

**Minutes of the Subcommittee Meeting
COMMITTEE ON LOCAL GOVERNMENT
FINANCE**

June 9, 2017, 9:00 a.m.

The meeting was held at the Nevada Gaming Control Board, 1919 College Pkwy, Carson City, Nevada, and video-conferenced to the Nevada Gaming Control Board, Grant Sawyer State Office Building, 555 E Washington Ave, Second Floor, Room 2450, Las Vegas, Nevada. This meeting was also part of a teleconference.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt, Chairman
Alan Kalt
Beth Kohn-Cole
Marty Johnson
Christine Vuletich
Tom Ciesynski
Jeff Cronk

COUNSEL TO COMMITTEE

Peter Keegan

DEPT OF TAXATION STAFF PRESENT:

Heather Drake
Kelly Langley
Keri Gransbery
Susan Lewis
Penny Hampton
Heidi Rose
Chali Spurlock
Denesa Johnston

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Paul Johnson	White Pine County School District
Savannah Rucker	Nye County
Lorinda A. Wichman	Nye County
Susan Estes	Douglas County School District
Teri White	Douglas County School District
Kendall Swensen	Winnemucca Conv & Visitor Auth
Danielle Drevdahl	Nye County
Betty Johnson	Lander County School District
Lavraina Bavdry	Nye County
Darren Adair	North Las Vegas
Arnold Knightly	Nye County
Rhonda Garlick	North Las Vegas
Linda Poleski	North Las Vegas
Deborah Burton	North Las Vegas
Rich Hoggan	Las Vegas Metro Police Dept
Velma Gamble	Lander County School District
Mike Metkovich	Mt. Grant Hospital

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Leavitt called the meeting to order at 9:02 a.m. Members Mary Walker, Jessica Colvin, and Jim McIntosh were absent.

ITEM 2. PUBLIC COMMENT

There was none.

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

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

Member Beth Kohn-Cole recused herself from discussions regarding North Las Vegas. Member Marty Johnson disclosed that he does own some bonds issued by North Las Vegas, however any decisions he makes will not have any bearing on that and he will participate.

- 1. Report by City on the following matters: FY 17/18 Final Budget including revenue, expenditures, cash flow analysis and scheduled debt repayments; including impact on fund balances of enterprise funds due to recent approval of SB78.**

Darren Adair, with the City of North Las Vegas, explained the City has appeared in front of the committee for a number of years and were put before the Committee to develop a strategy for financial recovery. They project to resolve the structural deficit, excluding their dependency on the transfer from the water/wastewater enterprise, of \$152 million by 2021.

Mr. Adair went over the highlights of the material provided. They believe the deficit on last year's budget was largely due to staffing levels. In the final budget they reduced staffing levels to critical positions. About 191 vacant positions were previously identified by the city directors to support growth in the city. 57-58 were identified as critical; the other 134 were eliminated from the proposed budget.

He explained the Critical Justification Committee they created. It determined the difference between wants, needs, and critical needs. It was involved in evaluating the positions that came before the city for hiring, only filling positions deemed critical.

They believe they will end in the positive of \$3.4 million on the FY17 estimated budget. Some funds are still in the deficit and are being subsidized by the capital fund.

Chairman Leavitt asked Mr. Adair to address the financial condition of the enterprise fund.

Mr. Adair explained how the positive cash flow generated by the utility fund was attractive to use to subsidize the general fund. They learned it isn't appropriate to do that. The City Council approved an annual increase of rates and fees for services of 3% per year so the utility fund has been able to support that transfer.

He noted they depleted reserves and those need to be restored before the 5 year warranties are up. The wastewater utility enterprise is healthy and would have sufficient capacity to serve existing and additional debt if it wasn't for the general fund transfers.

They identified that the \$24 million the citizens were paying for water/wastewater services was almost equal to the reduction in property taxes they were receiving. The city recognizes the need to fix their dependency. New properties won't be subject to those caps and abatements and should allow the city to develop a plan to reduce its dependency on the utility fund transfers. They restored the reserves to a minimum level, but adequate level, to ensure services are covered.

Chairman Leavitt stated that answered his question.

Mr. Adair explained that they have identified and resolved shortfalls, staffing reductions, and concessions with their bargaining groups. Participation in the cities healthcare plan resulted in a \$1 million savings.

In 2015 they realized they were solving the structural deficit at the expense of potentially less service. They also identified that the PILT was a challenge and began to develop a plan addressing an alternate path, known as SB78. They will work closely with the Committee to follow that path.

He explained how they hope to take the revenues from APEX proposing that as a dollar for dollar reduction in their dependency on PILT to bring it back in balance, just the Garnet Valley. They need to use the growth in the Las Vegas Valley to responsibly add to the critical staffing positions to support continued growth. The governor signed SB78 and the legislature supported it. They want to begin working on the finalization of that plan with input from the Committee and the Department. The plan requires an annual review by CLGF.

They need to gain state approval of SB78 and keep costs down while growing their base revenue. The next four or five years will be spent on staffing the service level, addressing the service level insolvency, and non-critical positions for 2018, that will be critical in 2019 to 2021, as the city grows.

They are excited about SB78, as well as the passing of SB79 which gave the city back its purveyor rights in the Garnet Valley. They worked closely with the Governor's office on a common development to get the improvements to SB1 approved and corrected under SB42. Those things are necessary to financial solutions for putting infrastructure up at APEX.

FY18 budget highlights show a positive trend in assessed valuations and the budget is balanced. In FY18, they identified that they can include the 58 critical positions, provided they don't have unexpected increases. They looked at areas where they temporarily outsource services traditionally handled in house. Those decisions resulted in savings.

Mr. Adair provided an update on the seven year forecast through 2021. They still have work to do in the upcoming years to manage a tight budget.

