

**SPECIAL MEETING MINUTES
OF THE
NORTH LAS VEGAS CITY COUNCIL**

November 30, 2000

CALL TO ORDER: 5:30 P.M. City Hall, Council Chambers
2200 Civic Center Drive, North Las Vegas, Nevada

ROLL CALL PRESENT:

Mayor Michael L. Montandon
Mayor Pro Tempore William E. Robinson
Councilman John K. Rhodes
Councilman Shari Buck
Councilwoman Stephanie S. Smith

STAFF PRESENT:

City Manager Kurt Fritsch
Assistant City Manager Michele F. Richardson
City Attorney Sean T. McGowan
City Clerk Eileen M. Sevigny
Director of Human Resources Dan Tarwater
Director of Community Services Jacquelin Risner
Chief of Police Joe Tillmon
Deputy City Clerk JoAnn Lawrence

VERIFICATION: Eileen M. Sevigny, CMC, City Clerk

BUSINESS:

1. PRIVILEGED LICENSE (Tabled November 15, 2000):

2. Frank J. Fertitta III, Director LIQUOR General On/Off Sale 1200
 DBA: Fiesta Hotel & Casino GAMING Non-Restricted
- 2400 N Rancho Dr GROSS SALES Hotel & Amenities
 North Las Vegas, Nevada
 Police Investigations Updated & Approved

Pending the Nevada State Gaming Commission Approval on 11/ 20/ 00

Pending Final Building & Fire Inspection Approvals

Formerly: Fiesta Casino & Hotel (George Maloof, Pres.)

Scott Nielson, Executive Vice President and General Counsel of Station Casinos introduced Kevin Kelly, Bob Finch, and Valerie Merzo. Mr. Nielson handed out an Executive Summary to Council. He stated Station Casinos was buying all the assets, using the operation of the Fiesta Hotel and Casino, including the real property for \$185 Million in cash. The only complication in the transaction was that, as part of a tax free exchange, some of the non-gaming assets of the Fiesta would be exchanged for non-gaming assets of some of the other properties in Missouri. He stated that did not affect the licensing matters before Council. The financing of the acquisition would be from their bank line, which was recently increased by \$100 Million and the money was there to close the transaction. The turn key operation of the Fiesta was the most important distinction between that transaction and others they had seen; they would be keeping the Fiesta brand. The location would not become a Fiesta Station. One of the reasons the Fiesta was acquired was so Station Casinos would have a second brand they could apply to properties that were not quite as large and did not have all the amenities or were not quite as expensive as some of the typical Station projects. Mr. Nielson stated the next phase in the executive summary was an organizational chart that set forth the management team for the Fiesta. The management team consisted mainly of Station Casinos' team members, who had worked with them for some time and knew their corporate culture and the services they expected. He stated Kevin Kelly, president of the West Valley operations, would be President of Fiesta and Bob Finch would be General Manager. Mr. Nielson stated, based upon the discussion at the November 15, 2000 Council meeting, they realized the hiring process was an issue Council would like addressed and asked Jack Godfrey to speak on that issue.

Jack Godfrey, with Schreck, Brignone, Godfrey Attorneys at Law, Counsel for Station Casinos stated they anticipated the hiring practices and other issues would be a matter of discussion. He stated Station Casinos had previously been approved to acquire the Fiesta by the Nevada Gaming Commission and had also previously been determined to be suitable by City Council in connection with Texas Station. He stated they relied upon the laws that were in effect at the State level and according to the City of North Las Vegas ordinances. Interpretation of those laws raised at the last meeting, caused the delay, but were not relevant to the determination of the suitability of Station Casinos and its subsidiary to be licensed for liquor and gaming at Fiesta. He stated the reason they were there was for approval and a determination of suitability to operate another business in the City of North Las Vegas. Mr. Godfrey stated the Nevada Gaming Commission was presented with a number of arguments that related to the issues of the labor standards. He stated the Nevada Gaming Commission, after listening to

arguments from both sides and an extensive public hearing, rejected a regulation dealing with hiring practices. Mr. Godfrey stated Council did not have the authority to consider other issues in connection with their application. He stated there was nothing in the City ordinances that dealt with the issue of hiring practices. To his knowledge, Council had never imposed any conditions or considered any issues such as hiring practices in connection with the determination of suitability. Mr. Godfrey stated there were some other issues that should be considered. Nevada is an at-will state, it has common law which dealt with employment practices in the State of Nevada as announced by the Supreme Court. He stated if restrictions or conditions were to be imposed on one sector of the industry, Tenants of Equal Protection would be violated and singling out the gaming industry would violate provisions of equal protection of law. He also stated it should be considered a policy issue. Station Casinos had already demonstrated the value of its investment in the City and it was unfair of the City to change the licensing rules based on the interests of third parties.

