Minutes of the Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
June 7, 2016
9:00 a.m.

The meeting was held at the Nevada State Legislative Building, 401 S. Carson Street, Room 2135, Carson City, Nevada, and video-conferenced to the Grant Sawyer State Office Building, 555 E. Washington Avenue, Room 4401, Las Vegas, Nevada. This meeting was also part of a teleconference.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt, Chairman
John Sherman, Vice Chairman
Andrew Clinger
Beth Kohn-Cole
Marty Johnson
Jim McIntosh
Jeff Zander
Jessica Colvin
Alan Kalt

COMMITTEE MEMBERS ABSENT:

Mark Vincent
Mary Walker

COUNSEL TO COMMITTEE

Dawn Buoncristiani

DEPT OF TAXATION STAFF PRESENT:

Terry Rubald
Kelly Langley
Heidi Rose
Penny Hampton
Susan Lewis
Keri Gransberry
Christina Griffith

MEMBERS OF THE PUBLIC PRESENT:

Name	**Representing**
Clifford F. Dobler	Self
Bob Erickson	City of Fallon
Holly Luna	Douglas County School District
Steve Nielsen	FDS6
Dan Newman	Elko Conv. & Visitors Authority
Sandra Sheldon	Churchill Co. School District
Anna Thornley	NV Taxpayers Association
Jeff Church	Reno Public Safety Org
Jeff Fontaine	NACO
Phyllis Dowd	Churchill County School District
Ron Dreher	P.O.R.A.N.
Peter Keegan	NVAG
Shawn Heusser	Lyon County School District
Linda Newman	Citizen
Jill Oynch	Henderson
Tomi Baker	Henderson
Stacie Hemmerling	City of Sparks
Frank Carboni	Nye County Commission Chair
Pam Webster	Nye County Manager

Item 1. Roll Call and Opening Remarks

Chairman Leavitt called the meeting to order at 9:28 a.m. Roll call was taken and it was determined that a quorum for the Committee on Local Government Finance was present.

Item 2. Public Comment

Clifford Dobler, a resident of Incline Village, came forward to speak on the special revenue funds the General Improvement District established in May of 2015.

Jeff Church, a resident of Washoe County came forward to talk about Washoe County 1. He is seeking guidance from CLGF or taxation on what the increase applies to. He is also concerned that Washoe County and their people are advocating for the ballot measure. He claims they are advocating in favor of it in a brochure and have also done so in public meetings. He further claimed that Washoe County has been giving conflicting information on the amount of taxes having gone from 85 million to 135 million. His concern is that it is waste, fraud and abuse.

Item 3. FINANCIAL CONDITION REPORTS BY THE DEPARTMENT; CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDERS

(a) For Possible Action: Discussion and Consideration of Nye County Financial Condition:

Report by the County on the following matters:

1) **FY 16/17 Final Budget, including revenue, expenditures, cash flow analysis and scheduled debt repayments;**
2) **Update on Northern Nye County Regional Hospital District and 16/17 Budget impacts, status update on contract negotiations for hospital provider;**
3) **Update on financial condition of the County and the Northern Nye County Regional Hospital District, including ending fund balance of the General Fund**

Member Kohn-Cole recused herself from any discussion regarding this matter.

Terry Rubald mentioned the report from Nye County, in response to the fiscal watch the Department of Taxation had placed Nye County on last January due to concerns about county finances brought forward in the fiscal year 2015 audit as well as cash flow problems. In addition they were placed on fiscal watch for the Northern Nye County hospital district due to the closure of the hospital last September. She explained the Department of Taxation followed the notice up with additional explanation of the kinds of recording the Department expects over the next year. She believed the county was prepared to talk about its budget, cash flow analysis and general financial condition for both Nye County and the Hospital District. She introduced Pam Webster, Nye County Manager and Frank Carboni, Nye County Commission Chair.

Pam Webster spoke about the three year look she put together of the revenue expenditures and ending fund balance. The concern for the FY17 was a $2 million shortfall. Their initial challenge was from 15-16 net proceeds had dropped $1 million from receipts in 15 to the budget in 16. Through the year they received extra $1 million in consolidated tax from the budget. That is projected to go forward. They have held the same level even though initial trends from the budgeting documentation budgeted that it would go up. They have held that at a conservative projection equal to what they project to get in 16. She thinks it will come in slightly higher than that, but the extra million for 16 and 17 were able to offset the concern going into 17. To date they have received $25 million in revenue for the general fund. They have PILT to yet receive the remaining C-tax which will take them to the $35 million projection for 16.

Marvin Leavitt, Chairman, stated he understands they have had a hard time, and the committee wants them to succeed. He asked about the PILT money coming in June for the current year. Ms. Webster stated she had done that to tie out the budget to the cash flow sheet, as typically that may come in later than that. He asked if that typically goes into the general fund, she answered yes.

He then asked her to address the final budget numbers showing receipts and disbursements that were larger than the receipts. She stated she did, and reiterated that the consolidated tax from FY16 that exceeded the budget would help them with shortfalls for FY17. She clarifying that the FY16 overage would roll into the ending fund balance and be used in FY17. He asked if we look at FY17 by itself, if we were still talking about expenditures exceeding revenue for that year. She answered yes.

Mr. Leavitt stated his concern that at some point they have to get their revenues and expenditures in line. Ms. Webster stated she understood, but this year they do not have their proceeds, and they have to accommodate for that situation. He stated the problem is with net proceeds there is no guarantee they will have net proceeds for the future. She stated she recognizes that, but with what they have had to go through they are trying to get it balanced.

Frank Carboni stated it would be nice if they had something more stable, and appreciates the Chairman's concerns.

Mr. Leavitt asked them to address the past violations of statutes relating to over expenditures and negative fund balances. He asked if they anticipate that there will be more of those when they see this year's audit.

Ms. Webster stated she has hired a comptroller, which they did not have in the past couple of months. She is overseeing this personally. They do not expect to have those things continue. They are monitoring those departments that have had significant issues in the past, monitoring them weekly with their expenditures and their encumbrances to make sure they do not have that kind of a situation. She assured the committee that the Ambulance fund has had the issues with the negative ending fund balance in the past but it will not this year.

Mr. Leavitt asked about where they stand on the medical hospital situation. Ms. Webster explained that Nye County has entered into a lease agreement with Renown health who began operations June 1, in the form of a clinic. It is not an operating agreement; they are not subsidizing the operation in any form. Nye County is merely leasing the building to them and providing building maintenance. At this time there is no intent to have any kind of subsidy with them on behalf of Nye County. They have received an LCB opinion regarding the use of the hospital building to contract for medical services with a hospital outside of the district as well as within the district. They have included money in the budget if the ability to expend money if the hospital district chooses to, but there is no plan to do so at this time.

