

Minutes of the Subcommittee Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
TYPES OF FINANCING GUIDANCE TO THE DEPARTMENT
September 12, 2016
9:00 a.m.

The meeting was held at the Department of Taxation, 1550 College Parkway, Carson City, Nevada and video-conferenced to the Grant Sawyer State Office Building, 555 E. Washington Avenue, Room 4401, Las Vegas, Nevada.

COMMITTEE MEMBERS PRESENT:

Marty Johnson, Chairman
Marvin Leavitt
Jeff Zander
Jessica Colvin

COUNSEL TO COMMITTEE

Dawn Buoncristiani

DEPT OF TAXATION STAFF PRESENT:

Terry Rubald
Kelly Langley
Keri Gransberry
Penny Hampton
Heidi Rose
Susan Lewis
Chali Spurlock

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Steve Nielsen	Government Facilities Development Services
Diane M. Nielsen	Government Facilities Development Services
Don Newman	Elko Convention & Visitors Authority
Hugh Gallagher	Storey County
Devin Fabor	IT Humboldt County
Debbie Kinder	City of Sparks
Teri Gage	Eide Bailly
Gerald Eick	Incline Village General Improvement District
Michelle Cagliano	Self
Mark Vincent	City of Las Vegas

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Johnson called the meeting to order at 9:00 a.m. Roll call was taken and it was determined that a quorum was present.

Chairman Johnson made opening comments, reiterating what he stated at the last meeting, that in his occupation he does help local governments go through the capital financing process, and nothing that the subcommittee has spoken about so far has required folks to use outside consultants, and unless that were to come up, he is able to participate in these discussions.

ITEM 2. PUBLIC COMMENT

There was no public comment.

ITEM 3. For Possible Action: Discussion and Consideration of Proposed Guidance Letter on the Treatment and Reporting Requirements connected with lease financing and installment purchase agreements

Terry Rubald, with the Department of Taxation, introduced the exhibits, which include the proposed draft Guidance Letter 16-004, a portion of the GASB Standard #62, and GASB

Exposure Draft, as well as the minutes from the subcommittee meeting on August 1, 2016, where the committee directed the department to create a guidance letter.

The GASB exposure draft on leases will require the reporting of virtually all kinds of leases irrespective of the classifications of capital or operating. Ms. Rubald believes that will pose a challenge to the department on how to handle for reporting.

She went on to discuss that the purpose of the guidance letter was three fold. First to clarify what kinds of leases under the existing GASB standard #62 should be reported to the department for approval. Second to recognize that GASB does represent general accounting principles that can be relied upon. Finally, to consider the fact that the GASB exposure draft may change accounting for leases and how we should accommodate that in the future for purposes of reporting and inclusion in the indebtedness report.

Ms. Rubald asked the committee how they would like to go through the guidance letter. The members requested she go through it, section by section.

Ms. Rubald began with page 1 of the guidance letter and noted that the authority they relied on is NRS 354.472, the Local Government Budget and Finance Act and NRS 354.612, the use of generally accepted accounting principles.

Ms. Rubald went on to page 2 of the letter, explaining that the discussion section is basically setting the stage for what our law calls for in terms of medium term obligations and installment purchase agreements. The department has typically treated capital leases as the type of installment purchase agreements that would be subject to review and approval by the department. She also noted the more creative financing arrangements seen recently, and that has led them to try and understand what characteristics of leases should be subject to department approval.

Ms. Rubald felt it was important to note that in the third paragraph they mention GASB 62 and GASB 34 as the generally accepted accounting principles. She stated it is literally the link between what our statute calls for and what we are going to rely on for the GAP principles.

She mentioned that she specifically added that GASB is going through the process of adopting an exposure draft, and that they are following the footsteps of FASB. The FASB standard has been out for a few years, but the idea is to get a uniform treatment for leases.

Ms. Rubald went on to page 3, which she noted almost all of it was a recap of a portion of the standard in GASB 62. GASB 62 is already in existence and the exposure draft won't be final until December of 2018. For the purpose of this guidance letter, Ms. Rubald stated that she is relying on the existing GASB. She went on to discuss the criteria for classifying leases between a capital lease and an operating lease. If any one of the four criteria is present, it constitutes a capital lease. Everything else that does not meet the criteria is an operating lease.