Regarding recovery of the general fund balance, he has some concern with NRS 354.160. As the City worked with the Committee, they were down to 6%, and have climbed back up to a 10-12 percent range. They'd like to see it in the 18-20 percent range but probably not for the next four or five years. Those dollars will be needed to slowly reduce dependency on the transfers of the enterprise and restore staffing levels to support recovery.

They are working on renewal contracts with the fire fighters and will work on the other renewals next year. Their discussions have been on a plan that addresses standard of living and working issues, but largely holds the financial impact near zero.

They met their financial obligations, and continue to be current on their PERS contributions. They understand, have followed, and implemented the new GASB 68 reporting requirements. On their OPEP responsibility, they are in the process of updating their study to maintain understanding.

Chairman Leavitt elaborated that North Las Vegas was unique. They experienced maybe the largest growth in the state, with a lot of residential property coming online and during the early part of the recession; they didn't respond to it, they increased their expenditures, added staff, etc. When the Committee originally had the City in, the City was hesitant. Since Darren and the new elected officials have taken over, they respond and do what they're asked to do. He told Mr. Adair they will have North Las Vegas before the committee for the first meeting after their audit report is filed and their final budget is submitted. He believes they are under control of their finances, and just need to be sure services are maintained.

Mr. Adair agreed, adding they have to appear in front of the committee to present a responsible plan with annual oversight by the Committee, working with the Department, while weaning off their dependency on PILT and are grateful this committee gave them a forum to report their progress, and thanked all those involved.

Member Cronk asked about SB78, and their plans relating to the new regulations.

Mr. Adair believes they need an approved plan before July 1st, 2018. He has talked with the Department. They'd like to immediately engage in that plan, the form it needs to take, and what the committee would like to see on an annual basis.

Kelly Langley, with the Department of Taxation, added the Department heard from him about scheduling some meetings to review their proposed plan. Her thought is to work with him in the coming month, and request they come back to seek approval from the Committee at the next meeting. Chairman Leavitt agreed.

Ms. Langley continued, stating she believes Darren will be ready; he has documents to share, but suggested they wait until the Department was done with final budgets. She believes they will be prepared and ready to request approval at the next meeting.

Member Kalt congratulated Mr. Adair for the admiral job and thinks they are the poster child for the impact property tax abatement has. He appreciates them sharing their lessons learned and believes other local governments will be facing the same challenges. He thanked them for taking an active role. Member Ciesynski also applauded their efforts, adding they obviously took the necessary steps to get their ship back in order.

Chairman Leavitt announced that the Committee has new legal counsel noting Dawn was an excellent service to the committee for many years. Peter Keegan, Deputy Attorney General, introduced himself.

Chairman Leavitt requested Mr. Keegan relay our appreciation for the service Dawn provided on a professional and personal basis. He then asked Ms. Langley to introduce her staff.

Ms. Langley introduced Penny Hampton, Heidi Rose, Susan Lewis, and Keri Gransberry.

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

Chairman Leavitt moved on to Nye County Financial Condition. Member Beth Kohn-Cole recused herself from discussions regarding Nye County.

- 1. Report by the County regarding FY 17/18 Final Budget including revenue and expenditures, and cash flow analysis.**
- 2. Update on Northern Nye County Regional Hospital District and the 17/18 Budget impacts;**
- 3. Update on Financial condition of the County and the Northern Nye County Regional Hospital District, including ending fund balance of the General Fund;**
- 4. Review of the Nye County “More Cop” reporting requirement in accordance with Public Safety Sales and Use Tax pursuant to Chapter 545, Statutes of Nevada 2007**

Savanna Rucker, Comptroller for Nye County, explained that Nye County has been under fiscal watch for the last year. For multiple years expenditures exceeded revenues; the county lived off ending fund balances, dropping below the threshold putting them in fiscal watch.

She went over the Cash Flow Analysis. Nye County had significant increases in consolidated tax, additional licensing and fees, and other revenues that helped stabilize the county. They project ending revenues of \$32,873,000.

Nye County is looking at a \$34 million revenue collection in the FY17 general fund. They believe they will come in at or above the actual revenues for the month of May. Expenditures show \$32,752,000. They had positive monthly cash flow for the entire year. Ending cash balance in August was \$7.7 million, a significant change from previous years.

Chairman Leavitt asked about the sheriff situation, recalling the past budget issues over expenditures, and where they stand now.

Ms. Rucker replied that they have had a new sheriff, since January 2015, who is working to streamline expenditures and has made significant progress.

Chairman Leavitt clarified that his concern was if the previous situation of the sheriff spending without regard to the budget still existed. She assured him it does not. The sheriff's office and her office work well together to maintain those expenditures.

She discussed the highlights of their FY18 final budget. They received net proceeds again this year and property taxes are up. It's their intention to pull metro seats from the general fund expenditure budget, move it to capital funds, and start working on facilities and buildings. Some of their vehicles have 100+ thousand miles on them.

Chairman Leavitt agreed. In his experience there has been more grief and headaches before this committee with state finances in general when net proceeds are used for operating, and when it decreases or is eliminated it creates huge problems.

Ms. Rucker noted in FY17 they had zero net proceeds. They're pulling and transferring it to capital. Any projects being paid out of this revenue will be taken to the board for approval and transferred to capital. The transfer out is \$1.65 million, not the full \$1.8 million of net proceeds. The \$1.65 million will be a buffer in the event that revenues don't come in or they have a drastic change or crisis. Their revenues were budgeted for historical average increases. Nye County is seeing a lot of projects and growth.

They're increasing expenditures, adding positions, and have new contracts with a few companies. The increase in expenditures from FY17 to FY18 is \$1.5 million. They're funding senior nutrition for the first time in several years. The ending fund balance for FY17 is projected to be \$7.3 million, FY18 \$7.1 million, which is a deficit from FY17, however they have the \$1.65 million buffer as a transfer out to the capital fund.