Mr. Leavitt asked what parts of the county the services from Renown include. Ms. Webster stated that it includes anything north of Beatty; Tonopah, Gabbs, Hadley, Round Mountain, all of the Northern communities. He clarified that they are getting medical services for all of the northern part of the counties. She stated yes, in the form of a clinic. Mr. Leavitt clarified that they do not have any hospital services. She stated no hospital or Urgent Care at this time. Mr. Carboni stated they are exploring those at this point in time.

Mr. Leavitt asked if they have further discussed seeking a legislative change to clarify the hospital situation that they discussed at the last meeting. Ms. Webster stated they were waiting for the LCB opinion to see the legislation as it existed enables them to provide those services, and it appears it does. They are still going through the LCB opinion to see how they can put it in play. Mr. Leavitt stated it appears there are conflicting opinions from the LCB and the Attorney General, he said if that's the case it looks like they are better off getting it clarified through legislation. Mr. Carboni stated they are looking into that as well. Mr. Leavitt reiterated that it is really important that they resolve the problems they have had in the past with violations of statue. He went on to state that they will be looking really carefully into the audit reports at the end of this month to be sure they don't have any of those. He reminded them if they are, they still have time to take care of those things, and to look carefully at their reports.

Member Sherman echoed the Chairman's concerns, and warned that they have seen over the years local governments not rectify certain issues which leads to increased problems. Being more specific to the last fiscal years audit were lack of bank reconciliation and timely and accurate posting to books and records, which leads one to make decisions based on incomplete and inaccurate information. Particularly troublesome was the bank reconciliations and the $5.8 million transfer from a PILT fund to a general fund which appeared to be to deal with cash flow problems in the general fund. He stressed that comingling funds to deal with cash flow problems can magnify those problems in the future. He strongly encouraged them to make sure their accounting records are maintained timely and accurately and the absolutely need to do bank reconciliations and without it they could drive over a fiscal cliff without knowing it. He is hopeful that the current fiscal year audit will show those issues rectified.

Mr. Carboni stated that he thinks they will be happy to see those problems have been fixed and that having two comptrollers leave them, they are still trying to make sure the policy is staying whole. He brought up that they have been working hard to bring in business to assist with their tax issues. He mentioned some of the business that have come to the area and brought in more jobs, another looking to move in. They are not able to give away tax money; they are doing what they can to help them get in place. He assured they are working hard to bring in more revenue.

Kelly Langley asked for clarification on the tentative and final budget. She asked if the $900,000 tax proceeds would be used to pay for services and supplies on the lease agreement with Renown. Ms. Webster clarified it is a lease agreement. Renown will pay Nye Count $1 per year to lease the facilities. Nye County will not pay for any operations at the clinic. The money that was put in the budget was only put in to spend if the Board of Trustees decided to. There is nothing coming from the hospital to the county to fund the hospital. Ms. Langley also asked about disposal expenses. Ms. Webster stated they are paying building maintenance including waste disposal. Ms. Langley clarified that the $900,000 would not be funding that. Ms. Webster stated they would not. That would be coming from the county owned building fund.

Mr. Sherman brought up the question if the hospital district imposes property tax and collects revenue but has no identified use of the funds, what the purpose of the district would be. Ms. Webster stated that they have been dealing with the ability of the hospital district to fund a hospital if it chose too, and that the LCB opinion states that. But at this time, she does not have any intended use because she does not know if they want to use that to expand the operating capabilities of the clinic. At this time she does not have any documentation or decisions from the board to expend that money on anything specific. Mr. Carboni stated the election for the Board is in November, they do not want to do something without the consideration of new board members and that Ms. Webster is trying to show where the money is at, not that they are trying to hide anything. She stated that they needed to get the hospital open and get medical services, so they issued a lease agreement with Renown, pure and simple.

Mr. Sherman stated he appreciated the answers, and he didn't believe there was a dispute with this committee that they needed medical services. He went on to state that because there appears to be conflicting legal opinions as to the formation and purpose of the hospital district that he would hope they would resolve those matters rather shortly. He stated it seems odd to have a hospital tax without a hospital to go with it and has no current plan to use the property tax proceeds. He thinks the chairman mentioned that there appears to be a need to resolve the legal dispute that they work with their representatives to craft some language to get into the next legislative session to resolve those issues. He stated that amount of money sitting in an account that they are collecting taxes to fund but have no use for, at least now, is troublesome. He hopes those matters will be resolved and that they can report at the next committee meeting to give an update on steps taken to resolve those issues.

Chairman reiterated he has the same problems. To levy property taxes against the citizens when you don't know have the slightest idea how you are going to spend it is not the best decision in the world.

Mr. Carboni interrupted that they didn't know what they were going to do until they got the LCB opinion.

Ms. Webster stated they have only had the LCB opinion 4 weeks, so they are moving forward with it. She stated she does not have any other opinion, if there is an AG opinion, she would love to have it.

Chairman asked if there were any further comments.

Mr. Sherman made one last point that he does not believe Nevada Tax Commission has certified the Department tax rates in the state. Ms. Rubald stated no, that would be on June 27. Mr. Sherman asked if their item would be brought to their attention. Ms. Rubald clarified if it was in regards to the hospital district, which Mr. Sherman affirmed. She stated they could if that's the pleasure of the committee. He stated the thought crossed his mind, and maybe they could bring it up later in the meeting. If there was a legal or financial issue related to the tax they are imposing, he couldn't remember the amount. Ms. Rubald clarified it was 20 cents. Member Sherman went on that 20 cents per 100 may be prudent to bring to their attention. He further stated something is troublesome to him and he can't let it go until those questions get answered.

Mr. Carboni asked if it was because they had 2 different opinions.

Member Sherman stated that, and he knows there is attorney client confidential conversations between the Department of Taxation and the Attorney General, that they have a written opinion from LCB which is good for them and what they are trying to do, but it doesn't resolve the matter of why. It's not unknown in this state that there are different legal opinions between the legislature council and the attorney general. He thinks that the big one two in his mind is not only a legal basis is that they are imposing a tax on their citizens and has no plans to use that money.

Mr. Carboni interrupted that they did have a plan, to put a hospital together. But because of the issues at the last meeting they were told they couldn't do that until they got legislation changed so they got an LCB opinion. Now they want to go further and go after legislation changed, he believes Pico Guchia and James Oscarson they will pursue that if that's what is required. But right now they are working off the LCB they just received to go forward. They are working with the DA to make sure they do not step on any more toes. They are trying to move forward. They appreciate all the concerns, but they are looking for the Committees help to move forward.