Harriet Lipkin with the Law Firm of Verner, Lipfert, Bernhard, McPherson and Hand stated Station Casinos was a law abiding corporate employee. They complied with all labor and employment laws, including the National Labor Relations Act, Title VII of the Civil Rights Act, The Americans with Disabilities Act, The Age Discrimination Employment Act and the Family and Medical Leave Act. Station Casinos also provided its team members with wages and benefits unequaled in the Las Vegas casino industry. She stated Station Casinos had gone beyond the Nevada legal standard and guaranteed all non-introductory, non-supervisory team members that they may be disciplined and discharged only for good reason. She stated the requested employment restrictions were improper and unlawful. The Supreme Court had clearly stated local and state government could not impose employment requirements which affected a free flow of economic forces. Specifically included in that free-flow of economic forces, were employer's right to hire some, all or none of a predecessor's employees. She also stated adequate protection existed to ensure the fair and lawful treatment under federal and state law for all of Fiesta's current employees. Any Fiesta employee who believed he was treated improperly had recourse with a variety of state and federal agencies including the National Labor Relations Board, the Equal Employment Opportunity Commission, the Department of Labor and the Department of Justice. Ms. Lipkin stated one of Station Casinos' most significant employment benefits was the right to transfer when vacancies became available in order to work a better shift, with better days off, perhaps a higher rate of pay, closer to home, or closer to their children's child care. She stated that was a critical benefit offered to Station Casinos' team members; they had earned this benefit and, therefore, urged Council to reject the proposed regulation.

Mayor Montandon asked Ms. Lipkin who requested employment restrictions and what request she was referring to. Mr. Nielson stated they were assuming there would be a request for a

condition or a restriction on the approval.

Mr. Nielson stated since taking over the Santa Fe and Fiesta, they were creating more jobs than existed prior to the time they were taken over and were paying higher wages and better benefits. He questioned if they were creating more jobs, paying higher wages and better benefits, how that could be considered negative. Mr. Nielson stated they needed about 950 people to operate the Fiesta and one of the important benefits was their current employees had the opportunity to transfer to another property, whether it was a new property or a purchased property. He stated there would be 300 transfers at the Fiesta; 800 applications were received from current Fiesta employees. Of those 800 applications, 307 had been hired and another 62 applicants had been sent for drug testing. There were also seven persons from the Fiesta who were hired at the Santa Fe. Those numbers added up to almost 380 people out of the 800 applications received. In addition, they were still looking for over 400 employees to fill positions at the Fiesta and over 100 employees were needed at the Santa Fe. Mr. Nielson stated they were willing to make a commitment to provide for any employee of the Fiesta or the Santa Fe, who was employed at either property at the time Station Casinos took over. If Station did not hire them, they would be provided with job placement assistance which would include training, help with a resume, help with an application, and job skills in terms of interviews, all free of charge. He also stated, if they were given approval to take over, the Fiesta would continue to be an important part of the community. The Fiesta would participate in the adopt a school program, and also in the corporate-wide functions they were involved in.

Mayor Montandon stated a very important issue was the abuse of power. He stated he feared Council was being asked to take on powers that were not legally within their rights.

The following persons spoke in opposition of this license application:

Gene Collins (NAACP), 3925 N. Martin Luther King
Kent Anderson, 3434 Edgehill Way, North Las Vegas
Amelia Moreland, 3801 Arlington Bridge, North Las Vegas
D. Taylor, Culinary Worker's Union, 1630 S. Commerce Street, Las Vegas
Mary C. Jefferson, 5320 Debut Court, North Las Vegas
Beatrice Turner, 1301 Madison
Charles Baker, 2701 N. Rainbow
Cleather Manning, 713 Glendale Avenue, North Las Vegas
Ted Pappageorge, 3637 Sable Palm Avenue, North Las Vegas
Cynthia Salazar, 2824 Magnet Street, North Las Vegas

The following persons spoke in favor of this license application:

