, and I have strongly recommended on zoning matters when we have this Hall filled with people both for and against, that we don't take action that night during the heat of that Hearing; that we do give the common, considered judgment having heard everybody in this Hall, and if you are implying in any way that we will leave here and then, in seclusion, pass some act that you don't have a say in the public interest, I think it's an improper . . .

Mr. Galane: No - I am not saying that, and I will correct that openly and publicly. What I am saying is that there might be a misinterpretation. I used those words. I said - there is no doubt in my mind - I said that if what you are saying is that at some later date, we may do something, someone may misinterpret that. I think that the proposal should be, without prejudice tonight, denied - meaning that at a later date come back when the situation is before us for proper consideration -

Commissioner Franklin: I am very well aware of the fact, personally, that the Supreme Court argument does not decide the facts . . . I'm still waiting, and I still think it is probably very good policy that we digest what we hear at a Public Hearing.

Mr. Galane: I'm not disagreeing with that. I am just stating there is always the risk of the misinterpretation, and I am always fearful. Remember, I was the one who said that action should not be precipitous and, in no way, did I suggest impropriety. What I said is that there can be a misinterpretation. There is always the danger that it can be said that somebody is waiting for things to quiet down, and one must always face that if he understands the democratic process as it actually works. That is what I am expressing a very serious concern about.

Mayor: What I started to say when I unintentionally interrupted you - I was wondering if you would care to recommend, or suggest, that a community-wide representative poll be taken on this matter?

Mr. Galane: We've taken one and presented it to the County. It was not only recommended, as I recall - we retained the services of Dr. Pierson and presented it to every Official who was present, as well as the representatives of the media and there is no question - the community is against it.

Mayor Gragson: Do you have copies of that poll?

Mr. Galane: We will have it in your hands by tomorrow morning - we have extra copies and we will have it in the hands of the City Attorney tomorrow morning.

Mayor Gragson: I am saying - you know - based on how the question was put, how the result was - it is a matter of technical interpretation -

Mr. Galane: He put the questions - as I recall, he prepared it in four (4) questions and in a form that, in some respects, I thought leaned over backwards -

Commissioner Franklin: He is a professional evaluator -

Mr. Galane: He is a professional - I was rather annoyed because layers don't lean over backwards - but when I read these four questions he propounded, in some respect, I was very annoyed with it, and the results were overwhelming against the proposal . . .

Commissioner Franklin: It wasn't "overwhelming" - as I remember it -

Mr. Galane: I might point out that the opposition has developed progressively to a point where I think it is safe in representing that the community is against this Project today.

Commissioner Franklin: I agree with you here tonight - and our City Attorney obviously agrees with you - that first Feasibility Study that was signed by the City, is a horrible document, but we're still bound by it. We are entitled to that Agreement - we are bound by it - we are entitled to a Feasibility Study under that Agreement no matter what the County Commissioners . . .

Mr. Galane: That's all you need now - why get in deeper?

Commissioner Franklin: The very strongest point . . . and I am still as much opposed to a Monorail as I believe in an Urban Mass Transit, but we now have had a Senate Bill passed - S. B. 407 - which says that as a matter of law, no later than July 1, 1975, this entire area will be in the City Limits of the City of Las Vegas - and that is the Law. Now, the Legislature can change that Law before July 1, 1975, but the existing Law is that all the way out to Sunset Road, including the Airport - this could be done in two months - but the last possible date would be July 1, 1975. Now, why in the world should we be a party to a Trust which gives the County Commissioners - if they stay on, rather than individuals, the right to name five Trustees without having the right to merely approve two of them? Not name them, but approve two - that's what the Agreement calls for - and give them control over a Mass Transit so-called system solely in the City of Las Vegas under the control of the County Commissioners, and every inch of that line is within the City Limits under Law already passed - not just somebody's conjecture.

Mr. Galane: We would respectfully thank this Commission, if there are no further questions. I am subject to call, as well as any of our representatives to answer any questions.

Mayor Gragson: And you would not object if I contact Dr. Pierson to interpret those results? You paid for that poll that Dr. Pierson conducted - right?

Mr. Galane: We can it to the media - now we will give it to the City Attorney . . .

Mayor Gragson: My question was this: Since you paid for the poll, you would have no objection to me contacting Dr. Pierson to determine what his evaluation is of that poll -

Mr. Galane: My instructions are to assure Your Honor you are free to do so.

Mayor Gragson: Is there anyone else who wants to be heard?

Unidentified Speaker (female): You asked the question, Commissioner Franklin, how this came before this Commission tonight. You said to Mr. Galane - I don't know how this came up. I can tell you how it came up. Mr. Kavanaugh had meetings in front of the County Commission a couple of weeks ago - he said, and I quote "that the City was going to sign the Agreement on the 11th." I heard about it, but I really didn't do anything about it until several people started calling me that they were going to sign this. I said - No - I'm sure they aren't going to sign anything without a Public Hearing and so I subsequently called the City Attorney, Mr. Lovell. Mr. Lovell assured me there would be a Public Hearing before anything was signed. And here we are.

Mayor Gragson: The City was going to set a date on the 11th for a Public Hearing -

Answer: Yes - for the Public Hearing. In other words, there was going

to be a Public Hearing before the City Commission tonight anyway because Mr. Kavanaugh said you were going to sign something - so that's why you are here tonight. That's why I'm here.

Mayor Gragson: That is not the reason we are here tonight. The City Attorney's and the District Attorney's offices - and that original contract says that we shall enter into a Trust within a 60-day period. Some people tell me they have never heard of it before - that they had never heard of the total position and the original Trust Proposal which was developed jointly by the City Attorney's and the District Attorney's offices - and the County held it up for some little time going on the Trust, waiting for our action on it. Our delay was due to many reasons, but that is not the reason that the Trust is before us tonight, by any means whatsoever. I just wanted to correct you there.

Unidentified Speaker (female): OK - about the poll - not only did Dr. Pierson take a poll - a public opinion poll - but Mr. Weisner took one also and sent to a specified few, and out of the specified few - I think he quoted there were politicians and civic leaders, etc., etc. but I don't know the specific choice few - he came out with about the same percentage, and that was about 60% of public opinion against it. I took a telephone survey and the calls were 10 to 1 against it

Mayor Gragson: I hope that you are speaking to this Trust proposal now -

Answer: Yes - OK - I had several things I didn't like about it - why, if you only have the approval of the Trustees, why can't you name a couple of the Trustees?

Mayor Gragson: I think that is a typographical error, because we have been asked to appoint - not approve.