Member Sherman clarified that this is to help them, they are looking for potential challenges that might frustrate their intent.

Chairman stated they definitely don't want a citizen filing a lawsuit for levying taxes that they don't have intent, or plan to spend, and that the committee is not trying to be antagonistic towards them.

Member Kalt had comments and concerns about Nye County itself. He was looking at the final budget for FY 17, under Schedule A. The beginning fund balance in the aggregate of all funds was 44.7 million, estimated ending balance 23.3 million, a 47% reduction in their overall ending fund balance of over 21 million. He thinks it's quite a concern that another year like that their fund balances would nearly be 0. Regarding PILT, 3 million looks like the total received for the general fund. He thinks long term those things should be used for capital items, not ongoing operating costs. In the General fund, fund balance went from 7.5 million to 5.8, a reduction of 22%, however the ending fund balance is 17.86% so it is healthy compared to the overall rate. He stated their burn rate is going in the wrong direction. If they were to continue, and if actual equaled budget they'd be having potential problems and from a watch point he just wanted to bring those items up so the county can reflect on their practices to see if it makes sense on a long term basis.

Chairman asked if there were any other comments or questions from members of the committee.

Member Colvin had questions as to where the operating transfers in were coming from. Ms. Webster stated there are none for FY17. Ms. Colvin clarified she wanted to know for 15 and 16 if these were one time revenues, not available for 17 or future years. Ms. Webster stated they were from the dissolution of some endowment funds. Ms. Colvin thinks it would be beneficial for 16 if they would put together a calculation of the actual deficit, the one-time revenues and one-time expenses that are built into this so they can see the true deficit. Ms. Webster said ok, and Mr. Carboni said thank you.

There were no further comments or questions.

(b) For Possible Action: Discussion and Consideration of City of North Las Vegas Financial Condition:

Report by City on the following matters: FY 16/17 Final Budget, including revenue, expenditures, cash flow analysis and scheduled debt repayments;

Member Kohn-Cole recused herself from any discussion regarding this matter.

Member Johnson disclosed that he owns bonds that North Las Vegas issued they are a small part of his portfolio, and shouldn't affect any decisions that they would make, or at least his judgment in him helping to make those decisions.

Terry Rubald introduced the cash flow projection for the general fund for fiscal year FY16 which indicates a positive ending for the balance and the city's budget is also in the Committees packet and that Mr. Adair would be presenting today.

Darren Adair reiterated that they have included the cash flow through March, 2016. He went on to state they anticipate to be in a positive, above 8%, ending general fund balance. He also stated they included the budget workshop presentation from the tentative budget, which he will explain the reason for the inclusion, as well as the final budget presentation. He noticed Ms. Rubald included a copy of the review journal article by Alex Corey discussing results and the discussion they had with the final budget. He thinks it was a good inclusion. And then of course, detailed budget state forms for the final budget.

He wanted to share certain parts of the packet to summarize where they are as a city. He directed the Committee to the 3rd page, of their packets, cover letter for the tentative budget, 4th and 5th paragraph. In the 4th paragraph, he read, the city anticipates FY16 general fund to come in close to the budget, increases are expected in C-Tax, business licenses, license and permitting, however; reduction in medical marijuana, due to delayed openings, and charges for services, fines and forfeitures municipal court are expected to offset most of those increases. Projected expenditures expected to meet budget at this time, which you saw on the cash flow, resulting in the FY16 ending general fund balance of $13,105,575 which is approximately 9.9% of the total expenditures. In the next paragraph, he added, included in this tentative budget is a plan to increase staffing levels necessary to meet maintain and increase city services as steady population growth continues. Approximately 2% assumed annually for the last three years. With this tentative budget, the city will still need to identify $7.7 million reduction plan to allow the city to hire the Department Director's recommendations for minimum staffing levels. Contract service negotiations and possible agreements within the next few weeks with several bargaining groups could significantly impact all or some of the deficit. Otherwise, all or some of the budget reduction line item will be eliminated by reductions in the plan hiring with the general fund and the expenditures will be adjusted accordingly before the public hearing and adoption of that final budget.

He went on to say, in the couple of pages that follow that, there's discussion of financial accomplishments, He suggested the Chairman may appreciate the added graphics, the use of a metaphor of an airplane and where the city is at in its recovery. This is helpful with a lot of discussions we have with various groups who are interested in the city's financial situation.

He further added, that tentative budget addressed outstanding legal obligations as well as general fund balance being restored to 8%, debt service requirements were met, self-insurance reserves were fortified, slight improvement of bond ratings were recognized, and concentrated efforts on economic growth were being identified. Team effort on concessions and balanced budget for the two consecutive years were the accomplishments on the tentative budget.

He stated the next 2 pages talk about the current challenges, that the city's growth is creating increased staffing need. He referred to the Article by Mr. Alex Corey from the Review Journal where he reiterated the fact that the city has from 2006 to 2016, over the last 10 years, has seen an increase in populations, but that the staff has seen a dramatic decreased. Mr. Adair believes he quoted 2000, but that did not include seasonal workers. They are down from about 2400 to about ½ that number, he believes they are about a 46% staffing decrease. That's significantly deeper than some of their peers in the valley, even across the country as they dealt with financial challenges. This is reflected in some of the overtime issues, and workers comp claims the city is experiencing, they recognize this is a challenge for the city and they are trying to address the recovery of those staffing levels. They have identified, taking the approach of looking at whether there's wants, needs or critical needs, and looking at the staffing requirements of the city department heads believe that they need in order to address the opportunities and needs the city has. They have identified about 172 positions, 130 of those in the general fund. That would approximately bring us back in the position that was about 3 or 4 years ago in their staffing levels. He said, that gives an idea, besides reducing supplies and services, of what the city has done to address its financial deficit under the reporting period they have been in front of this committee. That process has led the city to identify critical justification committees at various levels in the city and have evaluated our needs from a stand point of wants, needs or critical needs, at this point, wants aren't even discussed. Needs are identified as they could become future critical needs, but at this time the city is only dealing with critical needs as far as staffing.