LaReese Turner, 2704 Wild Breeze Court, North Las Vegas
Tomas Alvarado, 544 Date Street, Boulder City
Gregory Schmidt, 10180 Cupids Dart, Las Vegas
Nelandra Anselmo, 274 Horizon Pointe Circle, Henderson
Bill Eppler, 2543 Cactus Hill Drive, Las Vegas
Denise Ramirez, 1492 Firwood Court, Las Vegas
Millie Dilworth, 5586 Orchard Lane, Las Vegas
Angela Southern, 1309 Smoke Tree
LaTanya James, 3240 Las Vegas Blvd. #242
Warren L. Craig, 7100 W. Alexander Road #1097, Las Vegas
Scott Sims, 8124 Hesperides Avenue, Las Vegas
David Somerville, 5405 Longridge Avenue, Las Vegas
Edward Funke, 7440 Stoney Shore Drive, Las Vegas
Rose Smith, 5240 Velazco Lane, Las Vegas

D. Taylor, Culinary Worker's Union, 1630 S. Commerce Street, Las Vegas, NV asked if the Culinary Union's attorney could speak regarding the Mayor's statement on abuse of power and regarding the information Station Casinos presented in their legal argument.

Mr. Andrew Kahn, with the law firm of McCracken, Stemerma, Bowen and Holsberry, 1630 S. Commerce Street, Las Vegas, NV stated they had asked Council to impose a condition that would protect workers at the Fiesta and stated if there were any doubts about the legality of what was being proposed, they were urged to continue the hearing and get an opinion from outside legal experts. He stated it was clear local agencies had broad authority in giving out gaming licenses. The City of North Las Vegas Code stated it was a privilege not a right to have a business license. He stated gaming licenses could be denied for employment discrimination, or callously tossing workers out on the street instead of giving them a chance to prove themselves on the job.

Mayor Montandon stated the City had an Attorney on staff and had consulted with him. Mayor Pro Tempore Robinson asked City Attorney Sean McGowan to elaborate on the legalities of the licensing of the Fiesta. Sean McGowan stated the briefs submitted had been considered and outside labor counsel had been consulted. He stated there was no need to continue the hearing. In refereeing the dispute, it was his conclusion Station Casinos' position was accurate and compelling on all three bases mentioned, Federal Labor Law preempted this area, protection, and the due process argument that was mentioned. He stated his conclusion was based on the record before Council; the City did not have a lawful basis on

which to deny the license. Mayor Pro Tempore Robinson asked Mr. McGowan if the license were denied, whether there could be a lawsuit and Mr. McGowan stated that was conceivable.

Councilman Rhodes asked Mr. Nielson and Mr. Collins to come to the podium. Councilman Rhodes stated he understood the loyalty Station Casino employees felt to the company. He stated he felt the employment issue could be worked out with some communication between Mr. Collins, members of the Culinary Union and Mr. Nielson. He stated he would like them to discuss the issues and come up with an amiable solution in regards to worker's rights. Mr. Nielson commented that an appointment had been scheduled with Mr. Collins to discuss the issue and he was looking for input from the NAACP and anyone interested.

Councilwoman Smith stated she understood both sides of the business license issue but felt she must take the human side of the issue and not the business side.

Councilman Buck stated she had sympathy and understanding for the situation but she felt she had the responsibility as a Council Member and as a representative of the City to follow the law and advice of the City Attorney.

ACTION: CALL FOR THE QUESTION

MOTION: Mayor Pro Tempore Robinson

SECOND: Mayor Montandon

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Council Members Buck and Smith

NAYS: Councilman Rhodes

ABSTAIN: None

ACTION: APPROVED

MOTION: Mayor Montandon

SECOND: Mayor Pro Tempore Robinson

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Councilman Buck

NAYS: Councilman Rhodes, Councilwoman Smith

ABSTAIN: None

2. APPROVAL TO AMEND THE 2000-2001 STAFFING PATTERN TO UPGRADE ONE (1) PUBLIC INFORMATION OFFICER FROM GRADE 22APT TO 23APT.

ACTION: APPROVED

MOTION: Mayor Pro Tempore Robinson

SECOND: Mayor Montandon

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Council Members Rhodes, Smith and Buck

NAYS: None

ABSTAIN: None

PUBLIC FORUM

There were no participants.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 7:10 P.M.

MOTION: Councilman Rhodes

SECOND: Councilwoman Smith

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Council Members Rhodes, Smith and Buck

NAYS: None

ABSTAIN: None

APPROVED: December 20, 2000

/s/ Michael L. Montandon
MAYOR MICHAEL L. MONTANDON

/s/ Eileen M. Sevigny
EILEEN M. SEVIGNY, CMC, CITY CLERK