Member Cronk asked what the \$5.8 million committed ending fund balance is. Ms. Rucker answered that they closed out their PILT funds and transferred them to the general funds. The County Commissioners requested that be committed as an ending fund balance and not utilized moving forward.

Chairman Leavitt asked for an update on the medical services.

Lorinda Wichman, Nye County Commissioner, explained what happened to the hospital and that the county was directed by the court to establish a hospital district to bring services back, because it affects the entire center of the state.

The Department of Taxation assisted in establishing the hospital district. She explained the conflicts they had over the 11 months it took to establish it and even though they had a hospital district established and collected taxes, that they couldn't spend the money.

A complete Board of Trustees has been established and elected as of January 1, 2017 for Nye County Hospital District. They have had six meetings with the new board and have been working forward for the last six months.

They currently have TeleMed, provided by Renown. Chairman Leavitt asked where it was located, and she replied that it was in Tonopah, where the existing hospital is.

Ms. Wichman mentioned the hospital district budget that shows money collected, but not much going out. They were afraid to spend it. They got the new board up to speed with classes, training, etc. On their agenda for the 20th there are substantial things taking place. One is the possibility of hiring an administrator for the Board, to have the advantage this Committee has. She figures it will be about \$60,000 to \$80,000 a year for a contract.

Attracting providers is hard as there is no place to live in Nye County. She asked the Board for approval to renegotiate the lease on the property. For the past 16 months they have only had TeleMed. They hoped to have an emergency room situation to help their town wide EMT situation that is still suffering. She will be talking with the representative in the next couple weeks about the lease. A few things can happen; nothing, they can reduce the size of the lease so Nye County can negotiate with other providers to use the emergency room, or they can provide the emergency room and solve the problem.

The board seems to want to fill the gap on housing and is looking at opportunities to house providers, possibly a subsidy. They are also willing to help with the hospital itself to bring it up to the shape a provider may want.

She noted that people are happy with the movements they are taking. She traveled to Washington DC in January with NACO, and had an opportunity to sit with some of the transition teams and discuss the situation in Nye County.

Her biggest concern, as commissioner, is the vibrant volunteer emergency service system throughout the county they had. EMT's have to turn patients over to a qualified provider.

Most EMT's were on a run for 2 to 3 hours, since losing the emergency room the run can be up to 12 hours. They had 20 men, now they have six because they can't take that much time away from their home or jobs. They have the budget in and plans solidified by the Board of Trustees.

Chairman Leavitt requested they talk about the finances for the hospital district.

Ms. Rucker referred the committee to page 192. The Board of Trustees is still working on an action plan so the cash flow report is mostly revenues received, and little expenditures. She doesn't anticipate June expenditures to come in at the \$213,000 projected when they first came before this committee. The cash flow is positive, they have no current expenditures.

She went over the FY18 budget on page 181. Revenues match C-tax projections and they have interest incomes. Page 184 shows the budgeted amount is max so the Board can put any plan in place that they need. They gave them an expenditure budget of the \$2.35 million the Board approved to allow full functionality for 2018. She asked if there were questions for the hospital district on the cash flow or the budget.

Chairman Leavitt asked if they anticipate, or are aware of, any over expenditure violations in the audit report.

Ms. Rucker replied that she did not. They are currently working on calculating any potential augmentations as required, particularly in the general fund. There are a couple other funds that need to be addressed. The date is not set for the augmentation meeting, but it will be towards the end of the month.

Chairman Leavitt asked if there are any other violations they will see in the auditor's report.

She answered that they have worked down the list on the auditor's finding to ensure efforts have been made for every audit finding. They are addressing all of those items. It is their intent to not have audit findings.

Member Ciesynski asked about transfer of proceeds to capital funds, his assumption is they are using those pay as you go funds not looking to leverage those, which Ms. Rucker confirmed.

Chairman Leavitt asked how the hospital building in Tonopah was, and if they would have to incur a lot of expenditures to bring it back.

Ms. Wichman replied that they have been working on it for the last two years. Phase 1 and Phase 2 evaluations are complete. There is asbestos tile in some of the building, however the evaluation looks like if they are not disturbed they are ok, unless a remodel begins but she has not read the whole report yet. It is old, has cosmetic issues, but is structurally sound. A new roof will be coming soon.

Chairman Leavitt remembers before it was private, they had problems when it was publicly run. Supposedly private was a solution. He asked Ms. Rucker to continue.

Ms. Rucker discussed the More Cop Report for Nye County which was supplied at the meeting. She explained the More Cop Tax Act, and that they have to allocate expenses per area, based on population. The expenditures can be spent on recruiting, employing, and equipping new personnel as well as improving existing equipment or facilities, or constructing new public safety facilities.

The Act specifies the county must have special revenue funds for each area. The form provided from the Department of Taxation was modified for it to work. She explained the handout provided. They had confusion on the funding and brought the questions to their District Attorney, who brought it to the Attorney General. The end result shows the comparisons from previous to current years.

She explained the spreadsheet and that this is the best information currently available. She briefly went through the towns in the handout, noting Gabbs FY17 came in just short, however, she mentioned they do have a plan in place.

Chairman Leavitt asked what was happening in Gabbs, he had a lot of grief when they were disincorporated.

Ms. Wichman responded that Gabbs is in her district, noting it has taken many years financially to get away from the idea that they are a city. Chairman Leavitt and Ms. Wichman discussed Gabbs, she commented they are the 1st disincorporated city in Nevada, and are doing well, population is maintaining, depending on the mine. She asked if he had a specific question, and he stated he was just curious.

Member Kalt asked how the mining was doing there. She replied it is excellent and has been the single continuously operating mine since World War II without a shutdown.

Chairman Leavitt apologized for the interruption.

Ms. Rucker went over some of the remaining towns, as well as the pages for fire. Most of the firemen are volunteers and most towns do not have general fund expenditure for fire, however, public safety sales tax is collected to fund the volunteer fire departments.