He went on to state, this created a $7.7 million deficit in their tentative budget, they elected, and he knows Chairman Leavitt in previous meetings has counseled us not to bring a tentative budget without an answer to it, he intentionally included it because he felt it was important for people to understand that the 7 year forecast that has been presented to our city's leadership as well as the community and citizens as a whole, identified that there was going to be an anticipated short fall during this current period for the city and that shortfall the city had responsibly addressed, proactively rather than waiting to get to the point and then expect somebody else to help them. They had done that by this critical review process of their staffing situations as well as their reoccurring expenditures. He went on to state what's ahead for the city is the illustration that the mayor pointed out to Mr. Adair, that the mountains on page 6 of the presentation are intimidating sharply peaked, they represent PILT, which is the continued dependency on about $24 million annually from their wastewater and water enterprise. This continues to be a challenge for the city. But they believe the seeds they planted with some of the commercial and industrial prospects out at the Northern Beltway Business Park and APEX will produce fruits that ultimately they believe they can report to the state and city that they have a long term plan recovery and reduction of that PILT. They hope to do that at the upcoming legislative session in hope of getting some support for an extension for that time line of 2021. They hope to have the support from this committee, if it was deemed appropriate, in that effort.

Mr. Adair went on to the actual final proposed budget. He referred to the cover letter provided to the Department of Taxation, paragraphs 5 and 6. He read, included in the tentative budget was a plan to increase staffing levels necessary to meet and maintain and increase the city services as steady population growth continues, approximately 2% annually the last three years. As part of the preliminary tentative budget the city would have had needed to identify 7.7 million reduction plan to allow the city to hire to the department directors recommended minimum staffing levels. The minimum identified staffing needs of 173 full time employees, all funds, 130 in the general fund, has been reduced to 79 all funds with 50 additional full time employees in the general fund. With this reduction of planned hiring all of the associated budget line items were eliminated or adjusted accordingly for the public hearing and adoption of the 2017 financial budget.

He appreciates the recognition from Terry Rubald and Kelly Langley as the work with them through this tentative budget audit process that they recognize and perhaps advise Chairman Leavitt and the committee members from time to time that the deficit that we had projected in their tentative budget that there was a responsible solution, however, that they were raising a very grave concern for their city going forward.

He referred to the next two pages, "What does the budget accomplish?" He believes the Chairman has asked a couple of times for these kinds of questions. He stated it does, in fact, incorporate the service priority set by the council, it does not include any city tax rate increases, which they don't believe would contribute materially to the solution, it does meet the minimum required 8% general funding balance and includes 2017 CIP plan.

He added the 2017 CIP plan, what was unique for this year when they put this budget together, was for the first time for the 2017 plan finally exhausts all the excess bond proceeds they have had for some capital projects. They have been stretching that out as long as they could. Going forward from this point, without additional financing for the city, the capital improvements budget process outside initiative or outside agency funded dollars coming in will now become a demand on the general fund. They had hoped to have solutions for before that became the case.

This budget does address all debt service requirements. It includes a net increase of approximately 75 additional staff across all funds, 50 through the general fund. They are pleased to be adding some net positions, they don't believe it is as much as they need, but is in a positive direction.

The next page summarizes from a numerical standpoint that the changes from the budget workshop to the final budget were almost exclusively related to the staffing. He stated there was really not much room to move in the final budget. They had done a very good job, he believes in nailing down in the tentative budget process exactly what they have and what they needed and through the final budget process there was very little change.

He noted the other thing that might be of interest, is about midway through just before the state forms for the final budget is the newspaper article from the Las Vegas Review Journal that is entitled "North Las Vegas budget calls for more Police, Fire, and business staff." It does include in there, the city is anticipating a 5 million revenue increase for additional taxes and permit dollars that could cover the 50 full time employee positions, but the additional staffing, to go to the full staffing, would be the $7.7 million.

He also wanted to tell the committee, he has listened to the comments that have been made previously and the concerns from this committee with respect to the difference that exists between a balanced budget and a funded budget. The city has presented to the Department of Taxation a funded budget, rather than a balanced budget, which means their expenditures still exceed their revenues. He states that obviously, when you hire additional employees without evidence of recurring revenue sources it prevents a little bit of a risk to the city. He believes they have done so responsibly. The 50 positions during the current year budget are planned to be scattered throughout the year, it will cost the city about 2.3 million funded out of the ended fund balance that he anticipates they will have. He states that obviously that the next year this will result in a reoccurring expenditures to the city of about 5 million. His hope is that if they hire wisely in those position, most critical to the city, they will result in additional revenues to the city. He says they do believe the city has a bright future that ahead of it. He says they may be revenue challenged, but not opportunity challenged, they have lots of opportunities. And they may be staff challenged, but not talent challenged, they have very talented group of employees that are very committed. They believe this provides a foundation for the city to move forward in the future. They have received positive reaction from the credit rating agencies, that they are not out of the woods, and they still have a responsibility to reduce themselves from the dependencies on the wastewater enterprise, but that they have made significant improvement.

They are seeing slight improvements and recognizing and putting those slight improvements in their reserves. Those reserves over the last year have been related to health insurance and workers comp. They are hoping it will provide the city some stability. They are self-insured at the moment, so unexpected increases, employees or members of employees, significant treatment costs can cause the city to be financially challenged. So they have added to those reserves. In the upcoming budget they hope to address some of the necessary reserves they need to increase to replace vehicles and other equipment for the city. The city has recently gone through a fairly long stretch of not buying new vehicles for our safety response departments, obviously they have been very mindful of using equipment that is still operational and be used to timely respond to the services, but perhaps the useful life is getting closer and closer to when that might be critical that they have to be replaced.

He stated to the Chairman, he is pleased to come back and return a report to the committee on the progress that's been made. He believes the city is headed in the right direction. As an organization, they have tightened their belts, and are working with our peers, including the city of Las Vegas, and the county, the city of Henderson, as well as our supporting peers in the North. They appreciate the support from Reno and others as they have gotten ideas on how to reduce, or streamline some of their reoccurring expenditures. With that, he was open for questions.

Chairman Leavitt asked if there were any comments or questions from members of the committee.

Chairman Leavitt stated that he thinks they have done a really good job of controlling their finances. He stated they were pretty much at the point that if their financial situation is going to get very much better than it is, they would need additional revenues. He stated he was looking at some information from the Department, he noticed North Las Vegas in the 2009 FY had 25,138,858 coming in from property taxes and in the 15 year, they had 7,684,000. He thinks that pretty well says what their problem is and until something resolves that it will continue to be difficult for them. He thinks their situation is worse because they had huge growth prior to 09 that ran up assessed value and the recession hit and decreased the assessed value. He said he has to give them credit, prior to Adair arriving on the scene, the committee had a group that resisted, but he thinks they have their financial situation under control and now their problem is to get enough staff to provide services for their citizens, which they've said they are making some effort on that.

