

Minutes of the Committee Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
March 29, 2022, 10:00 a.m.

The meeting was held at the Department of Taxation, 1550 College Parkway, Carson City as well as via zoom.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt
Christine Vuletich
Mary Walker
Marty Johnson
Paul Johnson
Jim McIntosh
Jessica Colvin
Tom Ciesynski
Mary Walker
Felicia O'Carroll
Gina Rackley

COUNSEL TO COMMITTEE:

Rost Olsen

**DEPT OF TAXATION STAFF
PRESENT:**

Jeffrey Mitchell
Melissa Flatley
Cheryl Erskine
Kelly Langley
Kellie Grahmann
Keri Gransbery
Evelyn Barragan
Ande Thorpe
Christina Griffith
Chali Spurlock

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Justin Zimmerman	Nye County
Beau Bennett	Himself
Sherry Stringer	Nye County
Vera Boyer	Esmeralda County
Lorina Dellinger	Nye County
Timothy Hipp	Esmeralda County
Kimberly Duren	Nye County
Liz Enriquez	Nye County
Raelynn Powers	Nye County
Cammy Leier	Nye County
Lucinda Elgin	Esmeralda County
Dan McArthur	Esmeralda County
Tracy Calderon	Nye County
Elona Goldner	Nye County
Frank Carbone	Nye County
Eileen Prudhont	Herself
John Prudhont	Nye County
Savannah Rucker	Nye County
Tim Sutton	Nye County
George Hritz	NTA
Amanda Osburn	Elko County
Terri Gage	Eide Bailey

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Leavitt opened the meeting. Member Jeff Cronk was absent, all other members were present.

ITEM 2. PUBLIC COMMENT

Jeffrey Mitchell, with the Department of Taxation, noted the Department received written public comment that has been made part of the record. There was no other public comment.

ITEM 3. FINANCIAL CONDITION REPORTS BY THE DEPARTMENT; CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDER

For Possible Action:

(a) Report and update from Elko County regarding the delay of the FY 20/21 Annual Audit

Keri Gransbery, with the Department of Taxation, explained the Department received two extension requests and has not yet received the audit.

Amanda Osburn explained they had multiple changes this year and are late on the audit. She noted during the process they identified issues and are in the process of correcting. They plan to begin their audit process earlier next year and are planning on updating their accounting system. She added they hope to be more efficient in the next year and upcoming years.

Chairman Leavitt asked when they can expect the audit report. She responded that it goes before her board on April 6th and should be to the department shortly. Chairman Leavitt explained why the system is set up the way it is and requested assurance this will not be an issue next year. She agreed and added they are working to rectify the issues. Chairman Leavitt noted there will be a committee meeting in summer or fall. He would like Elko back at that meeting to see where they stand on their audit.

Member Ciesynski cautioned Elko to bring on resources, promote within, or bring in someone with background. Ms. Osburn stated the system is old and the previous CFO held them back, they are now moving forward.

Ms. Langley asked Terri Gage, auditor for Elko County, if there have been improvements from last year's audit. Ms. Gage stated in her opinion there have been signs of improvement.

Member O'Carroll asked when the last year Elko submitted reports without an extension was. Ms. Gransbery stated not since she has been the analyst. Ms. O'Carroll agreed they need an update in the summer, adding changes won't help this year.

Chairman Leavitt warned that if the Committee doesn't see any action they may look at fiscal watch.

(b) Report and update from Esmeralda County on the delay of the FY20/21 Annual Audit

Ms. Gransbery explained the material provided in the packet. She noted the audit was received last week, postmarked on the last deadline date.

Lucinda Elgin with Esmeralda County announced her presence. Chairman Leavitt asked for an update on their audit reports.

Vera Boyer with Esmeralda County announced her presence. Chairman Leavitt again asked for a report as to why the audit report was late and why it won't happen in the future.

Ms. Elgin responded that this is their 3rd year with Tyler, and they finally recognize some of it was set up incorrectly. She explained the issues they had to get the software problems resolved. She does not anticipate further problems as Tyler is finally listening to them. She did not receive training on bank reconciliation in the system until September and did not complete it until 2022.

Ms. Langley asked if Dan McArthur was on the line. There was no response. She asked Ms. Boyer if she could speak. Ms. Boyer reiterated what Ms. Elgin had stated and that they are moving forward. Ms. Langley asked if last year's findings will be on this audit as well or if they have been taken off the current years audit. Ms. Boyer noted they are working on bank reconciliations; the others have fallen off.

Ms. Langley also asked if this year's audit will be timely. Ms. Elgin responded absolutely. She explained everything is reconciled and they should have everything up and current. They are doing everything manually. She will be presenting what she has to the Commissioners and is waiting for Tyler to call her back. They can do the job outside of using Tyler and can use functions in Tyler as a resource. She feels confident this issue will be resolved. She is not waiting for Tyler to do her job.

Chairman Leavitt noted he would like them back at the next meeting to see what has been resolved. He would like Mr. McArthur to appear also. Mr. McArthur connected through the Department's Las Vegas office. Chairman Leavitt asked him for an update. Mr. McArthur noted he had been listening on his cell phone but was unable to get through. He believes the audit report will be submitted timely and the steps the treasurer is taking will ensure that.

Chairman Leavitt asked for a short explanation to where they stand with the violations in the previous audit. Mr. McArthur noted timely filing from the treasurer to the county commissioners remains which is the only NRS violation that remains. He went over the remaining violations from the prior year.