Chairman Leavitt asked if the fire expenditures are through the towns or separate fire districts. She replied they are through the towns.

She continued through the remaining towns and asked if there were questions noting that she will be submitting it to LCB to meet their requirements.

Chairman Leavitt stated he is pleased to see the direction they are going.

She stated they had a lot of turnover in the finance department and are still recovering from the recession and the recent downturn. Her office has stabilized and she thinks that is filtering through the entire county. She asked if Nye County and the Hospital District are still in fiscal watch and Chairman Leavitt responded that they were, definitely through this next audit. They will see where they stand afterward. She added she is looking forward to a great audit this year.

The next item was heard out of order.

(d) For Possible Action: Discussion Regarding Winnemucca Convention and Visitors Authority untimely audit:

1. Report by Winnemucca Convention and Visitors Authority regarding untimely audit filing for FY 15/16.

Keri Gransbery, with Department of Taxation, explained that during the past seven years, Winnemucca Convention and Visitors Authority (WCVA) has failed to file their audit timely pursuant to NRS 354.624. The Department is concerned that this appears to be habitual.

Apparently, there is an agreement with their auditor as a way of savings to WCVA. The office prepares all work papers, trial balance, and audit written before delivery to the auditors. The WCVA doesn't have any full time positions. Mr. Kendall has been unable to complete this in a timely fashion to ensure the audit is filed by the deadline. The Department gave him extensions for various reasons.

Two extensions were requested this year, extending the date to provide the audit by February 15, 2017. The Department did not receive it. Ms. Gransbery emailed reminders to WCVA on March 24, 2017. At this time they realized the work papers had not been delivered to the auditors.

The audit was dated April 24, 2017 and a special meeting on May 3, 2017 where the auditor delivered the report to the Board. It was approved by the governing body and hand delivered to the Department on May 4, 2017. It should be noted that the auditor noted in 2016-2015 findings (pg. 248-249) as significant deficiencies, no internal control over financial reporting. The recommendation both years was that the administrator should endeavor to reconcile the accounting records in a timelier manner. Due to the inability to file timely in the past 7 years, the Department feels this is an issue.

Chairman Leavitt commented that the structure of the local government is designed so there are certain steps through the process. The tentative budget, final budget, auditor's report, and back to a tentative budget. The logic is for the citizens to have an audit report before the tentative budget so they have something to comment on. In this case, the 2016 auditor's report comes in after the 2016 budget. He thinks a letter should go to the governing board, wanting them to take action so there are no more delays. No more extensions in the future. It's become a regular occurrence over time. Essentially, they are not doing accounting records throughout the year, just letting the auditor do it. He is not sympathetic to them ignoring the statutes.

Ms. Gransbery noted that Mr. Swensen was available for comment.

Member Kalt stated he thinks transparency and timeliness are important. Transparency to the taxpayers to get the financial information, and the whole accounting cycle is predicated on timeliness and transparency. He thinks it is important and he is frustrated as well.

Kendall Swensen, with WCVA, stated as far as the information being conveyed to the board it is always done in the same timely manner, he is very transparent with the board on his circumstances. For example, when he talked to Keri and Kelly, they told him he may have to come before the committee. When he received the letter, he let the board know. There is no cover up everything is conveyed to the board. The timeliness of the audit was his responsibility. There were circumstances at that time that kept him from getting it done accurately and completely.

Chairman Leavitt questioned what happened with his entity regarding the November 30, 2018 audit report.

He replied that is why he is here, to acknowledge responsibility and reassure the board of compliance in the future.

Member Kalt asked about his most recent bank reconciliation.

Mr. Swensen replied that every bank reconciliation is done. They give a printout of financial information to the board monthly. The staff does the accounting. He is administrator part time and he reviews the information and makes corrections. Some unimportant things are done once a year. He has been part time administrator with the board since 1984 doing the same function, although it has grown. There is good history as well as what has happened recently. He has been compliant with exceptions before, but never this late.

Chairman Leavitt mentioned the year closes on June 30 and goes to the middle of May of the next year, that's 11 months. Mr. Swensen said they don't get receipts for their June information until August. Chairman Leavitt stated everyone has an accrual of those, and they record them in August or whatever, Mr. Swensen agreed.

Chairman Leavitt stated they will put this item on the Agenda for the first meeting after November 30th and will talk about the audit report that has been submitted at that time.

Mr. Swensen noted the auditor's report is usually given to him by November 30th and presented to the board in December.

Chairman Leavitt assured him he would have time to take it before his board prior to bringing it to the Committee and he confirmed Mr. Swensen is clear on this, he agreed.

(c) 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

Ms. Langley explained the budget analysts will speak, as well as a representative for each of the schools. She added that statutorily, they are required to report it if they have a 3 year declining balance, each of these are in their 4th year. She believes Douglas County stated to this committee last year they expected it to be declining again. The other two had suggested they would be able to cure it this year, but are declining again.

Chairman Leavitt believes this requirement is in place as a prelude to avoid severe financial emergency. He understands there are compelling reasons why they see declining balances, the problem is when it continues for multiple years, they eventually reach a point where they're unable to meet their obligations and the things that go with it. He referred to the earlier discussions on Nye County and North Las Vegas, and their unpleasant situation. He requested the School Districts tell the committee what they intend to do so this does not happen anymore as opposed to justifying why they got there. What the Committee is trying to do is stop it so they don't end up in these severe financial situations, adding he has dealt with enough of them over the years, and would prefer not to see any more of them.

2. Response by the White Pine County School District (4th year)

Susan Lewis, with the Department of Taxation, introduced Paul Johnson to speak about what he intends to do in the future.

Paul Johnson, with White Pine County School District, explained he has been Chief Financial Officer since March of 1997. Since then they had a number of significant economic events the school board has had to adapt to. The information that explains their declining fund balance is in their packets. They have been in a series of decline since 2011, and have slowly progressed from a budget of about \$13.5 million to \$11.5 million. He wanted to answer questions regarding how they address budget crises and make financial decisions so the committee can understand they have a process in place to make sure they don't suffer a deficit fund balance in their accounting fund. Their school board is very conscience about the educational and financial side of things.

