

Minutes of the Committee Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
December 13, 2022, 9:30 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
Jeff Cronk
Jessica Colvin
Mary Walker
Felicia O'Carroll
Gina Rackley

COUNSEL TO COMMITTEE:

Rost Olsen

**DEPT OF TAXATION STAFF
PRESENT:**

Jeffrey Mitchell
Yvonne Nevarez-Goodson
Kelly Langley
Kellie Grahmann
Keri Gransbery
Evelyn Barragan
Ande Thorpe
Christina Griffith
Chali Spurlock

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Ralph Keyes	Esmeralda County
Diane Bartholemew	Clark County School District
Alan Kalt	Pool Pact, CFO
Raelynn Powers	Nye County
Lorina Dellinger	Nye County
Lucinda Elgin	Esmeralda County
Vera Boyer	Esmeralda County
Dan McArthur	Esmeralda County
Tim Hipp	Esmeralda County
Frank Carbone	Nye County
Cindy Creighton	Nevada Taxpayers Association
Savannah Rucker	Nye County
George Hritz	NTA
Susan Neal	
Tim Sutton	
Liz Enriquez	
R. Russell	
Steven Osburn	
Liz Jordan	
Dillon Kay	
Pat Leavitt	

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Leavitt opened the meeting. Members Paul Johnson, Tom Ciesynski, and Jim McIntosh were absent, all other members were present.

ITEM 2. PUBLIC COMMENT

There was no 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 status of the FY 21/22 Annual Audit including any anticipated violations or non-compliance

Kellie Grahmann spoke on behalf of the Department of Taxation. She explained Elko County (Elko) was asked to appear to report on their upcoming Audit. She explained Elko asked for a 30 day extension.

Susan Paprocki updated the Committee on the Audit. She has reviewed the first drafts and it should be ready to go to the commissioners in January, and should be available to the Department after that.

Chairman Leavitt asked if the data was essentially completed, she stated it was. He appreciates their efforts. She replied they are trying to get things done as timely as they can with their limited resources and are partnered with Eide Bailly.

Member O'Carroll pointed out when census data comes back incorrect, it has to be sent back and corrected she thinks they did the right thing and are in a better position now. She applauds their efforts. She recused herself from any motion as she was a former partner with Eide Bailly.

(b) Report and update from Esmeralda County regarding the status of the FY 21/22 Annual Audit including any violations or non-compliance

Kellie Grahmann explained the issues that brought Esmeralda County (Esmeralda) to the Committee. No extensions have been requested.

Timothy Hipp, commissioner from Esmeralda, believes the final audit will be presented at the next commission meeting. He plans to vote against accepting it. He mentioned a camera project was not budgeted or approved by the commissioners. He asked the Committee for help. He thinks this committee's failure to take action only enables Esmeralda to continue.

Chairman Leavitt asked Mr. McArthur to comment.

Mr. McArthur, with Eide Bailly, met with county commissioners last week. He noted the audit will be on time and should be approved at the next meeting and filed with the Department by the end of the year. There are 4 internal control issues. He explained the camera project came from three funds. It was compatible equipment and did not require bids. The credit card issue needs significant attention. The Treasurers office hired an employee to be trained and updated on bank reconciliation procedures to have two individuals able to do reconciliations.

Chairman Leavitt asked if there is improvement over the past year. Mr. McArthur feels there is.

Kelly Langley asked Mr. McArthur if he is aware the county is working or has requested the DA to look into some of Commissioner Hipp's stated problems. Mr. McArthur noted there has been discussions with the DA concerning the camera system. He has been contacted by an individual in the county relating to transactions that occurred in the prior year that should have posted to another department. They are looking into those issues and if it is will be a prior year adjustment. He does not have enough information if it was coded correctly last year or not. He does not know if that has been discussed with the DA.

Member Colvin asked if Esmeralda has a whistle blower policy. Mr. McArthur said to his knowledge they do and does not believe anyone there is held back from bringing issues forward.

Lacinda Elgan spoke on the credit card issue, stating the commissioners office is part of the issue. They are working with Mr. McArthur on the bank reconciliations. She talked to commissioners about setbacks, stating Commissioner Windsor and Keys understand where they are and know there is a resolution.

Chairman Leavitt would like a report on where Esmeralda stands on the credit card issue and if it is resolved, how it was resolved. He stressed they need to address that.