Chairman Leavitt would like them back at the next meeting with an update. Mr. McArthur was agreeable to that.

Member Rackley offered assistance to Esmeralda County with the Tyler Software reports.

Member Ciesynski agrees with the Chairman for them to return and asked Esmeralda if they reached out to higher ups at Tyler. Ms. Boyer stated they have and have gotten the District Attorney involved.

Ms. Langley stated that hopefully Esmeralda County would get assistance from counties that have made the software work.

(c) Report from Nye County and the Department on the FY 20/21 Annual Audit and update from Treasurer's Office on the Bank Reconciliations since removal from Fiscal Watch

Evelyn Barragan with the Department explained Nye County received two extensions for their audit and that was received on February 24th.

Savannah Rucker with Nye County explained the hold up was the OPEB and the property tax reports. They had to rewrite the instructions for the OPEB report, it was a long project, but she does not expect future problems with that. There were no material weaknesses or deficiencies in their audit. One fund has a deficit balance, and they are improving that. They signed a contract with a state agency which will help close the gap on that fund. They also hired third party billing for that fund, she does not see this being a continued issue. She added they are in good shape audit wise, due to her financial team they increased transparency, have proper management, and have had good board decisions.

Chairman Leavitt noted he spoke with staff about the PERS liability situation and thinks they may have a discussion about that on the next Agenda.

Member Vuletich commended them and asked if they anticipate timeliness issues with the FY22 audit. Ms. Rucker believes that is resolved but is not sure how DevNet will affect that.

Chairman Leavitt also appreciated their efforts.

John Prudhont, with Nye County, commented on the reconciliation of real property. They have been working with DevNet, and are intertwined with other counties on DevNet. Changes can affect each county. Regarding the bank reconciliations, he explained NRS is specific on the three categories required. He added the reconciliation has been the job of the chief deputy treasurer, and the treasurer's job to report it. Due to union restrictions, there are constraints on working out of class and he does not have the authority to require the deputy treasurer to cross train or work out of class. He has two key positions vacant that places stress on the remaining staff. Staff has refused to perform work out of class. He stated functional issues remain in the ability for the treasurer to submit the reconciliations and discussed issues with timing requirements and impossible deadlines, as well as being understaffed. He added they should be back on schedule after the Jan/Feb 22 is presented in April.

Chairman Leavitt recognized the problems and noted his concern is not who does what. The county needs to work out a system, so things are done timely. He thinks they need to take whatever actions need to be taken to get it done. He added they have made improvements.

Tim Sutton, with Nye County, stated it is not fair or appropriate to call out staff members. He assured the Committee that Nye County wants to make sure things are handled and they are working with the Treasurer's office to do so. Mr. Prudhont added there is cooperation. He added the union issue is not uncommon. Mr. Sutton added they are working to resolve the issues and are consulting with the union.

Member Vuletich appreciates the challenge they have had, adding it is unfortunate that employees would refuse to reconcile cash as it is one of the most fundamental things.

ITEM 4. FOR POSSIBLE ACTION: SUBCOMMITTEE REPORTS REGARDING CONSIDERATION AND EVALUATION OF NAC 354.660(2)

Mr. Mitchell noted the Subcommittee met on February 3, 2022. He noted some discussion points the subcommittee thought may be good for future meetings. They are waiting on language from LCB, and once that is received, they will have another meeting.

Member Johnson commented that they are trying to get the NAC to be in align with the legislative changes. He added they hoped to have language to review for this meeting, however they are still awaiting it. He also noted Section 77 of SB543 impacts the school districts Ending fund balance.

Chairman Leavitt hopes the language will be available by the next meeting.

ITEM 5. BRIEFING TO AND FROM THE COMMITTEE ON LOCAL GOVERNMENT FINANCE AND LOCAL GOVERNMENT FINANCE STAFF

(a) Discussion on audit reports

Mr. Mitchell requested this item be heard at the next meeting. Chairman Leavitt approved.

(b) Briefing and update on the Tax Cap Factors for property tax FY 22/23

Mr. Mitchell noted this item is for information purposes. The Tax Cap Factors was provided in the packet. He explained the report and how it is used by the Department.

ITEM 6. REVIEW AND APPROVAL OF MINUTES

(a) For Possible Action: CLGF Committee Meeting – November 9, 2021

Member Marty Johnson moved to approve the minutes. Member O'Carroll seconded the motion. Minutes were approved.

ITEM 7. FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING

Chairman Leavitt noted they would like to have Elko and Esmeralda Counties back for the next meeting. He would also like to have a short discussion about the final budgets and the PERS liability situation and how it relates to the Committee's actions and statute violations. He added Member Paul Johnson mentioned the subcommittee language may be ready by then.

Ms. Langley noted the Department hopes to provide the audit report and can provide an update on the budgets.

Chairman Leavitt asked about scheduling a meeting. Mr. Mitchell suggested after June 25th. Chairman Leavitt suggested the middle of August. The members agreed.

Member Rackley mentioned property taxes were really low compared to where they should be. They did not receive the third installment. The Tax Department is working on it, but that may skew some quarterly reports.

Mr. Mitchell shared his appreciation for the committee, the hard work and professionalism of the committee as well as the subcommittee.

ITEM 8. PUBLIC COMMENT

There was no public comment.

ITEM 9. FOR POSSIBLE ACTION: ADJOURNMENT

Meeting adjourned at 11:09