Mr. Adair commended the Chairman's comments and wanted to add to them that the revenue sources in the city, perhaps the state, especially when it comes to property taxes, the assessments of the property value itself is starting to recover to the prerecession or near prerecession levels. In the city of North Las Vegas, in the absence of the property tax recover, the city has had to depend on obviously water and waste water fees to maintain those minimum service levels. Obviously that's not a prudent practice for an enterprise which should be at a break even model. That's why the city has been advised and mandated to correct that situation. The city of North Las Vegas, the recovery model is as if those property tax caps are lifted or as if there are solutions that come before. The city will embrace the recommendations of this council, and committee, they are grateful for the opportunity to return a report, as well as work with the individual members, as well as the chairman and Department of Taxation with understanding our situation and developing a plan for recovery. They also recognize the model for CTAX a distribution throughout the state, besides the base needs that every community had when it was put into place, it supports the direction of those dollars towards those communities which are in a growing situation. Under the direction of current city leadership, its believed the only way the city can solve it situation is to grow itself. City of North Las Vegas has a lot of undeveloped resources just short of being utilized before the economy dropped. They believe by encouraging development in the 1600 acre commercial properties by the speedway, and the 2600 acres of master planned community near the beltway is promising for support of the commercial and industrial jobs. A lot of attention has been placed on the APEX, about 7 or 8,000 acres of industrial property and the value that will bring to the valley as those jobs are created. They hope to continue to make these things a reality, and continue to report a plan for complete recovery.

Chairman asked Mr. Adair to explain where things currently stand with APEX, and how that will affect their current situation.

Mr. Adair stated from a financial perspective, Faraday future provides the catalyst to an area we've known for a long time had a lot of potential, but did not have the infrastructure to attract them, and without them being their the city couldn't justify the infrastructure. The special session held in the support from the Governor's office of economic development in December, provided a finance vehicle for the city to provide financing for the infrastructure, the state has lent its assistance in doing that. Faraday has moved forward, they recently leased space in the 3rd floor of our city hall bldg. which allows their team and our team to work together to speed up the process. Faraday future has a very aggressive timeline to reach the market with their all electric hybrid automobile, the city aims to support them the best that they can. While also maintaining the Faraday future, with the tax incentives from the city, state and county doesn't help them. But the infrastructure would allow the area to continue to attract other businesses they are recruiting those tax dollars would provide help to the city of Las Vegas and the valley.

In the short term, APEX presents a drain on staff. They have limited staff, arguably they are below minimum levels, the time and effort that is involved is significant. As well as the commercial and residential projects they have going. Financially the city can't throw dollars to these projects. They are grateful for the support they have received from their peers.

He believes the city is mindful of the short term impact, but they must plant the seeds now, and water them as quickly as possible so they can see the fruits that will allow the city to reduce its dependency on waste water fees.

Chairman Leavitt asked if there were any comments or questions from members of the committee.

(c) For Possible Action: Discussion and Consideration of Elko County Convention & Visitors Authority financing:

(1) Report by the Department regarding a financing completed for a $9,000,000 facility expansion, including discussion on whether financing was an MTO or Lease Installment Purchase Agreement pursuant to NRS 350.087, whether resolution authorizing execution of Ground lease, Facilities Use Agreement and related documents, was properly adopted February 6, 2015 pursuant to NRS 350.087; and If not financed under NRS 350.087, whether financing received Debt Management Commission approval pursuant to NRS 350.014.

2) Response by the Elko County Convention and Visitors Authority regarding the concerns of the Department

Kelly Langley, Supervisor of Local Government Finance, stated this item was brought to the Department's attention during the tentative and final budgeting review for the Elko County Convention & Visitors Authority. Their staff wasn't sure how to reflect the recent payments for a recently completed $9 million expansion for the conference center and made a $3 million equity payment towards this project. Upon review, there were a lot of unanswered questions regarding the financing and a lack of transparency and inconsistency presented in their reporting of this transaction in their quarterly reports to the Department of Taxation, as well as their cap for the 14/15. There was uncertainty as to how to properly reflect in 16/17 budget. The review started with the 14/15 audit.

In their note 10, it states that this Capital Lease was due to a gap at the end of the land lease. Upon speaking with their auditor, she mentioned it reverts back to them with all improvements as referenced in the ground lease documents. Under note 4, it reports this as a CIP (construction in progress) balance, as of June 30, of just slightly over $3 million, therefore not being depreciated. The major change from 13/14 was the transfer of current assets to construction in progress, which was a capital asset of just under $3 million. It further stated this was part of the equity contribution from ECVA for the construction of the new conference center. In the MD&A of the audit, it stated the total government funds expenditures which included $2,975,000 in funds paid for construction of the new conference center. The capital outlay which includes the construction in progress transfer is the largest expenditure, followed by salaries and benefits. MD&A further stated the total equity portion of $3 million towards the construction of the new conference center. In the schedule of revenue, expenditures and changes in fund balance, the facility expansion project reflected a final budget of $3.1 million as a capital outlay on page 38 of their audit. It also received a $1.1 million transfer in from the capital projects funds as other financing sources. Department also reviewed the previous QES's of March and June 2013. The June 30, 2013 QES reflected as of April 1, 2015 capital lease for $9,000,000 construction of a new conference center to begin April 1, 2015. Completion expected in December of 2015 and the capital lease payments were to begin in January 2016, amortized over 25 year period, estimated to be just over ½ million per year.

Going back further the March 31, 2015 QES reflected that there was an execution of a ground lease, facilities use agreement, and development benefiting the Elko Convention and Visitors Authority, giving credit for payments expended. The balance of $1,835,000 was paid March 27, 2015. The QES also reflected that the Facilities use agreement, or as they called it "lease", of $9 million was a $47,128 monthly lease payment effected after the completion of the building construction.

Finally, the Department reviewed the indebtedness report as of June 15, 2015, this transaction was reflected in the other debt as a lease of a new building estimated to begin January 2016, and was reflected for $284,000, because it was a ½ year for that year. There was also a note on the bottom of it that quote "Upon completion of a new conference center, estimated to be in December of 2015, ECVA anticipates leasing the facility for 25 years, at the end of which it will take possession of this facility." $284,000 represented approximately 6 months of lease payments in 15/16 FY, it was reflected as debt on the C1 in the 15/16 budget. If this is financing the resolution authorizing the execution of the ground lease, facility use agreement, and related documents back on February 16, 2015, did not have the required 2/3 vote. It was interpreted that only a simple majority was required. It doesn't appear that this financing received debt management commission approval pursuant to 350.014. Upon review of the minutes, staff was concerned that this elaborate financing was potentially providing a method of circumventing not only prevailing wage requirements, but that it doesn't meet the spirit of the statutes. Staff are additional concerned that everything they have been told of the lease/lease back structure that eliminates the financial liability to the governmental entity is in direct conflict not only to their own CAFR but also in their MD&A in that CAFR.