She continued with page 4, which describes an operating lease. She stated if none of the criteria for a capital lease are present and both the collectability of the minimum lease payments is reasonably predictable and no important uncertainties surround the amount of unreimbursable costs yet to be incurred by the lessor under the lease, the lease is classified as an operating lease.

She indicated that on page 3 and the top of page 4, it discusses the treatment of a capital lease and the treatment of an operating lease, and the books and records of the local government.

She moved on to the lease installment purchase agreements. She explained the definition comes directly from the statute which provides that an installment purchase agreement can be

an installment purchase agreement, a lease, or it can be a transaction in which a municipality acquires real or personal property and there is a security interest associated with it. All of the security interest transactions have to be counted against the municipalities debt limit unless there is a non-funding clause or if the debt is discharged the year it is incurred. There is an exception about what is subject to review and approval. All the security agreements are subject to review and approval. If there is not a security agreement, then a transaction greater than \$100,000 for governments with a population of 100,000 or more or greater than \$50,000 for smaller counties with populations less than 100,000 are also subject to review and approval. There is an exception to that if the installment purchase agreement contains no option or right to purchase at the conclusion of the lease term or if the lease contains an option or right to purchase the property but does not credit the lease payments towards the purchase price, then the lease is not considered an installment purchase agreement.

Ms. Rubald noted that the letter went on to talk about the application of the GASB standard. She went on the page five, which is basically a review of GASB 62 says regarding the perspective of the lessee. For capital leases it states how the financial statements should be treated according to GASB, the same for operating leases. She noted she made special mention towards the bottom of page five, that GASB 62, paragraph 234, about leases involving land and buildings as that is what started us down this road, a lease that included land and buildings. Ms. Rubald quoted directly from GASB "the present value of the minimum lease payments after deducting executor costs, including any gain thereon, should be allocated between the two elements in proportion to their fair values at the inception of the lease." She noted there are other kinds of leases as well that GASB mentions, such as lease back transactions. She added that in the GASB exposure draft, lease leaseback transactions are specifically mentioned.

Ms. Rubald went on to page six, noting she needs to make an updated that Mr. Eick had noted that GASB exposure draft really isn't an accounting standard update, that is what FASB does. She will update paragraph one to be consistent with the other update. She noted they are stating that we have to follow GASB 62 until it is replaced, and it looks like it will be replaced in December of 2018 by the exposure draft. She read that people can opt to implement the GASB exposure draft early, but that poses a problem for the department on how to keep up with the changing dynamic in terms of the reporting. The exposure draft does not seem to distinguish between capital or operating leases. She stated in the future this will need to be addressed, probably by regulation, whether they want everything reported in the financials as part of the indebtedness report or limit it to just the capital type leases they have now. The statute distinguishes capital leases. If GASB eliminates the criteria for distinguishing, it will pose a problem for the department. They will be unable to tell if it is a capital lease or not.

Member Colvin believes that seems to be an issue now. She explained there are different criteria for a capital lease under GASB 62 because of the 75% test and the 90% test could require a lease to be considered capitalized but if the payments were not going towards the purchase price then it wouldn't meet the criteria under the statute.

Ms. Rubald stated we are discussing two different things. They need to figure out what kind of leases need to be approved by the department. For the purpose of the financial statements, Ms. Rubald noted they would have to go with GASB 62, which could include more leases than capital leases.

Member Colvin continued that they could be reported as capital in the financial statements, as a capital lease but not have gone to the department for approval.

Ms. Rubald agreed.

Chairman Johnson clarified that the purpose of this guidance letter is not to stop this type of financing, but to determine which ones need to go through the approval process.

Ms. Rubald agreed. She mentioned under the applications, specifically under number two, that approval may not be needed by the department for some kinds of leases, but whatever is in the financial statement needs to be in the indebtedness report.

Member Leavitt believed it could make the indebtedness report huge if they add all the small operating leases.

Chairman Johnson added it would also be misleading.

Member Leavitt stated it makes it appear that it's a major debt. It lumps all of it with what is normally considered long term debt.

Ms. Rubald offered that maybe we should segregate these operating leases into a sub report. They check the indebtedness report and compare it to the financials. There needs to be reconciliation. They will need help from the local governments distinguishing which is which. She added that in the guidance letter she states "local governments may anticipate revised forms to accommodate the inclusion and listing of all leases recorded on the financial statements."

Chairman Johnson referred to No. 2 as written, in the first sentence where it talks about current general obligation debt and special elective taxes. He doesn't believe any of those terms used pick up installment purchase agreements.