He added that Chairman Leavitt has been with the Committee long enough to remember the history of White Pine County, recalling back in 1995 White Pine County was in receivership through the Department due to the economic situation.

Chairman Leavitt added the law, as it's written, was written because of White Pine County, prior to Mr. Johnson being hired. Chairman Leavitt was involved in writing those laws.

Mr. Johnson continued, stating he was hired by the Nevada Department of Taxation at the time to help facilitate proper fiscal controls. They were able to petition to be released from oversight two years earlier than the statute provides.

Mr. Johnson uses the Grand Jury Investigation from that time as an education tool. Every new board member gets a copy so they understand the significance of making proper financial decisions. He explained the school boards do not always take their financial advisors recommendations. He has a lot of trust with the board in terms of communicating and they make good fiscal decisions, even when they aren't popular.

Training and education is provided to ensure the Board understands fiscal consequences and makes the right decisions. They have cooperative labor groups, and over the past 8 years their teachers have taken a net increase of 2%. One year, they reduced their wages by 2%. The labor groups helped them pay off their deficit in their partially funded self-insurance plan by \$250 month per paycheck. They have a relationship with their labor groups and that helps on the fiscal side of things.

Part of the conditions of the receivership, or lease, was his position as CFO, it did not exist prior to his employment. The CFO reports to the Board of Trustees, not the superintendent. It is a check and balance so if the superintendent is too aggressive, the CFO can go directly to the board to discuss things. They have a large 40 member community budget committee. The last couple years they have been cutting their budget, they cut about \$1.5 million off their FY16 budget. They were completely transparent as they worked on what should be cut. They're athletic budget for the middle school, as well as three of their athletic sports in the high school are done completely with community fundraising, they have a lot of community engagement.

In addition to that, they also have the Board Finance Committee. It is a smaller committee able to do things on a more frequent basis as it is hard to get a quorum with 40 members.

85% of their revenue is tied up in the Nevada Plan consisting of estimates from the Department of Education and the Department of Taxation. About 98% of the revenue from the state is pretty predictable, coming from the Departments of Education and Taxation. They have clean audits and are considered a low risk. They had financial complications in the past, but have exhibited an ability to adapt to those changes.

They sustained some continuing declining revenue, partly from a reduction in net proceeds and minerals (NPM). From 2008 to 2012 they averaged about 1.4 million in NPM. He believes a couple of years ago they were down to \$24,000-\$25,000, and are up to \$250,000 for FY18, however they budgeted zero.

In places that are growing, the decrease in enrollment can be helpful to relieve some of the financial growing pains. Small areas can realize a net decrease of such a significant amount that is hard to adapt to. The legislature also changed the hold harmless provision to a shorter window that they had to adapt to a year early.

They could have one more year of declining enrollment. He does not recall previously saying they would definitely remedy that in the next year but will not go below the negative fund balance. They have exhibited the ability to do that.

Chairman Leavitt asked how they expect the fund balance from June 30, 2017 to compare with the fund balance of June 30, 2016.

Mr. Johnson believes it will go down, that it depends on expenditures; they can make sure they are more conservative on expenditures. They are hoping to get more on the side of revenue, if they don't, it will at least be the same or lower.

Chairman Leavitt asked him for the comparison with the June 30, 2018 ending fund balance.

Mr. Johnson stated it should increase. Since the legislation session ended, it looks like they will have a \$400 per student increase in per pupil funding. They will have an operating deficit instead of a surplus.

Member Vuletich asked what he sees going forward, and if they are doing any kind of projections, noting she probably should have commented on the earlier presentation from North Las Vegas. She really liked their management policy showing a seven year projection. There are a lot of variables, declining enrollment, proceeds of mines. She wanted to know if they will be able to sustain without continuing to cut into their fund balance.

He explained that 85% of the money in their general fund is tied up with legislature decisions and projections from the Department. They look at flat revenue growth and go forward. They roll up their expenditures based on range progressions without wage increases on labor or staff and figure out what impact that would have on their expenditures. In addition to wage concessions, there is also modified health insurance. It is tough to do long range planning when such a large amount of revenue is given to them in two year increments based on legislative decisions. It was a lot more difficult in 2008 when they went through the fiscal crisis. Fortunately for them, they had NPM that leveled that out.

They try to slow the erosion of programs and services to the students and maintain as much of a level of programs and services as possible.

Member Kohn-Cole noted with the 11.5 million, the fund balance for FY16 was approximately 6%, and asked if they are expecting it to go below 4% for FY17.

He confirmed that it will. The budget they submitted to the Department shows 2.5%. He believes it will be more than that. The FY18 amended budget will have an increased fund balance of at least 4%.

Member Kohn-Cole asked if they have had any issues paying PERS or any other related expenditures.

He answered no, adding this is not the first time their fund balance has gone that low. For an entity their size, they are able to control expenditures easier than a larger entity. They haven't had any cash flow problems. Years ago, the Department of Education changed how they pay certain category programs so school districts don't suffer in July and August. The charter school enrollment is at max capacity, so they won't see another decrease. The education savings account did not go through this session. Mining is headed the other direction, so they are hopeful they will start seeing NPM.

Chairman Leavitt commented that after the audit report in November or December, he would like them to come back for another meeting. At that time discuss what that shows as well as where they stand for 2018. They have to get a handle on these before they get into further financial difficulty. He suggested they watch it carefully, and take any steps necessary to make certain they do not continue this decline. He doesn't want them to be on watch or under severe financial emergency. He said we will plan on the first part of January having another discussion on where they stand.

Member Ciesynski asked what their process is for the next school year, how they are planning as far as staffing.