Answer: OK - then I don't like Page 4, Line 9

Mayor Gragson: If we proceed, we will appoint -

Answer: OK - being an old Real Estate Broker, the first thing I notices, and we had so much trouble in the Legislature - the Legislature did not give them the right of eminent domain under the Public Trust Law. They tried to get it in this last Legislature and couldn't put it through - but you are giving them the right, in this contract - which I don't like. It says: "The City further agrees to institute appropriate proceedings in eminent domain for condemnation of any additional lands or interest therein necessary for Trust purposes in the acquisition, construction and operation of that portion of the System to be located within and to serve the City"

Mayor Gragson: We aren't giving it to them -

Answer: I realize you aren't giving them the money, but you are giving them the right of eminent domain, which they don't have now -

Mayor Gragson: We do if it becomes necessary and if it is in the public interest -

City Attorney, Carl E. Lovell, Jr.: If I might just mention why it is the way it is now - the reason that the Legislature did not give them blanket power to do any type of eminent domain they wanted to, was because they wanted a checks-and-balance system of any entities that are going to be cooperating with this Charitable Trust. Therefore, it is up to the County and its territory, and it would be up to the City and its territory, under appropriate proceedings if, in fact, we felt it was proper, to condemn a certain area for the development of this so we could - but they could not order or direct the City or the County to do it. The City and County exist as a check-and-balance against their rights or power. That's the reason the Legislature didn't give it to them.

Mayor Gragson: This is exactly the same authority now and has been existing under the Regional Street & Highway Commission since about six (6) years ago.

Response: I just don't like to give them that power. Now, can I refer back to the original Trust Agreement with the County, which you have to be in line with? It seems to me that - I may be wrong - I'm no lawyer - but it seems to me they have done away with the "prudent man rule" - and who is going to have - I mean - they are not responsible for anything - for any of their actions, either individually or collectively - and that kind of scares me, because who is going to be responsible then for the actions of the Trustees? If they aren't responsible for their own actions, who is going to be responsible if they throw away the money - or whatever they might do - or they steal the money, etc.?

Mr. Lovell: If I may answer - what it says is that they are not responsible if they act in good faith and with good intent in using the money, but if they use it in a way that the Courts would say that it was bad faith, or use, or neglect, then they are responsible.

Response: OK - Thanks - I'm not an attorney and I didn't know . . .

Mr. Lovell: I can appreciate the trouble you are having with the words in that old Agreement -

Response: Yes - it was very frightening to me to read they have all this mad power . . . you are entering into this and are going to be a part of this Trust Agreement. What would it take to have you not sign this Agreement?

Mayor Gragson: What do you mean?

Response: What would it take? What would we have to do - or prove - or show to you - so that you wouldn't sign it?

Commissioner Franklin: Convince three of us . . .

Response: Well - how? You know - we have public opinions - we have surveys . . .

Mayor Gragson: I can tell you exactly what my position is going to be: It is going to be what I believe, after all the information I can gather, is in the best interest of this City and of this community. That is the decision I am going to make only when and after I have had all the information available to me. I can tell you right now, whether you know it or not, it is very easy for Mr. Mayhew to make a business decision, or Mr. Mayday, when it is in the best interest of their business. We are in a different position - we try always to make that decision in the best interest of the community but yet, often times, we are torn between a large group of people who may feel the opposite to the way we do, and it is very difficult to not favor a faction in making a decision - but my decision has always been made on what I believe to be in the best interest of the community.

Response: And we are a part of the community - right?

Mayor Gragson: You are a part, but you are not the total . . .

Response: Oh, no - there are many groups . . .

Mayor Gragson: You are a part of it but there are many people in the community who have different viewpoints . . .

Response: Not very many - and there are many of us - there are many groups that have absolutely no financial interest - we have nothing but the City and County interests at heart - as you have also - and all of us are against it. We have nothing to gain or nothing to lose, either way. We've had a very hard time "cleaning up" the name of Las Vegas following some of the people who used to live and operate here. Now, I'm afraid with this thing, if it transpires - and I've done an Economic Infeasibility Report, and I hope you've read it - have you read it?

Mayor Gragson: Yes, I've read it and I will have to tell you honestly that I didn't see an awful lot of expertise in it - but I did read it.

I think it was lacking in sufficient background and research in order to come to the conclusion that you did. That is my honest opinion, and I think you admit the same -

Commissioner Franklin: At least, it's more than we got out of Kavanaugh - we don't have any kind of a Feasibility Study out of Mr. Kavanaugh - and we have also, Dolores, whether you know it, before this was ever determined whether or not this would be economically feasible - they were already going out and asking the Companies to spend millions of dollars on mock-ups for a system that had not even yet been determined to be economically feasible -

Response: I'll go along with that -

Mayor Gragson: I believe that we all recognize that it would be impossible to determine whether or not it would be economically feasible until the technology was developed by the companies - who you referred to as being asked to spend millions of dollars to develop the technology to produce the hardware that would make the system work. We are going to have a System here - whether we have a highly sophisticated system throughout this community - that technology that was developed primarily for this system - those companies didn't develop it with this area in mind. They were developing an over-all Mass Transit System that you apply not only to Las Vegas, but to any place in this country. And I may add one further word - those people - Westinghouse and those other people - are constantly spending dollars in new technical equipment, and Thank God, somebody is!

Commissioner Franklin: I agree with that -

Dolores _____: Yes, I'll go along with that, but I also work in the field of transportation - I'm not a complete novice - I did work in the transportation industry for about four years, with United Airlines. Now, they didn't go out and buy airplanes before they had the route - we didn't buy the Boeing Clippers before we got the route to Hawaii, and they knew pretty well how many people they were going to carry . . . That is backwards - Mr. Franklin is correct. First you find out if you need something and then you decide on the system . . .

Mayor Gragson: That 707, or whatever model it was - was it available to service this route - did they base their feasibility study upon that particular plane . . .

Answer: No - vice versa. They got the route first -

Mayor Gragson: This is getting off the subject - in all respect, Mr. Galane covered almost every point that could be brought up. If you have some additional points on the subject at hand, we will continue to listen to you, but if it is only to state your experience in other situations not related to this, I am going to ask if someone else would like to step forward.

Dolores _____: Alright - the Resolution with the Board - is it going to be a matter of three out of five, or does it have to be a unanimous decision?

Mayor Gragson: The majority rules so it will take three members of this Board to approve it or reject it.

Dolores _____: Are you going to get any other information, other than what comes out this evening?

Mayor Gragson: I hope to - yes.