Ms. Langley believes this is the 1st time a financing of this type has been completed in Nevada. At the same time, the city of Phoenix has gone outside of AZ for financing a project. Because we have other entities looking for creative ways of achieving financing in these difficult times, Ms. Langley wanted to bring this creative financing conduit to the attention of CLGF, and also ask of the group, the committee, is this an exception to the MTO or lease installment purchase regulations. Should it require approval of the Executive Director of the Department of Taxation, pursuant to NRS 350.088 or approval from the debt management committee pursuant to 350.015. Should this obligation be reflected as financing in the indebtedness report, or is it outside the prevue of debt and obligation reporting for the entity? Finally is there a need to create a subcommittee to consider possibly a guidance letter for other entities that may be looking for a similar financing conduit, as well as provide guidance to staff as to how to treat these in the future.

She introduced Don Newman.

Don Newman, Executive Director of the Elko Convention and Visitors authority. He came forward to talk about the challenge of the lack of space they were faced with in their 30 year old facility. It has been maxed out for the last 3 or 4 years. They have been turning away approximately 6 to 10 events a month that they could not provide dates for. Approximately 4 years ago, they started looking at plans to expand. They looked into expansion on a property they already owned. They discussed this annually, and then moved forward. He stated Mr. Steve Nielsen will discuss what they went through. He stated the documents Ms. Langley mentioned are full of misinformation; they were not sure how to categorize a lot of this. They did make a lot of mistakes in the budget and the reporting process.

He stated this is not a purchase; it is a lease/lease back. They did a ground lease to a nonprofit group, and they then developed, they financed, and they built a facility Elko Convention and Visitors authority leases, at the end of the term, when the lease expires, the land has to be returned in its original form. He introduced Mr. Steve Nielsen.

Steve Nielsen, partner in a two person firm called Government Facilities Development Services. They work with a nonprofit called James McGillis Foundation. Their charitable mission is to lessen the burden of government, and provide services in underserved areas in education, healthcare, and government facilities. They do not get paid for that work. The purpose of this program was to lessen the burden for the government agency, privately finance, privately construct, and privately own this facility. In the event of a default the lender will take possession of the property. It was structured to not be a lease purchase agreement or installment lease purchase. They have worked with Nevada law firms, and the attorney for ECVA to figure out what to do. They are trying to create an arms-length transaction. One of their missions is to develop a finance vehicle for needed government facilities that are nonrecourse to the government entity. The more involvement, the closer they break that tie. At the end of the lease term, the nonprofit is to tear down the building and return the land to its original condition. It does say that if the government entity asks them to leave the facility, they are to respect their wishes. It was designed to create an operating lease scenario that is completely no recourse to the government entities. They did studies to determine how much building could be afforded without putting a burden on the government entity, with allowing for future expansion. He stressed this is a nonprofit transaction, there is no buy back.

Don Newman spoke again and stated during this process it was critical to him that they use only Nevada resources. 27 subcontractors, 24 were Nevada, 10 were local Elko companies. The project was completed ahead of schedule and $80,000.00 under budget. It was a guaranteed maximum value. There wasn't any over runs or additional costs. They ended up with a wonderful community asset. Elko continues to grow. This new building will allow them to host multiple events that will help Elko's economic base as they go forward.

They were not trying to circumvent, they were able to find a system that met their needs. He offered to answer questions, but stated he is not the financial person. He reinstated that they were trying to fit something into a process that they did not do a very good job of.

Chairman Leavitt stated this brings a lot of questions as to how we should report this. He stated we probably ought to create a subcommittee to handle this.

Ms. Langley stated her issue with this is how it is reported in their CAFR. That it is misstated because it references financing.

Chairman Leavitt suggested Member Johnson should be chairman of that subcommittee. He accepted.

Chairman Leavitt asked if there were any other questions on this item.

(d) For Possible Action: Discussion and Consideration of School Districts reporting a 3rd Year of Decline in General Fund Ending Balances pursuant to NRS 387.3045

1) Report by the Department regarding the following school districts reporting a 3rd year of decline in General Fund Balances pursuant to NRS 387.3045
2) Response by the Churchill County School District
3) Response by the Douglas County School District
4) Response by the Lyon County School District
5) Response by the White Pine County School District

Member Johnson recused himself from this matter.

Kelly Langley came forward and called Churchill County School District to comment on the decline of their school district.

Chairman Leavitt made a general comment about the letters talking about what caused the decline. He requested that when they address the committee today, they need to emphasize what they are going to do to stop the decline as opposed to what caused it.

Dr. Sandra Sheldon, Superintendent Churchill County School District came forward and agreed they have had a declining fund balance for the past 4 years. She explained their enrollment has gone down over 1,000 students over the last 8 years. They have lost over 100 employees, both in administrative, licensed and classified. They lost some employees through Rif, others through attrition. This year they cut approximately 9 positions. She stated their fund balance is increasing for the first time this year. They were notified that their DSA has been cut $69 per FTE, which is $220,000, with that amount of money they will not be able to cut licensed staff. She stated they will hopefully have to absorb that throughout the next budget. She anticipates a slight increase in the fund balance for the 17 FY.

Chairman Leavitt asked what the fund balance will show when they receive the report this June.

Phyllis Dowd stated that it will show an increase of about a ½ million dollars. They are matching their enrollment with their staffing levels. She reiterated that they have increased their balance since FY15.

Chairman Leavitt inquired what was causing the decline in enrollment.

Dr. Sheldon stated part of it is the Charter School in the District. She went on to say that students have left Fallon as students graduate, and they have not had younger families move into the District. Also, that there are economic developments. She believes Fallon's expected growth is 2% over the next few years.

Chairman Leavitt asked Member Kalt if Fallon has had a decline in population over the last 4 years. Mr. Kalt responded that the population has remained flat.

Member Kohn-Cole asked if they have been affected by the change in the formula.

Phyllis Dowd stated that they have felt it, but have budgeted for it. For FY16 they were over the 5% for Hold Harmless. She pointed out that when the Legislature changed the Hold Harmless ruling that greatly affected the rules. If they lost 4%, that's almost $1 million. They are not able to lose anymore licensed or administrative staff.

Chairman Leavitt asked if there were any other question.

Kelly Langley introduced Douglas County School District.