Mr. Johnson agreed their largest chunk is wages. They have reduced positions, and have cut 25% of their labor force in the general fund. They are prepared to take additional cuts if necessary. They eliminate things they can work without.

Member Ciesynski commented that he knows school districts get paid by Average Daily Enrollment (ADE), and that ADE usually goes down at the end of each quarter as they get to the end of each year. He wanted to know what they were doing to compensate for that.

Mr. Johnson stated they file a budget based on a certain enrollment. At the start of the year they look at enrollment. As their revenue reduces they have make changes in the middle of the year if they need to. They haven't had significant changes. A 1 or 2% decrease would be pretty significant.

Member Johnson noted the Nevada Association of School Boards (NASB) has a conference every November, generally well attended by school board members. He has been in school board meetings and realizes the board sometimes goes against the advice of their finance people. He wonders if it would be a good idea to reach out to the Executive Director of NASB

and ask them to consider having a presentation on finances at their November conference explaining why it is critical they maintain some fund balance. Chairman Leavitt agreed that was a good idea.

Mr. Johnson agreed also, adding he has been a speaker and has spoken to the school board a couple of times, as well as the superintendent from Elko County School District. They spoke about the Nevada Plan formula and how the funding mechanism works. He believes it would be helpful for the more fiscal prudence things and how the Nevada plan works. They do that at their own school on a micro level, but he thinks it would be good to do it with them all in the same place, at the same time.

Member Johnson clarified, not the mechanics, but why they need to keep cash in the bank.

Mr. Johnson agreed adding that someone who is not in finance may not understand the cash flow of things. Even though the Department provides the revenue projections, they are projections and could be different. Elko County had an issue with their sales tax so they ran into cash flow issues during the year.

He thinks they are all good suggestions, noting there isn't anyone in the room with more at stake in the fiscal well-being of the school district than him. If they fell into receivership, it would be the end of his career as CFO. The school board understands how important fund balance is and it is their priority to build that in the correct direction. He is comfortable that this entity will not end up in fund balance deficit situation.

Chairman Leavitt asked him about the comparison between cash and fund balance, commenting that the Committee did an analysis several years ago to see how that compared. They found that some fund balance was substantially larger than cash balance, but in other cases it was reversed. He asked how their cash stands, and how it compares to fund balance.

Mr. Johnson stated they are pretty similar. They have problems with cash balance in the early months before they receive quarterly payments. There is not a huge fluctuation in that.

Member Ciesynski added, from the Washoe County perspective, July and August are usually challenging months for cash flow.

Chairman Leavitt suggested if there is an ending fund balance of less than 2%, and there are cash flow problems at the beginning of the year, that wouldn't be a good situation.

Mr. Johnson noted it is less than ideal, and he has offered the board members to make the trip with him to come before the Committee. He doesn't get to make the ultimate decision, he gives advice. The board can be persuaded with pleas from the public to keep soccer, etc. His position is to increase the fund balance, and that is usually not the most popular choice.

He moved to White Pine County in 1997, in 1999 the mine closed. They lost 25% of their student population, 20% of their entire county population, 45% of their support tax, 1/3 of their support tax. They were able to adapt, and they will again. He appreciates the guarded view the Committee has for local government, it is part of this watchdog process that helps fiscal directors reinforce why school districts need to make the right fiscal decisions.

3. Response by Lander County School District (4th year)

Velma Gamble, with Lander County, commented by phone. She stated they have made steps to improve their ending fund. The majority of the decline was due to the building projects in Lander. When they had assessment proceeds, they built a new elementary school, revised and expanded their middle school gym, and built a new athletic field. Those projects are complete and they are now working to rebuild their ending fund balance.

Currently, for FY17 they have an estimated ending fund of \$134,633. They have implemented hiring freezes and expense cuts. They estimate they will have an ending fund of \$1.8 million audited. Going into FY18 they used their net proceed estimate as part of the FY18 budget, not understanding that it needed to be held for FY19. They have further cut \$2 million out of their FY18 budget and have an expected ending fund of \$680,000.

Chairman Leavitt asked her to compare in actual numbers the FY16 to FY17 ending fund balances.

She replied FY16 ending fund balance was \$74,000, they increased that, audited they came in at \$2.3 million. They implemented expenditure freezes, hiring freezes, and have been able to increase that audited ending fund balance to come into the following school year. With NPM this year they expect only \$1.8 million rather than \$6 million, so they implemented a severe expenditure cut and freeze. They estimate their ending fund for FY17 to be \$1.8 million.

Chairman Leavitt asked about the ending fund balance for FY18.

She responded they have cut \$2 million out of the FY18 budget and currently stand at \$680,000 for their ending fund. They are looking at further cuts if needed. They are also in talks about their GSA as they have not received it because of their wealth factor for the last five years. They have relied on net proceeds as their main funding source.

Chairman Leavitt asked what their total general fund expenditures for 2018 are to end up with the \$680,000?

She answered \$13,782,873, 70% of that was budgeted for salaries. They made several staffing cuts and intend to redo the final budget to be submitted to Taxation.

Chairman Leavitt commented that in FY18 they are about as low as they can go without cash flow problems.

Ms. Gamble noted that on paper that is correct. They have \$5.4 million in reserve they could draw on to supplement cash flow. Chairman Leavitt asked her where that reserve is on their budget and she replied that it is budgeted throughout it.

Chairman Leavitt asked if she meant borrowing from other funds. She confirmed and he stated they don't want to go there; borrowing could end up being illegal. She agreed they don't want to go there either.

She explained that they have implemented hiring freezes, staff cuts, cut their operating expenditures by 20%-25%, and have cut \$2 million out of the final budget. Current ending fund balance is \$680,000.

Member Ciesynski asked about class sizes and grades. Ms. Gamble replied that they will maintain a plus 2 with the class sizes. They may have to combine 3rd and 4th grade and have a team teaching situation with approximately 40-45 students. Member Ciesynski questioned if plus 2 meant increasing class sizes by plus 2 to reduce the number of teachers needed. Ms. Gamble confirmed.