Dolores _____: Are you going to get some traffic studies around town, because I've discovered that Charleston Blvd. is a lot busier than The Strip.

Mayor Gragson: Being a member of the Regional Street & Highway Commission - they are constantly conducting traffic studies and they are, I can assure you, familiar with the traffic arteries in this town and the amount of traffic generated on each one, each day . . .

At the hour of 9:25 P.M. Mayor Gragson declared a 5-minute recess.

Meeting reconvened at the hour of 9:30 P.M.

Unidentified Speaker (male): Once the Trust indenture is approved and once you have two handles on this whole thing - you have the handle where you can deny the bonds being sold - you can deny the construction by virtue of of your choice of equipment. But once those two things are done, then the Trust becomes an autonomous body to itself . . . I would just like to develop this - first of all, I think we all agree . . .

Mayor Gragson: You left out one item - that there is a feasibility -

Answer: Yes - that's right - the fact that the feasibility has not yet been done there is probably very little reason to even be contemplating the entering into the contract -

Mayor Gragson: We won't consider the hardware and other things until such time as the Feasibility Study is made -

Response: Right - it is really not the hardware that concerns me, Mayor - it is the City - it is these people who have come out here and have been here for two hours this evening to hear these points developed - and it is not the fact that when the Trust takes over our busses that we have an efficient on-going system at that moment - it is what happens to that bus system thirty years down the road, and those are the points I would like to address myself to because they are not, Sir, in the law - specifically, the law as it applies to the safeguards to our bus system, lies in two chapters of NRS - 704 and 706. 706 applies to public carriers, and these were very specifically and very carefully amended by the proponents of this law when they got the Public Trust Law passed.

I have two copies of that Law, which I presented to the new Commissioners because those of you who have been on the Commission have been privy to most of this from the beginning. It is apparent from the amendments in this law - 704.340 - that the Trust shall only submit a certified copy and those necessary documents to determine whether or not service as presently being offered by any existing transportation company, will be unreasonably impaired. Now that is the scope of the Public Service Commission's authority in terms of approval of this whole Trust concept.

I know that there has been a Deputy City Attorney from the previous administration working full time, according to a quotation from you in one of the papers on May 27th, to safeguard the public in terms of this Trust indenture, and it is ironic that that attorney - working full time for at least four months - had not contacted the Public Service Commission to find out whether or not the Public Service Commission interpreted the law to the extent that they felt it had any control - there had been no discourse between the City Attorney's office and the Public Service Commission, and the point is . . .

Mayor Gragson: Just a moment please - I want to say this: I don't care what you've heard - I have never made the statement that the City Attorney has been working full time on it. I might have had a misquote - I may have said we had requested the City Attorney four months previous to develop it, but I can assure you that . . .

Response: The key to it is that if the City Attorney's office has been working on this project - the City Attorney's office, I am sure, is cognizant of the law - and I defer to Mr. Lovell because he has recently come into office - but if, during that time span, from the May 14th meeting that we had on the Trust indenture - if no one has inquired of the Public Service Commission - and I have on record that there has been no formal inquiry made of them - to have them delineate what they think their authority is and (2) if they don't have the authority, make suggestions as to what should be in the Trust indenture. I think counsel cannot go forward with anything until, at least, that has been explored because we do not have the safeguards in the Agreement - it speaks only to the franchise which is on public record with the PSC, and the franchise only delineates the scope of service . . .

So let's look at this Trust indenture. Again, I have copies only for Commissioners Lurie and Christensen - but on page 7 when we start to speak of the powers and duties of the Trustees, it says that the Trustees shall have, in addition to the usual powers, all the following rights, all of which may be exercised by them without any order or

TRUST AGREEMENT -
MONORAIL
continued

authority from any court or legislative body. And so they have this tremendous power granted to them, which they will be, in effect, autonomous once all these approvals have been given and once the PSC has approved that initial plan.

So what do they have the power for? I turn to Page 11, paragraph 11 - they have the power to fix, revise, charge and collect fares and all other charges which the Trustees deem to be necessary and proper for the use of any public transportation system, or transit system, or service or facility. (12) . . . they have the right to establish, to limit, to control routes for any public transportation, or any transit system or facilities owned, operated or controlled by the Trustees . . . to make and enforce, or cause to be enforced, all the necessary rules and regulations in connection with the use of any public transportation or transit systems.

Now, there is no - there are no constraints as we have read from the Trust, in these chapters, so where will the City and the County Commissions be able to do this? They don't, because on Page 15 in paragraph 3 . . . this is the Trust, Mayor, that you are asking to modify - now, the beneficiary, which will be the County . . . the beneficiary has no authority, rights, power, whatsoever to do or transact business for or on behalf or be binding upon the Trustees or upon the State. And here is the key: Nor the right to control nor direct the actions of the Trustees except as to the extent herein provided.

Now - to the extent herein provided does not extend to rates, routes, eliminations, deterioration of equipment - many of the things that were afforded a public transportation system prior to the amendments to the Public Service Act, NRS 704.340.

Here's what has happened: We have now, within this Trust body - the one that you are going to be modifying - we have now no right of public appeal. There are no provisions in any of these chapters that pertain to Certificates of Public Convenience - there are no provisions for citizen appeal - there is no avenue for a complaint with a certain specified for a Hearing to be set.

What our concern is, Mayor, is that if the law does not provide these avenues for citizen appeal, then the Trust debenture has got to. If you are going to modify the Trust indenture, the key is to try to do it now. And that is the substance of my presentation here tonight. I am sure there are others who will want to speak.

Next Speaker (unidentified female): I was able to get ahold of a copy of a copy of the Agreement and I went over it with several people from the Council and we have several questions -

Commissioner Franklin: Will you please give us your name for the record?

Response: I am Mary Kowalsky. First of all, we would like to request copies of the documentation that was used to previously determine that there is a critical need for an elevated Rapid Transit System. We are not, at the present time, aware of that documentation - if you could tell us where we might be able to get it -

Mayor Gragson: The elevated, not subterranean, would be preferable due to the caliche conditions of the soil -

Mary Kowalsky: I agree, but so far we haven't been able to find any type of documentation which says there is a critical need for an elevated, or subterranean, structure. We have been trying to find such documentation -

Commissioner Franklin: Mayor, the point I think she is trying to make is that the preamble says that it has been favorably determined by the City and the County - that means by official action - that there has existed for a number of years a critical need for an efficient elevated Rapid Transit System. She wants to know where the City determined this - when did the City determine this - when did the County determine this - that we had a critical need for a Rapid Transit System -

Mayor Gragson: I can't exactly tell you. This was in discussion for some time before we ever heard of a Monorail - it was determined in the Wilbur Smith Report - it was recommended in their Report back in 1960 or 1961 -

Commissioner Franklin: For an elevated rail?