Member Rackley asked Mr. McArthur if there were a lot of auditor adjusting entries. He replied that it's not as significant as in prior years. She wonders if an external bookkeeper could help them work on these problems. He thinks that would be appropriate and has recommended training from county sources, noting things were smoother before the change to Tyler, as well as staffing issues.

Member Walker understands the system change and agreed about bringing this back in the next meeting. She suggested giving them a time frame to correct, and if not, Taxation should maybe take over their finances.

Chairman Leavitt anticipates a meeting at the end of March or beginning of April. Happy to see improvement. He would like a report and go through every violation and internal control problem to see if they can have a resolution at that meeting. If not he will consider further action.

Member Rackley agreed, adding there is a requirement that they present a financial action plan. She noted the Committee should have that with the audit report, and they should hold them accountable to that at the next meeting.

Chairman Leavitt hopes by the next meeting Esmeralda can show what they have done to correct it.

(c) Report and update from Nye County regarding the status of the FY 21/22 Annual Audit including any violations or non-compliance

Evelyn Barrigan spoke on behalf of the Department.

Savannah Rucker spoke for Nye County. She updated the board on what is going on at the treasurers office. Raelynn Powers is the new Treasurer. There were delays on the bank reconciliation and closing fiscal 22 with the turnover. They requested an extension. They had findings in FY21 audit that tie to the treasurers office. She explained the the findings and the findings in her office, noting those are resolved now. Updated the board on the fiscal status for Nye County, stating they are on track.

Chairman Leavitt asked if the bank reconciliations will be timely now, she said yes.

Raelynn Powers stated they are caught up. Does not foresee any more issues. She will delegate to other employees and be able to provide more oversight after the holidays.

Chairman Leavitt asked her to address previous violations. Ms. Powers believes those have all been satisfied and controls have been created. She does not believe they will have any findings going forward.

Dan McArthur concurred with Ms. Rucker and Ms. Powers comments. He does not anticipate any further bank reconciliation issues. Past issues have been corrected.

Chairman Leavitt was happy to hear the progress.

Member Rackley commended Ms. Rucker and Ms. Powers for their work.

ITEM 4. For Possible Action: Consideration for the Adoption of Permanent Regulation LCB File No. R092-22: Regulation relating to local government finance; amending provisions governing the exclusion of certain money from collective bargaining negotiations and from consideration in determining the ability of a local government to pay compensation and monetary benefits; requiring certain money to be transferred from a county school district fund to the Education Stabilization Account in the State Education Fund; and providing other matters properly relating thereto. The regulation aligns NAC 354.660 with NRS 354.6241, as amended by Senate Bill 543 during the 2019 Legislative Session and Senate Bill 439 during the 2021 Legislative Session

Jeffrey Mitchell, with the Department, gave the history on this regulation, explaining why the Department did the change, and the process taken to get to this point. He went over the language changes.

Chairman Leavitt asked for any Public Comment on this regulation. There was no public comment.

Mr. Mitchell noted if the Committee approves the regulation, the department will work to move it forward. He thanked the subcommittee for their hard work on this.

Member Marty Johnson motioned to approve, Member Cronk seconded the motion.

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

(a) Discussion on Indebtedness report as of June 30, 2022

Ms. Langley reviewed the indebtedness report. Member Cronk thanked Ms. Langley and her staff for putting it together.

Chairman Leavitt noted debt has to be less than it was when he started.

Ms. Langley noted additionally the last five years have been unprecedented due to covid, they are seeing debt go down, which calls to fiscal responsibility by the local government. He agreed it is good.

ITEM 6. REVIEW AND APPROVAL OF MINUTES

(a) For Possible Action: CLGF Committee Meeting – August 18, 2022

(b) For Possible Action: CLGF Subcommittee Meeting – September 7, 2022

Member Walker moved to approve the minutes, Member Rackley seconded. Ms. Langley confirmed the motion was for both minutes presented.

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

Chairman Leavitt wants to have Esmeralda and Elko return.

Ms. Langley noted staff will have legislative report.

Chairman Leavitt stated they probably don't need Nye County again unless there is a problem with the audit. He also suggested the next meeting be in the end of March or the 1st of April.

Ms. Langley added the preliminary revenue projections and they will be close to having the final revenue projections.

Chairman Leavitt noted if there are anticipated problems with audits they may call a meeting before that, but he doubts that would be the case.

ITEM 8. PUBLIC COMMENT

There were no public comments.

ITEM 9. FOR POSSIBLE ACTION: ADJOURNMENT

Meeting adjourned at 10:50 a.m.