Ms. Rubald clarified that the second part does, and read "a report of current debt and special assessments".

Chairman Johnson mentioned they talked about this last time, that technically installment purchase agreements are not debt because of the non-appropriation clause. He thinks some of these things need to be reworded and there may be some statutory changes needed to do that. He thinks generically we refer to debt anytime there is an obligation for local governments to pay money to somebody else. But in a technical sense, installment purchase agreements are not debt because of the non-appropriation clause, they don't count it as a debt. We need to look at clarifying how those things are asked for and requested on these various forms moving forward.

Ms. Rubald asked Ms. Langley if capital leases were included on the indebtedness reports.

Ms. Kelly Langley, with the Department of Taxation, answered that they do have leases on the indebtedness report.

Chairman Johnson clarified that there is a line for it, but if the statute says it is just the debt that needs to be reported, then it is only asking for a subset of what is actually on the indebtedness report and maybe we just need to make sure that we cover and get it all clarified.

Member Leavitt inquired, for his own clarification, how we stand with most local governments on the debt relation to the debt limits. He knows in the past the debt limits have been so far above what any of the local governments had the ability to pay that the report was almost meaningless, he wondered if that was still the case.

Chairman Johnson and Ms. Rubald responded that it was.

Chairman Johnson responded that assessed value, which debt limits are based on, grows faster than the revenues.

Member Leavitt added that the debt limits for the state has always been meaningful, but the ones for local governments haven't been.

Chairman Johnson stated Carson City has been within sight of it, a couple of times, but it generally hasn't been an issue.

Ms. Rubald went on to No. 3. She wanted to be sure everyone knew that GASB 62 in the lease section should only be applied to the lease elements of the contract, and if there are other elements there might be other GASB statements that apply.

She continued to No.4, which explains that local governments should review the terms of the agreement and determine whether it is a medium term obligation, an installment purchase, or a lease agreement that needs department review and approval. If the agreement meets the definition then there would be a need for review and approval. In No. 5, Ms. Rubald wanted to point out that we already have some information on what the procedures are, and what information they need to get that approval.

Going on to No. 6, she wanted to specifically mention the option or right to purchase, and what the definition of a bargain purchase option is in GASB. If there is something that meets the bargain purchase option and the terms of the agreement otherwise meets the definition of an installment purchase agreement, it would need approval by the department.

Ms. Rubald proceeded to No. 7 which mentions the lease-leaseback approach. She explained the first paragraph describes what a lease-leaseback project would be, and the last paragraph talks about the two leases – a Site Lease from the local government to the contractor or financing entity, which is usually a nominal amount, and then the Facilities Lease which is the document that the government uses to lease back the real property with the completed facilities. It's through the lease payments by the local government that the contractor or financing entity is paid. She stated they are taking the position that the vesting of title at the expiration of the Facilities Lease constitutes an option to purchase, where the lease payments are credited toward the purchase price for purposes of interpreting the statute.

Chairman Johnson asked if the committee members had any questions.

Member Colvin asked for clarification if governments are required to report anything that is reported as a capital lease on their financial statements even though it may have not gone to the department for approval. Ms. Rubald answered it was. Member Colvin asked if they report them as capital leases, or as other.

Ms. Langley replied that currently it is other debt, other lease purchases. She explained that it is discussed in other debt, as far as lease purchases. Ms. Rubald added especially where there is security interest. Ms. Langley continued that capital leases are also under the medium term obligation section, which reads notes, bonds, including general obligation bonds, and capital leases, include all medium term indebtedness that has been incurred whether approved or not pursuant to the provisions of NRS 350.087 through 95 municipal obligations.

Member Colvin believes these long term obligations should be disclosed in the official statements, regardless of if they are approved of by the department, and asked if the committee agreed.

Chairman Johnson said clearly it is a call for disclosure, and that would be the committee's recommendation.

Member Leavitt wondered if there would be some value of having a “catch all” at the end that would say something about if they incur an obligation that is different than any of these which involves the payment of money over a long period time for the acquisition of assets, that it would fall under this and would need approval by the department. He stressed again that he is afraid they will get someone who is in a difficult financial condition, and someone comes to them with a new animal that hasn’t been considered. A catch all that doesn’t fit some of the things they are thinking of now.

Ms. Rubald stated that could be added, and she thinks it would be helpful.