Mayor Gragson: Yes, Sir -

Commissioner Franklin: There was a 1971 Report that was prepared by the State -

Mary Kowalsky: We asked them too but we didn't get what we felt was an "adopting" answer - and we'll ask again - it has to be somewhere. It's just that we've been looking for this but have not found it. Secondly, we would like a definition of the efficiency of this Rapid Transit System. We have been lead to believe by Mr. Kavanaugh and the various suppliers that the proposal they have is for an individual transit - a PRT - a people-mover with an approximate speed of about 25 mph. We feel that a 25 mph people-mover hardly qualifies as an efficient Rapid Transit System.

The Agreement refers to an individual transit, or a PRT, in several different ways - as an elevated Rapid Transit System - Elevated Automated System - we would hope that any Agreement would be very clear and would specifically use one term throughout the Agreement and, perhaps, define that term so that we would understand it.

In what other ways besides leasing and granting, will the City make available rights-of-way over and across streets, public ways and other properties of the City and such other use of land owned or controlled by the City for the use of the Trust? That is another question that comes to my mind.

What procedure does the City intend to follow, along with the County and the Trust, in the selection and valuation of a proper system? It is specifically commented on Page 5 - there are no guidelines whatsoever. We would like to know what kind of guidelines there will be.

Also on Page 5, approximately line 5, there is a referral to the type of transportation system chosen shall be subject to the approval of the City. We really don't understand what this means for this is the first time that "transportation system" appears in the Agreement and it is not defined.

Also on Page 5 - Lines 6 and 7 - "The City further shall have the right to approve the System as to its relationship to a total transportation or mass transit system for the City . . .". We're not quite sure what this means. Does the City intend to road-block the mass transit presently under consideration by the Regional Planning Council and the Regional Streets & Highways? Line 8 calls for "its effect aesthetically to surrounding property." The Las Vegas Metropolitan Beautification Committee at its monthly meeting, which was held this morning, stated its concern and desire to be immediately involved in the further consideration. The Beautification Committee's statement of purpose clearly states that if the Las Vegas Metropolitan Beautification Committee is to act in an advisory capacity to the City and City Commission - the City and County Commission - on all matters concerning the visual environment which we feel will make the urban area a pleasant and desirable community in which to live - I would like to present the Beautification Committee's comments at this time.

Also, through the conditions outlined in Section 6, the word "operation" is noticeably absent. Many people who have followed the Monorail issue since December of 1971, have felt that Monorail System will not speak for itself in operation. We are concerned that the word "operation" is completely left out of that section.

We wonder if the Monorail will then be taken over by the City and the County and operating it at a loss or, in other words, subsidized by the taxpayers. Our concern is based on a discussion of a transportation system - of this being part of a transportation system and perhaps requiring other types of transit dependent upon it.

We also suggest that a percentage of the revenue be agreed upon now by

TRUST AGREEMENT - the City and the County.

MONORAIL

continued

On Page 7, Line 21, we feel that the Trust must operate the bus system for the benefit of the citizens of the City of Las Vegas and Clark County. We feel that consideration of the citizens is noticeably lacking throughout this Agreement - consideration is not given as to route changes and fare changes by Public Notice and Public Hearing.

We are also concerned about the last sentence in Section 11 - we felt it is not clear and needs some further explanation.

We feel it is no secret to anyone that the System we are discussing this evening is a people-mover, or PTR - commonly referred to as the "Monorail". It is noticeable to everyone in this community that this Monorail will be limited almost exclusively to the tourist traffic and will have a minimum of benefits for the average resident. It is obvious to everyone in the community that there is a need for population authority to reach recreation, shopping, etc. - and this need is a public need and should be considered in the light of public participation - the need for a real balanced public transportation system. We feel this Agreement does not meet the need for a balanced transportation system.

Mayor Gragson: Are you speaking for the Beautification Committee now?

Mary Kowalsky: No - we are just members of the Council that got together. The only thing that pertains to the Beautification Committee are the aesthetics - the other is the Nevada Open Spaces Council. I say "we" - that is the Nevada Open Spaces Council - this Agreement does not contain the idea of a balanced transportation system. It creates the Clark County, Nevada/Las Vegas Transit Authority, which is the Trustee name, whose sole purpose in life is to promote the Monorail. This Transit Authority would prevent the creation, we feel, of a citizen-oriented public organization which would plan, organize and operate an area-wide integrated Mass Transit System for the Las Vegas region, including public school transportation, and implementing the findings of the Regional Study to be completed by the Las Vegas Valley Urban Transportation Committee.

We urge you to put aside this Agreement and any other similar Agreement and we urge you to assume the responsibility to the citizens of this community by taking immediate and positive steps to cooperate in the planning, developing, urbanizing and operating of an Area-wide Integrated Mass Transit System for the benefit of all the taxpayers in this region. Thank you kindly.

Mayor Gragson: Thank you, and that last request to assume responsibility is exactly what we intend to do and is exactly what I have endeavored to do the entire time I have held this position . . . are you telling us that because we don't agree with you that we aren't assuming that responsibility?

Commissioner Franklin: I think what she meant, Mayor - the last request, I think, she was asking about the Open Spaces Council - about us assuming the responsibility to provide a Mass Transit System for the total area -

Mary Kowalsky: That's right -

Mayor Gragson: Is there anyone else who wishes to speak now?

Ann A. Zorn: Mayor and Members of the Board of City Commissioners, I am Ann Zorn and I am speaking for the League of Women Voters of the Las Vegas Valley. We thank you for this opportunity to express our concerns.

The League has previously indicated on several occasions its strong support of any comprehensive regional transportation plan which sets goals and priorities concerning the total needs of the area, as well as laying our specific plans to implement those goals. That's why we endorse the City's concern as indicated on Page 5, Lines 5 thru 9 of the Agreement, which stipulated approval of the Monorail in its relationship to the total transportation plan. We don't believe this goes quite far enough. As yet the regional comprehensive plan has not been defined and this needs to precede any further commitment or action under the Trust. Otherwise piece-meal decisions will predetermine what the major elements of the Plan will have to be, and this will limit the application or implementation of the Plan. The sequence should be from the General Plan to the Trust action in order to protect the broader aspects of transportation planning.