Chairman Leavitt expressed concern that they could get into a situation where they end up with cash flow problems, adding they ran into that several years ago with White Pine County and they were unable to make payroll. It took a special legislative act to approve borrowing money. He added they will need to come back in January to see where they are on the FY18. She agreed.

Member Kohn-Cole asked if the Department could provide them with a cash flow worksheet as it is hard to see the picture with just the letter. She would like more information.

Ms. Langley stated she was thinking the same thing. For all three of the school districts it would be helpful to see the cash flow projected for the year based on the 17/18 budget. She stated the department will provide them with that if it is ok with the Committee. Chairman Leavitt agreed. That's what they have done with some of the others.

Ms. Langley continued that it would help provide a clearer picture to see if they are running into tiny differences. She let Ms. Gamble know they would provide it to her.

Ms. Gamble thanked her.

4. Response by Douglas County School District (4th year)

Penny Hampton, with the Department of Taxation, announced Susan Estes with the Douglas County School District.

Teri White, the superintendent of Douglas County School District commented they are in their fourth year of declining ending fund balance. Over the last 15 years or so the district has faced declining enrollment. She has been in the district for three years as a director and 2 years as a superintendent. They pride themselves on the services they provide their students and the performance that they get. Until recently, they haven't taken a good look at what that costs in terms of personnel.

With declining enrollment they lost almost 1700 students in the last 15 years, they lost 100 last year. They maintained the same level of staffing with declining enrollment. They have put some comprehensive plans by department looking at reducing staffing.

Their budgets have not included replacement vehicles so the Board made a decision last year to put those back in, which affected their declining ending fund balance as well. They purchased three buses and a number of white fleet vehicles, and plan to again this year. They expect to have a 5th year of declining ending fund balance, but after that, FY18, they expect to be neutral if not increasing again.

Their relationships with their labor groups are less friendly than White Pine. They are trying to educate them on ending fund balance. The Board sees the ending fund balance as an opportunity for raises so they are trying to explain to them that they need to work on staffing numbers in order to budget for raises rather than draw from their ending fund.

Chairman Leavitt asked for the total amount of ending fund balance. She directed him to page 202 in the packet. He asked what they anticipate the FY17 number to be.

Susan Estes, with Douglas County School District, noted they kept those dollars in there for replacing buses and they maintained their staff, so they expect it to go down another percent.

Chairman Leavitt noted they filed a budget showing that number in it, and asked what that number was.

She replied that they maintained a 4% ending fund balance of about \$2.2 million. He asked if they expect it to be higher and she stated they expect it to be closer to 7%.

Chairman Leavitt asked about the FY18 ending fund to which she replied that was what she was talking about. He also wanted to know about the one that is due in 21 days. She said they expect it to be 7% to 7.5%, that it is about 8.9% right now, but will probably go down another percent and they are hoping for 8%. He wanted to know if they would maintain that this year, Ms. Estes turned to Ms. White for a response.

Ms. White responded that they intend to build that back up. They have always had a healthy ending fund balance, historically about 3.6 to 4%, and will probably get that this year as well. They will probably go down ½ percent.

Chairman Leavitt noted 8.9% is declining, but not in dangerous territory.

Ms. Estes agreed, stating it went from 9 to 8%. They are well above statutory requirements, but are declining. Another factor is that even though enrollment has declined over all, special education enrollment has increased. That causes a large transfer from their general fund to their special education fund. They've been looking closely this year at their maintenance of effort, looking at staffing, students who moved away, students whose needs changed. They are filing a report that recovers about \$1.3 million maintenance of effort to reduce that transfer. They hope once it is reviewed by the Department of Education that will reduce the transfer from the general fund to the special education fund.

Member Ciesynski asked what the special education percentage was. She replied the percentage of identified students was 15.5%, which is high. He commented that the State, up until this session, had a cap of 13% but the bill passed so they will see some benefit for anything over 13%.

Chairman Leavitt noted they need to be watchful, but he is not as concerned as he was with the others. He does not believe they need to come back in January.

Ms. White agreed. Ms. Estes added that Teri is very cognoscente about this, she goes to the board with those concerns and is tries to minimize the curve around they have out there.

(e) For Possible Action: Discussion regarding Mt. Grant Hospital untimely audit:

1. Report by Mt. Grant Hospital regarding untimely audit filing for FY 15/16

Susan Lewis, with the Department of Taxation, stated that Mike Metkovich was present to speak on this matter. She received a copy of the financial statements as she was redoing the budget.

Chairman Leavitt asked if they had this situation in prior years. Ms. Lewis stated they were two days late the year before, but never like this year.

Mike Metkovich, Mt. Grant Hospital, explained he was here to discuss the issues that led to their late filing. The summary he submitted is part of the packet. He explained they have gone through their 3rd EHR system in the last two years and it has caused a lot of problems, especially with their revenue, reporting net proceeds, and contractual adjustments. The trial balance for 6/30/16 was wrong. They did have the actual reports to adjust to the actual numbers but were hoping not to do that. They were hoping their EHR vendor, Athena, would be able to rerun the GL and they did, three times, but were never able to make it correct.

They switched audit firms to use a local firm. Eide Bailly had just come into town, they did not have a local hospital team, so they brought one from Fargo. He doesn't think they were very familiar with Nevada requirements. He added, since they got it to the auditors on time, they put in on the back burner until about May.

From a financial standpoint, their financials are strong. They have a current ratio of over 8, current assets of over \$8 million, current liabilities less than a million.

He doesn't feel they were given the attention they deserved, and will be switching audit firms this year.

Chairman Leavitt asked where they stand for the year that will end in a few days.

He said they still have some reporting issues. He explained the system issues. They hope it will be resolved in the next couple months. They do have the detail reports, and know what the numbers are. They want it on the trial balance though, so when they give it to the auditors they want that to speak for itself without adjustments.