Ms. Langley commented maybe they could add a line on the indebtedness report “other debt structures that are not shown above”, whether or not they have to be included. That may help them reconcile between their CAFRs, what they have to report per GAP, and what the department is requesting.

Member Leavitt added that every time they have somebody in financial difficulty, they find out they have some debt that has not been reported or not approved. He is nervous that they need a catch all for that sort of stuff.

Ms. Rubald added again that it could be added.

Member Zander commended Ms. Rubald and her staff for the development of the guidance letter; he hopes it will provide the guidance necessary. He appreciates the savings to the taxpayers of this particular process, but the reporting was definitely not correct.

Chairman Johnson noted currently this is just addressed to County Finance Officers, and asked if this should go to a much wider audience. Ms. Rubald agreed. Chairman Johnson added finance officers of every local government in the state, and perhaps even the auditing firms that do the auditing for them. Ms. Rubald agreed, and stated she would make sure that happens.

Ms. Rubald asked if the committee was to go forward with this, if they would want to go to the full committee. It may be helpful under the authority for this letter if the Committee on Local Government Finance approved the guidance letter.

Chairman Johnson stated anything the subcommittee recommends will go to the full committee. He asked if there was any public comment.

Mr. Steve Nielsen, with Government Facility Development Services came forward. He noted his company was the developer for the Elko Conference Center on behalf of a nonprofit foundation. He added that we are all in favor of good reporting, and that he was on the side of government for 35 years. He stated the purpose of his company is to bring private capital to assist government entities. Currently, they are working with a number of Nevada counties relating to financing and developing 1900 era jails and court houses, and office buildings, etc.

His concern is how this lease-lease purchase is categorized. He stated it can’t be called one thing at the local government level, and something else at the state level. The state has \$35 million a year in leases. Changing reporting requirements could have an unbelievable impact on the rest of government.

Mr. Nielsen went on to discuss item 7, he wanted to focus on lease-leaseback. He stated this is not a debt obligation of the county, city, or state under a true lease-leaseback scenario. He stated the problem he has is they are dancing around that in item 7, and classifying it as a lease-lease purchase agreement, and it is not a lease purchase agreement. He referred to the first paragraph, where it talks about expiration of the lease and whether it is an automatic

transfer of the improvements or a written request by the local government, which makes it a lease purchase agreement, and that is not what this is. He stated his company does 25-30 year financing, they amortize the debt through nonprofit to have a zero value at the end of the lease. There is no bargain purchase, no gift clause. At the end of the lease term, the government has the option of leaving the improvements in place, which have a zero value, or demolishing them. He went on to state that we go from not having a regulatory approval process, or a debt obligation to the state, or county, or city and then as soon as you put this last language in, you could perceive this as a medium debt lease purchase agreement, and that is not true. He is all for government entities reporting lease obligations, there should be some level of oversight, and they are not trying to bypass that, they are trying to help.

Mr. Nielsen explained the structure they use is private capital through a nonprofit foundation, which is the owner/borrower, who has taken on the debt and the risk. It is not an obligation of the government entity. It is solely their obligation; it is a lease payment, that's all it is, leasing an office space. He asked for them to please not make it a purchase agreement, as this is not a lease purchase agreement.

Ms. Rubald asked Chairman Johnson if she could address Mr. Nielsen with a question. She asked Mr. Nielsen how it is not a bargain purchase if the value is zero at the end of the lease. Mr. Nielsen stated there is no purchase. She stated the local government simply has to notify them that they will take the property back as is. He answered or they would demolish it, unless the state relieves them of that obligation. She asked if he believed Elko, or anyone, would demolish it after investing millions after all those years.

Mr. Nielsen explained he did not, but the reality is they have been working for years, with underwriters and credit agencies to help the state, find an ability to use private capital, build facilities, while not impacting their credit or debt capacity, and have the state be the benefactor of lower cost financing and get the facilities they need. He stated just in the last month, the state public works approved \$1.2 billion worth of improvements that are needed in the state, but the legislature and treasurer came out and said we have bonding capacity of \$50 million. This whole mechanism is here to help. Please, don't put in guidelines that are counter to existing state law and that cause a problem. He agreed that we should have good government, good accounting, but that truthfully when they go out to the private sector and want to borrow money; their tests for accountability are extreme. They have to drill down into if the government entity actually can make lease payments. They will not put their money out if all the risks are not covered.