TRUST AGREEMENT - Thereafter all parties to the Trust should be required to comply with
MONORAIL the approved Regional Transportation Plan.
continued

A second major concern of the League is the absence of structured responsibility of the Trust to the public interest. The creation of an independent authority under the Trust indenture removes any safeguards for public concerns over the operation of transportation systems. Article III of the Trust Indenture grants the Trustees certain rights, powers, duties, authority, etc., "all of which may be exercised by them without any order or authority from any court or legislative body." Included in those rights and powers are the authority to set rates, collect fares, decide on routes, discontinuance of service, etc. (Paragraphs 7, 11 and 12 of Article III of the Trust indenture) - all of which may be done without Public Hearings or review by any outside public agency. We find no provision for a public voice in matters which may strongly affect daily lives and work patterns, as well as the growth and welfare of the entire community. Nor is there any specific and guaranteed procedure by which citizen complaints must be heard, or by which individuals or groups, may appeal decisions made by the appointed Trustees. These indirectly chosen decision-makers are not responsible to the public as are the elected Commissioners. We, too, urge that some specific provision be written into the Trust indenture, and that this be done prior to the City joining in the Trust, whereby the General Public will be guaranteed a voice in these matters through Public Hearings. And, in addition, that an avenue of appeal be made available to the public.

Our final questions are concerned with the obvious need to maintain and upgrade the present bus services. On page 5, Lines 14 thru 33 and on Page 6, it deals with the safeguards for City's approval of the Monorail System, but there are no stipulations that the City will retain any approval on the operations of the Bus Line, which the Trust is to take over. This leads to the question of the status of the Bus Lines within the Trust. Is the Bus Company to be an integral part of the Monorail System, or will it be a separate project with its own bonds and operations? If it is to be separate and its bonds must be backed with the present equipment, stock and properties, we would then doubt the probability of successful financing.

If the Bus operation is to be a part of the Monorail package, will its financial support have the same priority as the elevated system; will the costs of operation and maintenance of the Busses be taken care of before, or after, the Monorail profits are split? In other words, will the contractor's compensation, which is a percentage of the profits, be determined solely on the basis of the profit of the Monorail, or on the combined profit, if any, of the Monorail and the Bus System?

We raise this requestion because the relation of the Bus System to the Monorail is not clear to us in the Agreement. Since it is probable that as the community grows, the Bus service will have to expand and it is equally plain that Bus Companies, even Municipal ones, cannot operate out of the fare box. The ties and relationships between the two should be made very explicit. We believe these questions should be clarified to guarantee efficient Bus Service within the total community.

Mayor Gragson: Thank you. Is there anyone else now who wishes to speak?

Unidentified Speaker (female): I am speaking strictly as a private citizen - I am Daisy Mac_____. I think everything has been said. There is not too much more that I can add, but I have three (3) main points of concern. I would just like to pinpoint them very specifically. They have already been said, as I've said before. One of them is is the question of the public when it comes to rates, to routes and things of that sort.

As I understand the Law, and I've been following this for several years - following it at the Legislature as well as locally - as I understand the Law the Public Service Commission does not, after the initial approval of the project, have a continuing power of supervision over it as to those rates and things. And then when I look at these indentures - these Trust Agreements and Contracts, it is definitely in there. If it is not in the Law it is going to have to be spelled out some way or you are not going to have any protection. And the day it is approved - the route could be there and the next day it could be gone. The day it is approved it could have a 50¢ fare and the next day you can have a \$1.00 fare.

That's the way I see it now, and I would like to see something done about that, as a private citizen.

Secondaly, just as Mrs. Zorn has said, I would like to see the relationship on the financing, and the profit sharing, between the Bus Company, the Bus System and the Monorail, pin-pointed. I can't find anything that is clear - that tells me what this relationship is going to be. I can't find anything that tells me that if the Monorail System shows a Three Million Dollar a year profit, and the Bus System shows a Two Million Dollar deficit, that the Contractor isn't going to insist that he gets his 50% out of the Monorail's profit and let the Bus System be in the red. I can't find anything that tells me that isn't going to happen - so I would like to have that clarified - when does he get paid - before the Bus System deficit is made up, or after? That is something that really concerns me.

And another thing that really concerns me, as a citizen, is the question of - when are you going to fish or cut bait in this business of deciding the relationship between this thing and the total transportation system? You have said in here that you have the right to review the relationship and approve it. I anticipate, and see, that the Monorail decision is going to have to be made long before that final study is in, and if I were the Monorail people and you tried to say to me - look - I want to wait two more years in order to make this decision for you to be the judge of the relationship, my answer to you would be - fish or cut bait! And, if you fish at that time, haven't you already decided the head of the total System? Then you are going to have to devise the body to fit with it. Thank you.

Commissioner Franklin: In the one Agreement, at least - the one we're considering tonight, says that the Trust will agree to purchase the City transportation system and then they will only agree that they will operate the Bus System in accordance with the Bus Company's franchise they don't agree to improve it in any way . . . and the City agrees that we will forthwith approve a consent to the assignmant of such a franchise to the Trust - but all they take over is the Bus Company's existing franchise and operate it that way. That means a total of sixteen (16) busses, I think -

Response: That's exactly the way I see it - you are not buying a total mass transportation system whatsoever and maintain the bus service. I want to see the bus service maintained, but I want to see the whole thing expanded into a total mass transit system. I have these very specific questions that I don't have the answers to . . . I'm asking you to get them for me.

Mayor Gragson: I will say this: We do have some conditions attached to the Trust Franchise relating to the type of equipment they can use. I might point out this: The existing Bus Company has been losing for the last three years about \$30,000 a year, so any Bus Company we have will no doubt have to be subsidized by a system that is making money . . .

Daisy Mac_____ : Mayor, that's exactly my point - at what point is the contractor to be paid? Is he getting his cut before that subsidy is paid, or is he getting his cut of the profits from the operation - does he have an obligation before he gets his cut to see that the Bus System's deficit is taken care of? At what point are you paying him his share?

Commissioner Franklin: At the present time - and the Mayor has pretty much hit it on the head - we are not as City Commissioners enforcing the rights we have under our franchise with the Bus Company in the sense of new equipment - air pollution - which is bad because we're scared to death if we go ahead under the terms of the franchise, tomorrow you won't have a bus system. They just aren't making any money -

Daisy Mac_____ : That's part of the reason I brought this point up - because I know they aren't making money and you can't enforce those provisions on them, but we ought to be devising a System where we can subsidize that. We need to be very sure that these details are worked out in establishing anything that we do. I just don't want to see the City get caught in a bod where later on one lawyer says - you pay me now and the other lawyer says - you pay me at some other point in the game. This could become a real question down the road.