Holly Luna, Chief Financial Officer for Douglas County School District came forward to state she has been in the school district for 10 years. She stated that Douglas has been looked at being pretty financially secure. Unfortunately, the last 3 years show otherwise. She stated their focus to negate the continued decline has to be on employees, 85 cents of every dollar is spent on people. She stated there is legislation that does not let them lay off contracted, licensed personnel after the 1st of May, which limits their ability to make adjustments when it comes to employees. Their staffing on the classified end is already minimal, compared to what the certified staff costs the district.

She went on to state that with the last legislative session, there has been a number of new initiatives. They are now looking at what is required of them as a School District. Over the next year, they will be looking at staffing. The loss of Hold Harmless has hurt Douglas County as well, and since their proportional share of state obligation is dependent on enrollment, which has been decreasing.

She commented that Douglas County has had a slight increase in population, but the school district is declining.

Chairman Leavitt asked about the Special Education numbers increasing.

Ms. Luna stated she is not the expert on it, but that it is difficult on the financial side. It is not something they can plan for, but they have to accommodate it. She went on to say one of the frustrations has been that the Department of Education has begun the reallocation of the special ed model. 12 out of 17 school districts do not get anymore money, even though their costs are rising.

Chairman Leavitt questioned the expected increase in funding balance in the coming years.

Ms. Luna corrected him, that they expect a decrease. She projects a decline for the FY15-16 of $1 million or 21.1% and for the incoming FY, a $1.8 million decline, or 44.8%.

Ms. Luna stated they are going through their programs. They have already made all the cuts they could in previous years; all that is left is cutting people.

Chairman Leavitt asked how property takes in her county are currently. She stated they are increasing slightly. He said that Las Vegas has been dropping. He was wondering where they stand compared to the larger cities.

Ms. Langley stated Douglas in FY15 it was $18 million, the high was in 2010 at $20 million, it did not have near the drop that Vegas did.

Member Kohn-Cole asked what percentage they expect for their ending fund balance. Ms. Luna answered they will have a 4% ending fund balance.

Ms. Luna stated they will not have as much under spending they have thoroughly looked at trend analysis and that they are matching their budgets up more in alignment with the spend without any buffers. The buffers are now gone and won't be there post 16-17. While they have carried an actual ending fund balance closer to 10%, they won't see that after the decline they expect in the next couple years.

Ms. Luna went on to stay that the change in funding models is making it difficult. She explained that they only thing they can really control is personnel. She went on to state that they are looking at that now. They strive to maintain their status as a good school district.

Chairman Leavitt asked if there were any other question.

Kelly Langley introduced Lyon County School District.

Shawn Heusser, Director of Finance and Facilities for Lyon County School District, came forward to say in FY13 ending fund balance was about 10.5%, in FY14 it was about 9.75% and in FY15 it was 8.27%. He stated they will go down again this year due to loss of funding. He thinks it will stabilize somewhere around 7%, and they will continue to monitor that.

Chairman Leavitt commented on how some local governments can have an ending fund balance and still have cash flow problems. He reminded Mr. Heusser that he believes the purpose of the legislation is to get them here to remind them if they've got a problem to not do anything to make it worse.

Chairman Leavitt asked if there were any other question.

Kelly Langley introduced White Pine County School District.

Paul Johnson, Chief Financial Officer for the White Pine County School District stated they have had some ups and downs. He said they do have net proceeds of minerals which have allowed them to defer a lot of the budget cuts in 2008. He said in FY13 their fund balance was 20%, they started to lose revenue from net proceeds of minerals they stabilized their programs and services for students with their fund balance. The legislature chose to fund more in categorical funds than in base funding. Also, the change in Hold Harmless happened after budgets were approved, with that, they lost about $800,000 based on that decision. They are spending their stabilization fund this year that they were hoping to use to bridge the gap until the next session. They have also been affected by Charter Schools, with the migration of about 15% of their student enrollment; they also lose about 15% of their revenue. He explained that they have to cut programs and services, and mainly staff.

Mr. Johnson went on to discuss Special Education. They transfer about $1.4 to $1.5 million to Special Education from their general fund out of their $12 million budget. He explained that even if a school district suffers a major economic loss, they can't request a waiver for special education.

Mr. Johnson further explained that they have established a committee to identify what can be cut, and create processes to prioritize that. They have cut approximately 18% of their staff, and have looked at cutting programs. They offer blended classrooms which allow them to operate a little more efficiently. He explained that at some point, they will need more resources. He explained that they have had an increase in funding through grants, however those are temporary and most are only good for 2 years, which makes it difficult to recruit for employees.

Chairman Leavitt stated that in the last 3 year period they have dropped from almost $3 million down to about $1 million ending fund balance. He asked where they anticipated they will be this June, and next year.

Mr. Johnson explained they will fall around 2% and will be working through the next budget cycle to increase that. They have had a lot of communication with the State Department of Education, the state legislative representative people. He stated he believes they have an inadequacy of funding, not a management issue. He doesn't believe White Pine County School District will be in a deficit again.

Chairman Leavitt asked if they are getting close to a cash flow problem, paying bills.

Mr. Johnson said they are fine with paying bills, he believes that problem only existed when the state issued quarterly payments.

Chairman Leavitt reminded him that they know what their situation is, and not to let it get any worse.

Mr. Johnson assured the committee he does not want to be in this position again. They will do their best to spend within their means and not repeat the mistakes of the past.

Member Kalt made a comment to local governments in total. He stated during the recession many local governments were stressed and were required to develop a budget mitigation plan. It forced staff and entities and their elected officials to look at "what-if" scenarios. He wonders if it is something to consider in the future.

Chairman Leavitt stated the economy has come back pretty well, but local governments and the schools had relied on property taxes, and they are not coming back.

Member Zander commented that he believes from the school district standpoint, this will probably be an increasing trend in regards to issues with fund balance. He believes the problems with Hold Harmless will not hit a lot of schools until this coming FY. He believes the rural counties will be hit harder due to the inability to transfer due to geographic restrictions, decreasing enrollments and make adjustments in certified staffing.

Chairman Leavitt stated some of these school districts can't go much farther until they are having cash flow problems.

Member Zander agreed. He referred to the comments Member Kalt made, and how the fund balance fix only lasts for a year or two. He stated this is a difficult time when you are coming out of a recession and the tools you were given to get you out of it are taken away from you.

Chairman Leavitt moved to the next Item.

Item 4. For Possible Action: Adoption of Permanent Regulation

LCB File R053-16 amending NAC 354.660
The proposed regulation amends NAC 354.660 by revising provisions relating to the amount of budgeted ending fund balance not subject to negotiations with other local governments or employee organizations. The amendments conform NAC 354.660 to changes made to NRS 354.6241(3) by SB 168 (2015).