Mr. Nielsen noted there is incredible discipline, market feasibility, etc. He reiterated that they were contracted to build 55,000 sq. ft. but as they went through financial feasibility, they said that was too big, too much pressure on government, so they built 28,000 after they studied four different iterations of what size it should be. He again stated he agrees with the reporting, but requested they not put language in here that goes beyond what the state statutes are and barricade what they are trying to do here.

Chairman Johnson clarified that the goal isn't to shut down any type of financing. What they are trying to determine is what types need to be approved. He asked is there an issue with this type of financing that Mr. Nielsen has described, to go to the county debt management commission and the Department of Taxation to get approval, and if that causes a problem.

Mr. Nielsen answered that it does. He stated credit rating agencies will say that their hands are all over it, that they used a shell company to build facilities for you, and that will hit your debt and credit capacity.

Ms. Langley asked Mr. Nielsen about the \$3 million prepayment that was used to buy down the payments so the local government could afford the payments. She stated that money came

from a capital fund that would have been used to purchase a building or space, etc. They did the \$3 million prepayment over the life. Mr. Nielsen interjected and stated that was a one-time payment, it was not over the life. It was not amortized by his auditors, there have been issues with how Elko Convention & Visitors Authority (ECVA) reported this on their end, but this was like leasing a car. They bought down the lease on the front end to get payments they can afford. Ms. Langley stated at the end of the day they just want transparency, and maybe Ms. Teri Gage could clarify.

Ms. Teri Gage with Eide Bailly, on behalf of ECVA, stated she believes at this point they reported it correctly on the CAFR as a capital lease according to GASB. She stated that was mainly because of the requirement of the present value of the minimum lease payments exceeds 90% of the fair market value of the property. She stated they are in the process of the audit right now, however, based on the information they have they believe that it falls under capital lease according to GASB.

Mr. Nielsen stated he does not disagree with that as it relates to GASB reporting.

Member Leavitt commented that this is a perfect example of what he was trying to get at previously. It doesn't matter what you call it, it is an obligation that has to be paid over time, just like a debt. He believes the reporting is appropriate.

Ms. Gage stated if the entity can take title of the asset for nothing, than the lease payments went towards the purchase price, which would be the definition of an installment purchase agreement.

Ms. Rubald agreed.

Mr. Nielsen stated what if the nonprofit decides to scrape the ground. He said they are making an assumption that the entity will take advantage of this. He also noted the language was drafted by rating agencies, and underwriters to address the issue they are talking about.

Mr. Eick commented that he has taken an interest in this because he believes with the GASB exposure draft coming out lease accounting will become an issue for all government. He is pleased to hear that they are aware this will affect a broader audience. He suggests that the title of the guidance letter makes reference not only to reporting but the need for authority from the department. He also applauds that the committee is forward looking, as wherever the bar has been set about leasing, there is always someone trying to put a new twist on it to help those who are trying to avoid their responsibilities. He believes the GASB exposure draft is trying to expose that. Governments are in the business of reporting a flow of resources, and when they have made a commitment to a series of transactions that could jeopardize that flow that it needs to be disclosed. He wanted to note he is in favor of the guidance letter.

Chairman Johnson stated he wants governments to have as many options as possible, as long as it's legal; he thinks it should be allowed. But if it needs to be authorized, then it needs to be authorized. Chairman Johnson believes that is the purpose of this letter.

Mr. Eick agreed, and commented that his organization has realized that they can't just keep writing checks for large equipment, he knows they will likely have what will become capital leases or installment purchases; it doesn't bother him that he will need to present that to oversight agencies to get their approval. He sees that the committee making this clear, will not keep him from making his choices, just make him have to think farther ahead to get it all done.

Ms. Rubald noted part of this letter is a warning system that the new GASB could be a new standard. She addressed Mr. Nielsen, and stated that it boils down to an interpretation of what

is an option or right to purchase and whether the payments made over time can be applied to that so called purchase. She respectfully disagrees with his interpretation because in this specific instance, she truly believes that the local government has found a financing form, where other folks take the immediate risk during the period and at the end of the day the government gets a new facility for zero dollars at the end of the lease term. She believes that type of obligation that should be not only part of the financial statement, but is probably subject to approval. She stated that was just her opinion.

Member Leavitt agreed.

Chairman Johnson noted that if Convention Authority were to do something in the future, this would be looked at in a credit review.

Member Zander agreed.

Chairman Johnson asked if there were any further public comments.