Mayor Gragson: Thank you. Is there anyone else who wants to speak on this issue?

Judy Hamilton, representing the Council of Social Agencies for Clark County and we have some concern about points made tonight and we would like to clarify what we believe some of the needs of our clients are. The Council of Social Agencies represents over a hundred social and health agencies in Clark County. We serve thousands of clients and patients in our community. Some of these groups are the Welfare Department, on the County and State levels - the Health Department - The Red Cross - Easter Seals - Mental Health - the Juvenile Court - Vocational Rehabilitation - the Economic Opportunity Board, and many others.

We have formed an Ad Hoc Committee to study the needs of the disadvantaged in Clark County. And when I speak of the "disadvantaged", I'm referring to the handicapped, low income groups, youth, mentally retarded, elderly and other who are presently ill-served by the present transportation system. We intend to determine the needs of this segment of the people, if we can. And, with the appropriate facts, we, hopefully, will be able to influence the decision-making process and see to it that the transportation problems of the disadvantaged and those who cannot drive, are given careful attention in the Las Vegas Area. I want to bring this to your attention tonight.

So that we may gain the necessary information we require, we are in the process of conducting a survey that concerns the transportation problems of these agencies' clients - those agencies I have mentioned earlier.

We are also doing quite a bit of research at the Federal level and presently there are grants available in dealing with the transportation issue. However, certain guidelines must be met. One of these is "citizen input" during the Feasibility Study stage and our Ad Hoc Committee at the Social Agencies has been in contact with the Regional Planning Council so they are aware of our existence and listening to what we think are some of the needs of our clients. Effective citizen input is what is required and it is the intention of our Committee to provide some of this input to whoever is going to do this Feasibility Study.

In the short time that our Ad Hoc Committee has been in existence we have come across some interesting discoveries. About 45% of the population does not drive because of age, physical condition or income. These people are disenfranchised in terms of urban life. Young people require demand a huge amount of "chauffeur time" from their parents. Elderly people often do not have any type of chauffeur service and must live wherever transportation is available. Even then, many urban amenities are denied them, as well as to others without cars. Access to jobs and education is often difficult and sometimes impossible to those without cars. In this area those problems are particularly evident because of the public Transit System that is grossly inadequate. In this community effort to provide a comprehensive transportation plan we need to keep many matters in proper perspective relative to the disadvantages.

The population of Clark County is growing rapidly, as you know - with our population doubling by 1990 - that's only seventeen years away. Concurrent with this expanding population is the rapidly expanding Social Agency Service System. The needs are going to be increased and the demands for social and health services are going to be increased. To transport clients to these widely spread out agencies - for example - on one side of town is the Juvenile Court. On the other side of town is the Mental Health Center. If a person wants to get to either of these agencies and tries to use the existing transportation system, it is well nigh impossible. It is a problem of transporting clients to these widely spread out agencies. It is acute now. What will it be like in the future?

It is of grave importance that our Bus System and proposed Monorail - should it become a reality - be integrated to adequately serve the disadvantaged in Clark County.

In conclusion, May I urge that the comprehensive transportation plan be provided with adequate safeguards for citizen input and citizen appeal - one that would serve the entire community.

Ms. Hamilton: Do you have any questions - either about our group or my comments?

Mayor Gragson: No - we recognize that we do have a need to provide what you have presented to us -

Ms. Hamilton: Right - I just wanted to present some of the needs - and we don't have the solution either -

Mayor Gragson: I know that in my position I run into these needs from the agwncies. We did get information this year as to Federal participation - jointly, the City of Las Vegas and Clark County it would be \$37,500.00 which, as you know, is a help, but it is only a drop in the bucket as to the total need. I am quite familiar with those needs also in my position as Chairman of the Manpower Program.

Ms. Hamilton: We would be happy to make the results of our survey known to you, if you so desire. It should be forthcoming in August if we meet our deadline.

Mayor Gragson: I would, and if you haven't already asked for the service, the Economic Opportunity Board and SEP are also developing certain information - not covering the total, but insofar as the employment picture is concerned.

Ms. Hamilton: Let me add that a member of our Ad Hoc Committee is employed by SEP and we will have access to that information.

Mayor Gragson: Thank you. Is there anyone else?

Daryl Watkin: I am Regional Director for the Nevada Lung Association. I am not going to add anything more to what has already been said, except to reiterate that for the benefit of Commissioners Lurie and Christensen, we were involved in this back in February of 1972 when it was first heard by the City Commission.

I think most of the questions are still being asked, including the one as to how much the Feasibility Study is going to cost us if we have to buy these people out - bail them out - before the five years is out and want to go to somebody else. We are still interested in this. We still want to get some answers to this question and as Mr. Galane mentioned earlier this evening, I hope from the standpoint of my organization that you Gentlemen don't sign any more documents that oblige you to anything more than what you already are until you get the answers to some of these questions.

Mayor Gragson: Thank you. Correct me if I'm wrong - we only held hearings on the matter of design some five years back - since December of 1971. From that period until now - and I think with all due respect to your concern in this matter - I think there is very little likelihood that there will be any System developed and in operation within that time frame.

Mayor Gragson: Is there anyone else?

Unidentified Speaker - male: Mayor and Members of the Board of City Commissioners, I am a Senior Citizen. I am a member of two Senior Clubs and an officer in one, and most of the members I have talked to are very concerned about rapid, or mass, transportation in this town. so they can get around.

There are about 35,000 Seniors in this town and the way the transportation is today, they just cannot get around. We are afraid that if this Monorail is put through. it doesn't help the transportation problem for any of the Seniors in this town because they won't be able to afford the fare and we are further afraid it will block mass transportation that will bring people to the City from North Las Vegas, from Paradise Valley and different sections of our community.

We are very interested to see - we are on fixed incomes - to see that the mass transportation comes into effect in this town and that the Seniors that live in this community can afford to ride it.

Now, this Monorail that they're talking about building, is doing no good

for the City's citizens. It is doing some good for the people who will be coming in at the Airport - but what about blocking the traffic? Do you know that these concrete pillars are about the size of battleships - you will need about three in every block - to maintain this elevated railroad. Why doesn't the City of Los Angeles that has a larger Airport of people traveling - and they are talking about mass transportation there now - and they are not after a Monorail to get the people down town. Their Airport probably has three or four times the number of people coming in than our Airport does, and they are going for mass transportation on the ground - not a Monorail. The elevated railroad is antique. It went out in 1900 and today mass transportation in the big cities are what they are after. I thank you.

Mayor Gragson: Thank you. Is there anyone else who wishes to speak on the subject before us this evening?