Terry Rubald, Department of Taxation came forward to explain the amendment for NAC 354.660. She discussed the amendment is to expand the language in the bill to determine what amount of the ending fund balance is to be exempt from negotiations for local government general funds as well as special funds and for school general funds. She stated the Department of Taxation did not receive any response from the questionnaire that was sent out. She believes the recommendation of the subcommittee is to adopt the regulation as it is written.

Member Kalt expressed his appreciation to the subcommittee, and stated he believes this will have a positive outcome.

Chairman Leavitt asked if there were any more comments on this matter. The regulation was adopted.

Item 5. For Possible Action: Consideration of rescission of previous adoption of LCB File No. R010-13 -- Heart-Lung Liability pursuant to Heart-Lung Subcommittee recommendation

Terry Rubald, Department of Taxation stated this item was placed on the agenda as they did not get a motion or vote about this at the last meeting. She believes the request is to rescind the previous adoption of the regulation and withdraw the regulation from further consideration at this time as it has to be reported to the legislative commission about the status of all the regulations. She also believes the subcommittees report recommends for this to be rescinded.

Member Sherman moved to rescind LCB File No. R010-13. Adoption was unanimously rescinded.

Item 6. BRIEFING TO AND FROM THE COMMITTEE ON LOCAL GOVERNMENT FINANCE AND LOCAL GOVERNMENT FINANCE STAFF

(a) Report by Department on recent DMV adjustments of distribution of Government Services Tax to local governments
(b) Report by Department on Local Government Finance "Audit Summaries 2006-2015" as prepared for the Committee
(c) Approval by Legislative Commission of LCB File No. R078-15, Trust Funds; effective date

Terry Rubald, Department of Taxation stated this item was placed on the agenda to advise the committee of the recent Department of Motor Vehicles adjustments that were made to the distributions of the GST. She went on to explain that apparently the DMV failed to distribute some of the collections to the State of Nevada General Fund over a three year period and as a result over distributed those monies collected to the local governments. The State is not asking for that money back, but has corrected the distribution error for the future. She explained that one of the problems that arose from the over distribution was the effect on the FY17 projections of revenue. Department of Taxation staff prepared an analysis in a letter to show the effect of the GST distribution on their CTX projections and found the change was minimal. Assuming the Department of Taxation's file budget projections were used. If an entity went off on its own to a different projection, they would need to take into account that the amount of GST is not the same as has been historically been distributed.

Chairman Leavitt asked if this came about from the formula that extended the length of life on vehicle.

Terry Rubald interrupted and clarified that she believes it was due to a DMV programming error, particularly related to online payment of registration fees and there was a glitch in the system.

Kelly Langley, Department of Taxation came forward to talk about the audit summary report. She stated it has historically been provided to LCB, reflecting the county and city school districts. Prior to that, it was done by LCB and only on legislative years.

She went on to explain this report provides the governmental activities, resources, as well as the expenditures or the counties, cities and schools. It provides the fund bi-function resources. She referred to the years 2012/13 as well as 13/14 actual and 2015 is expected and 2016 is the budget in the report, and stated it has been provided as information and to assist. She commented that with the some of the conversations stated today and the decline in property taxes, possibly to show that abatement might be something that is helpful to show the growth as that abatement is increasing over the years, or decreasing.

Chairman Leavitt commented that the effect on the property taxes is really different around the state. He wonders, for instance, say a government, a county levies a property tax rate of 30 cents on the assessed valuation, but we know a substantial portion is abated. He stated it would be interesting to see the comparison between the actual rate that is levied and the effective rate that is actually received.

Ms. Rubald stated she thinks they could do a study like that.

Member Kalt stated when you do that, there are two abatements to look at. The first is the property tax abatement, and the second is economic development. In different entities the abatements related to economic development, different counties have different ones, Storey County for example, their abatements would be significant. He went on to discuss how Churchill County, for example, has had to raise the apportionment of their property tax rate to the general fund and had to reduce the apportionment to special revenue funds.

Chairman Leavitt commented that he appreciates the work that has been done on this.

Member Kohn-Cole asked about the timing, that the 15 was put in their final budget as expected, not the actual audit. Ms. Langley clarified it is from their audits.

Chairman Leavitt asked if they have any audits that haven't been received. Ms. Langley stated they have all of the budgets. He also asked a general question of how the tentative budgets were, if the quality was any good.

Ms. Langley explained there has been a lot of turnover in the local government offices, so there has been a lot of hand holding, and a lot of calls. Most of the errors have not been carrying through to the final budget. She stated they have been working very hard to get through the final budgets to have the Red Book ready for June 27th.

Mr. Rubald mentioned some feedback on the changes in law as to when the budgets are due. She explained the impact on her office as a lot of the local governments now meet on the same day and it now pours into their office all at the same time instead of being spread out over time.

Chairman Leavitt mentioned how the dates were changed in the past and how it isn't as easy to do as it used to be.

Ms. Langley stated that some of the projection information that has been provided as well as the performance of the various governments, some entities feel that the Department of Taxation and Local Government Finances have been too conservative in their numbers, and then after they find GST had an error and were receiving more money than they should be receiving. One of the impacts is those entities who put a note in chosen to use numbers of their own, instead of what has been provided to them will have to watch closer this coming year, because there has been a problem identified and maybe the numbers weren't so conservative.

Member Kalt commended the hard work of Ms. Langley and the staff.

Chairman Leavitt moved to the next item.

Mr. Rubald commented that the regulation the committee adopted was approved by the legislative commission and the set of Regs in the packet are effective and in place, on the trust funds.

Item 7. REVIEW AND APPROVAL OF MINUTES
(a) For Possible Action: CLGF Subcommittee Meeting - January 6, 2016, Heart & Lung Meeting
(b) For Possible Action: CLGF Committee Meeting – January 26, 2016
(c) For Possible Action: CLGF Subcommittee Meeting - March 7, 2016; amending NAC 354.660

Member Sherman moved to approve the minutes with a change that Mr. Kalt was present at the January 26, 2016 meeting. Beth Kohn-Cole seconded the motion. The motion was passed.

Item 8. For Possible Action: Schedule Date and Review Agenda Topics for the Next Meeting

Agenda items to be included on the next meeting are:
- **North Las Vegas**
- **Nye County**

The next meeting will take place in September. A poll will be sent out to determine the exact date.

Chairman Leavitt asked Ms. Rubald about a date in late September, she stated she would pool the members and find an optimal date.

Ms. Rubald also stated in the meantime she would work with Member Johnson to establish a subcommittee date.

Item 9. Public Comment

There were no public comments.

Item 10. For Possible Action: ADJOURNMENT

The meeting was adjourned at 12:33 p.m.