Mr. Nielsen stated he hopes we have negated the lease-leaseback, as they are not giving any credit to the risk taken on by a private entity. If you call it a lease purchase, then why bring on a third party, why bring in private capital. The ECVA is a 10 year financing, the nonprofit has to refinance; there are all kinds of risk to them. He stated again this is not a lease-leaseback approach, and he is not negating the need for reporting. It is an obligation, but the nonprofit is the one taking the risk. He is asking it to not be categorized as a lease purchase.

Chairman Johnson asked Mr. Nielsen if all he had to do was go to the county debt management commission and get their approval, and send the required documentation to the Department of Taxation to get their approval, everything else was the same, if that create a problem for them.

Mr. Nielsen stated, he is not a lawyer, but questioned if that would trigger prevailing wage, etc. He stated they are trying not to burden a project that is privately financed with additional costs. If it is just an approval process, that would be fine. He does not want to trigger unintended consequences.

Chairman Johnson asked if there were any further public comments. There were none.

He asked Ms. Rubald what it was that she would like the subcommittee to do, and they can discuss that. She stated the first thing would be to expand who the guidance letter is written to, and the second to change the subject title to include not only treatment and reporting requirements of various types of leases but the authority of the department to review those. She added that on page 6 paragraph 1, that she needs to change the language to the GASB exposure draft. She would also like to add after paragraph 7, a paragraph 8 that would be a catch all that if the obligation is different than any of the discussion points and there is a payment of money over a long period of time and otherwise meets the criteria 350.089, then it would need to be approved by the department. She would like to make those changes, and resubmit the draft to the subcommittee to submit to the full committee for approval.

Chairman Johnson commented his preference would be that if a lease-leaseback is not an installment purchase agreement that we don't need to make it into one. He stated maybe they need some additional discussion with the auditing firms as his concern is that someone could think a transaction is an operating lease, then the auditors change it to a capital lease, and it happens after the fact.

Ms. Rubald commented that if it happens after the fact, it is brought to the departments' attention and they write letters stating they do not approve or disapprove of the transaction.

Ms. Langley stated one of the concerns is whether or not it should have required approval when they were reviewing it. She noted the auditors are looking for guidance.

Chairman Johnson stated maybe we need to add if they are contemplating something like this they need to consult their auditors and find out how they will treat it.

Ms. Landry noted in this case, because it fails the one requirement, it is considered a capital lease and needs to be reported as a capital lease in the CAFR for transparency.

Ms. Rubald added the catch all should contain a statement that says if you are contemplating a transaction that does not fit these parameters, then you should consult with the auditors as to how the financial statements will reflect the transaction. Chairman Johnson agreed.

Mr. Eick commented that he could see that the safe harbor would be to err on the side of caution, and bring things to the department if you are unsure. He stated he hopes the committee could help the various county debt commissions that have not seen these types of transactions before. He thinks a good step would be what the process would be if someone wanted to err on the side of caution and present it to the department first.

Chairman Johnson added to Ms. Rubald, that in addition to consulting with the auditing firm that they should consult with their analyst at the Department of Taxation.

Ms. Rubald noted she would get the revisions out ASAP.

Chairman Johnson asked if they were going to need another meeting, the subcommittee discussed available dates, and the possibility of extending the next committee meeting.

Chairman Johnson moved to Item 4.

ITEM 4. Discussion and Consideration of Recommendations for future regulatory oversight regarding new forms of financing

Ms. Rubald noted she added this item as a catch all, because she did not know if the subcommittee wants to consider whether we need to explore any regulatory guidance to be consistent with the change in GASB.

Chairman Johnson asked Member Leavitt if we had the GASB stuff in mind when this subcommittee was formed.

Member Leavitt requested Ms. Rubald to add this to the Agenda for the Committee Meeting and at that time the subcommittee can be expanded to include that.

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

- a) Discussion of Matters Affecting Local Governments
- b) For Possible Action: Schedule Date and Review Agenda Topics for the Next Meeting**

Ms. Rubald noted they have nothing further, and the Chairman has already voiced his availability for the next meeting.

ITEM 6. PUBLIC COMMENT

There was no further public comment.

Chairman Johnson requested the minutes be on a future agenda as there is a mistake in them. Ms. Rubald stated they would be.

ITEM 7. **For Possible Action: ADJOURNMENT**

The meeting was adjourned at 10:12 a.m.