Unidentified Speaker (male): Regarding the Monorail, I merely want to go on record as expressing my views regarding your proposed Rapid Transit System. I have appeared previously at other Hearings and indicated my dismay in terms of not being able to bid on the System and I would implore the Commission to enter into some type of an arrangement wherein there would be public bidding - free competition - in line with the concept of our Free Enterprise System.

This is our position. We feel that we can provide a System that will do more - provide more services - more flexibility - at less cost than any of our competitors. I think you should be interested in getting the best System for your needs - whatever your need determination turns out to be - and I would suggest that the Commission wait for your Regional Planning Council's study under way by VTN - their findings for an overall Regional System. I see a greater advantage to the community at large to take advantage of the Department of Transportation program under UMTA whereby two-thirds of the cost of the System will be paid for by the Federal Government, with the local community being responsible for the one-third.

So, there are many things that are available and which I see are bypassing and I implore you to take a strong, hard look at the Trust Indenture Agreement and what it provides therein. Thank you

Question: You are currently dealing with this type of sophisticated transportation system in Brazil, aren't you?

Answer: Yes - I have firmed up a System in South America and we have several other systems - actually 20 specific projects we are working on presently - the earliest contract dates we will have will be in October. We are also, as I have previously indicated, one of the contenders for the Southern California Rapid Transit System, which will be a some 1,000-mile network. We are one of the 14 companies who will be in on the final run of that.

Commissioner Franklin: That isn't elevated, is it?

Answer: That hasn't been disclosed as yet. At the present time Kaiser and Dim-Jim are doing the Feasibility Study - they expect a Report within the next two or three months. We know they are prejudiced in terms of a rail system similar to BART. However, in talking to the directors of the Southern California Rapid Transit System, regardless of what the study - planners and engineers recommend, or suggest, they feel that they are going to make the final determination themselves and that could very well be an elevated Monorail System, similar to ours. There were some 138 systems that were studied by Kaiser and Dim-Jim and they have narrowed it down to 14 viable systems for that application and we are one of that fourteen. We do have our first commitment in South America and we are presently firming up a merger with a major corporation. A comment was made at a previous Hearing by a gentleman from U.S. Steel that UNITRAN was too small a company to deal with - that we shouldn't be listened to, but we have one of the largest corporations in the country that we are negotiating with presently and hope to complete negotiations on a merger, getting them into the Rapid Transit business.

So we are in a position to put up a Performance Bond and to install a System that would meet your requirements.

Mayor Gragson: Thank you. Is there anyone else?

City Attorney, Carl E. Lovell: Although it may have been a duty for the City Attorney's office to announce what our opinion was at first, and we are well aware of the fact that it may, strategically, or, at least, emphatically, put the City Attorney's office's words in a most undesirable light because of all the rebuttals and all the comments that have been made.

Therefore I would like to make a few comments (1) about what I initially said and (2) ask and direct to Mr. Galane and several others who have made comments, some inquiries of mine and some comments so that whether tonight if you so desire, and it is the Commission and Mayor's desire, you wish to rebut, or comment, or give me some constructive suggestions, in writing, or in meetings -

The meeting tonight, after the evaluation of the Monorail was concerned, was, in fact, under the existing agreement and the proposed Agreement - which the Commission may sign - whether we would be involved, or would become in any other way responsible with the County Monorail or with Mr. Kavanaugh. Or whether, in fact, under the terms of all that has lead up to the development of today whether, in fact, we would not be held liable, or responsible, to proceed in any way.

It is still my contention that in view of the 1971 contract which at this time I do not feel we are bound to do anything except take a Feasibility Study. The City is not bound to go into any kind of agreements or go into any proposed construction of any Monorail. And in view of the Trust, as it exists today, we are under no requirement whatsoever to proceed. Therefore, legally, I can see no detriment if, in fact, the Commission would decide to take a look and work with the County prior to any issuance of bonds or any type of suggestion of construction whatsoever.

If, in fact, those of you who spoke tonight, and others who may read what you and I say, have read the proposed Agreement, he will have to agree with me that it is wrought with consumer protection.

There were many things that were brought out tonight which I wholeheartedly accept as constructive suggestions that need to be in this contract. However, it is wrought with consumer protection in certain areas through the City Commission that at any step at any phase prior to the issuance of bonds, and construction, we can pull out - before Feasibility Studies - before or after - in any way. Therefore, there is a policy decision which the Commission must make and it is at their discretion. Some of you have directed your comments to it tonight - you have indicated an overall view of the Monorail itself - some of you have given me some constructive suggestions, which I appreciate.

The statements that were made in regard to the fear for the City of Las Vegas - that we were leaving you out, Mr. Galane, are unsubstantiated and if, in fact, there are some fears put to someone, as the City Attorney, I would appreciate knowing about it. Insofar as the media and the public interpreting that if, in fact, there is a vote tonight, or consideration given as to whether we want to get into the Monorail - that we will, in fact, give our stamp of approval to the Monorail, I think the only way the public and the media can interpret it this way is, in fact, through comments such as you have made, and others, from a vested interest trying to create this impression, or inference. And I think it is beholden upon a Public Official - at least insofar as I am concerned and I believe the Commission - that it is not the fear of the media and the public as to what will be wrought at any particular given time, but the responsibility of the Commission to go through and analyze all the aspects, pro and con, and then try to give as much an objective viewpoint as possible.

You indicated the political connotations, as well as the fear and the combination of those leads me to the honest remark that I wonder if there wasn't a vested interest - as the result of a vested interest is why you said that - or what?

Insofar as the technical aspects, you did mention the Bus System, concerning the routes and the rates. Now, if you wish to go back to my remarks when we first began, I said that in addition to the conditions that are in the proposed contract as it reads now, we are concerned about a clause making the entire responsibility of the City - or the liability to continue - null and void. We are concerned about the

Public Service Commission and the Bus System - the control of it and the rates - which conditions must be put into the contract.

Also I would like to comment on the problem with the possible annexation - the legislative annexation - of the area into the City when all of a sudden the County will have that much less vested interest in that area - in fact, it becomes a part of the City in 1975, or whenever, and we then see a Monorail originally possibly only originated by the County, or both, solely within the City . . .

As far as the psychology . . . that when a Body decides one way it is very difficult to change it, I think by the very terms of this Contract - those suggestions we've had tonight, if they are incorporated, insofar as consumer protection goes, is wrought with the realism that the City can back out at almost any time.

The risks that were mentioned as ruining mass transit - that it is a very deadly project - it may very well be a deadly project - that is a policy decision the Commission has to make regarding whether they want to be on the "in crowd", as you mention - decide whether it should or should not be there - or kill it itself if it is a bad and deadly project.

There is nothing in this Contract in regard to the Regional Planning Council to prevent them from continuing on with Federal funds, or requesting Federal funds, to do a Feasibility Study. In fact, the City Attorney's office would hasten the Regional Planning Council, and any other organizations, to continue their efforts also so if, in fact, no matter whether or not the City gets in on this Monorail System or not with the County, we may be able to take a look at the Regional Planning Council's proposals and Feasibility Studies - for which there are Federal funds available just for the Study before construction or any other phase are given.

I do not think that by adding more than one System to consider - at least, Feasibility Studies to consider - one by the Regional Planning Council, one by the City and/or the County, we would be undermining anybody's effect.

Again, I want to reiterate that I appreciate the constructive criticism given. This meeting was called, insofar as the City Attorney's office is concerned, to gather information from you - both attorneys and laymen alike - in your own ways - your words and your thoughts - of ways we can better this Contract if, in fact, we are going to get into it. In addition to your views as to whether you do or don't like the Monorail if, in fact, there is going to be a possible consideration of the Monorail, what then, would you like to see in this contract? There is no way that the City Attorney's office, under the present Trust Agreement and a prior commitment, that we would in any way suggest or give legal opinion to the City Commission that they should enter into the Monorail Agreement. As far as we're concerned, and consumer protection, there isn't any in the Trust Agreement as far as the citizens of Las Vegas are concerned, and much less the citizens of the Valley. But if, in fact, the Trust Agreement is changed and if, in fact, the County agrees with our proposed Agreements and those suggestions which you have, which would be incorporated into this Agreement, are put in there - then we need to take a look at it at that time also to consider what consumer benefits are there and what aspects are there that we can change or back out of at any time.

I sort of felt you got a little bit astray of what I consider the meeting to be for, insofar as the City Attorney's office and the legal aspects are concerned - I do appreciate, however, getting some of your ideas.

I did want to make these comments (1) a little bit to rebut Mr. Galane on some of the rhetoric, and also ask either now or later after you've had a chance possible take what I've said into further constructive consideration and suggestions by you if, in fact, we do go ahead with this - depending on what the City Commission says. And to anyone else out here, what you have given me tonight is enough study for our office - it will take time to match it and coordinate it together. I just want to thank you very much.

Mayor Gragson: Do you have any further comments at this time on this issue, Mr. Galane?

Attorney Galane: Some very brief comments: As to the suggestions, I am committed at any time to sitting down and working with the City Attorney to make whatever specific changes we feel will be in the public interest. We have always been available for this -

As to the reference to "fear" - all one has to do is to look at a map and see the fact there will be no Stations from Sahara until it gets to the Downtown Clubs to realize that, economically, you don't have a built-in responsibility in the extension of the System from Hotel Sahara to the Downtown Clubs, but you do in terms of the traffic generated from Hotel to Hotel on the Strip. So I am speaking in terms of economic . . . in other words, the simplest man in the understanding of business would say to himself that perhaps all the profit lies out on the Strip . . .

I brought that up to point out because it is something to worry about and don't let them subtly suggest this, because when the right time comes when a System is adopted, the City of Las Vegas will be in a very poor condition. That is a positive issue - that is not a legal issue. Nothing that I said was designed to have the effect of putting the City Attorney's office in an adverse light. Contrarily, we were mainly complimentary of the efforts put in by the City Attorney, but our remarks were directed toward the fatal policy we are following if the Board of City Commissioners approved this document, and when I say it will be interpreted as approval, I am right. That is not something that I thought up - that is something that will happen in the policy area.

When we get to the legal area, the City Attorney may rest assured that we in our firm are available to help him do his job -

When you get into the economics of the System - when you get into the built-in "fear" as to somehow there will be a freeze-out - just look at the map and you can see the economic problems. What I am talking about is very realistic. To repeat - those are policy matters which lie exclusively with the City Commissioners - not the City Attorney's office. So my remark to the City Attorney's office - from a legal viewpoint, we're here to help you, and he has no problem. This is a policy matter locked exclusively in the hands of the Commissioners. The City Attorney has done his job - he has offered to do his job in the future and we have offered to help him, but there is a sharp line of demarcation between a lawyer and policy -

Commissioner Franklin: Mr. Galane, you've said that five times in five different ways -

Mayor Gragson: Now I have a comment I want to make: You, I believe, stated that going further into this Trust that would further commit us, would be interpreted - even though wrongly - by the Press and the Public - that we shouldn't act on it due to that misinterpretation . . .

Mr. Galane: That is not exactly what I intended - I said your sanction - your seal of approval - will be interpreted as an approval of the Monorail and that you have to take the responsibility of what you're doing, and I say that no further commitment should be made by the Board of City Commissioners. I made that crystal clear, and I said that not only would that be the interpretation, but may very well be a proper interpretation. I said - why does the Board want to further involve itself? It is premature - and it will be so interpreted and it will be an interpretation that would be to your detriment and to the detriment of the public interest. I've made that crystal clear - that you should not make a further commitment. That's how the people will interpret it and perhaps that's exactly how it should be.

Mayor Gragson: Is there anyone else who wants to be heard?

(No response)

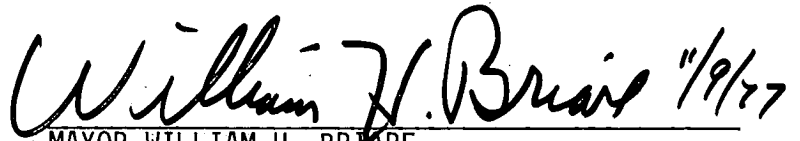
Mayor Gragson: I want to thank each and every one for your attendance

TRUST AGREEMENT -
MONORAIL
continued

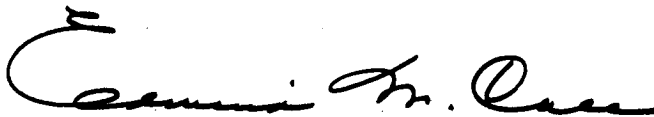
here this evening and for the manner in which you presented your comments and arguments to this Board. With that, if there is no further discussion, I declare this Public Hearing closed.

Meeting adjourned at the hour of 10:45 P.M.

APPROVED


MAYOR WILLIAM H. BRIARE

ATTEST:


EDWINA M. COLE, CMC
CITY CLERK

APPROVED BY REFERENCE at a Regular Meeting of the Board of City
Commissioners held November 2, 1977.