Chairman Leavitt asked if their audit would be completed by November 30 of this year.

Mr. Metkovich hopes so, but can't make any promises. Chairman Leavitt asked if he had any reason to believe it wouldn't be. Mr. Metkovich replied no and added that the year before was tough too, there were other issues. He stated if the glitches in the reporting get settled in the next couple months, they will be complete by November 30.

Chairman Leavitt noted he is not as concerned with them as the last one because it is not a pattern that has been going on for a long time. He asked if he heard the speech earlier.

Mr. Metkovich replied that he had and stated they have a strong financial stability. Chairman Leavitt agreed, that it is not a financial problem, just a reporting problem.

Mr. Metkovich added that they depend on the outside vendors, but still have to take responsibility for the lateness. It won't be late like this year, hopeful for November 30.

Member Ciesynski commented that whomever their outside vendor is they need to hold them accountable. An auditing firm is only as good as the information they receive.

Chairman Leavitt noted they do not need to come to the January meeting. He asked the Department to update the Committee in the January meeting of Mt. Grant's auditing situation.

Member Kalt mentioned we may see more of this. Advanced Data Systems of Nevada (ADS) is the software provider for 15 of the 17 counties as it relates to the assessor's office data. They are phasing out their business in the next three years, including the assessor's programs, recorders, comptrollers, treasurers. In the future, we can potentially see reporting challenges that these rural entities will have to deal with as the conversions take place. He just wanted the Department to be aware and keep in the back of their mind, hold local governments accountable so that they hold their vendors accountable.

Heather Drake, Department of Taxation, added that she is meeting with the vendor who is hopefully contracted to the counties next Monday; they expect Carson City to be live with software by July 2018. She assumes the meeting will be a sales pitch, and the Department is interested and wants to know what the counties are doing with that.

(f) For Possible Action: Review of the Las Vegas Metropolitan Police Department Staffing Report as submitted

Rich Hoggan, with Las Vegas Metropolitan Police Department, asked for the Committees indulgence while he gave a brief history on what brings him there today which includes their sales and use tax.

In 2004, an issue was put before the voters of Clark County to see whether or not they would support an additional .5% increase in sales tax to support additional police officers and their associated equipment. It was passed and the legislature in the 2005 session approved .25% at that point. There was pursuing action in the next few years in following sessions.

In 2013, the legislature, in a special session, approved legislation for the county commission to levy up to a .15% increase on top of the .25% already levied. That was not acted upon by the Clark County Commission until late 2015, where they approved .05% (1/3 of that) levied. When that .05% was levied, a provision that existed in the special session legislation was also implemented.

While well intentioned its actual language created some confusion. The language required them to employ and equip an equal number of police officers in unfilled budgeted positions, in positions other than more cops. The way it reads would require them to every year have some assurance that they would have an equal number of unfilled budgeted positions in their operating fund every year. That is difficult to predict, and as they become full staffed, it becomes unlikely that they will have an equal number of unfilled positions each year.

The legislature also allowed them to request a waiver to that provision, which they did, and they appreciate the Committees consideration with that. Part of the Committees approval of that directed them to report on their staffing.

The intent was for them to continue to fill positions in their operating fund, not just the more cops fund, and they have. Since the initial levy was issued in January 2016, they hired 150 police officers, recruits. Some went on to become police officers, between December 2015 and December 2016. As of April of this year they are fully staffed, including recruits.

The report provided is from January 4, 2017. Since then, they hired another 161 officers. They have had 123 separations, for a total increase of 38 police officers/recruits, filled positions.

The crime prevention act was passed in the most recent special session, the stadium tax was also considered, that resulted in an addition .01% levied. Effective 4-2017. They are hiring under that as well. Their goal is to have 40 person academies beginning in February 2017 through April of 2018. If they meet that goal, they will have filled all of those positions. They anticipate hiring somewhere in the neighborhood of 600 officers over the next 15 months if it is successful.

Chairman Leavitt asked if they need to accept the report or take any action on this.

Mr. Hoggan stated he understood the Committee that they were to report to the committee to ensure they have met the intended legislation. They are available to report either to the Committee, or to their staff as often as the committee would like.

Ms. Langley explained this is an additional report that was provided based on the last Committee meeting. The department wanted some additional information regarding the recruits as well as the vacated positions. She believes this report does that. She appreciates Las Vegas metro for providing a template they can use with other entities on their more cops positions.

Chairman Leavitt thanked him for his presentation.

ITEM 4. BRIEFING TO AND FROM THE COMMITTEE ON LOCAL GOVERNMENT FINANCE AND LOCAL GOVERNMENT FINANCE STAFF

(a) For Possible Action: Discussion by Committee Regarding Matters Affecting the Committee

Chairman Leavitt wanted to recognize John Sherman's service with the Committee. He was very active in the committee, he served as chairman of one of our more active sub committees. He did a good share of the work on the property tax abatement system. He very much appreciates the service of many years. He wanted it on the record. He was a very active participant and been a benefit, great service to the state.

1. Election of Vice-Chairman to replace Vice-Chairman Sherman

Chairman Leavitt asked Member Johnson if he were to nominate him, if he would be willing to accept the position of vice chairman.

Member Johnson said he would, and noted he was going to nominate Member Kalt.

Member Kalt added he would love to nominate Member Johnson with all due respect for the Chairman.

Chairman Leavitt stated there is a motion and asked if there were a second.

Member Ciesynski seconded the motion. The vote was unanimous.

Chairman Leavitt congratulated Member Johnson adding he has been on the Committee for a long time and is an expert on debt. He has been a real asset to the Committee.

2. Review of Committee Member Responsibilities

Chairman Leavitt explained with all the new members, he wanted to discuss some of their responsibilities.

Ms. Langley suggested Chairman Leavitt go over these with the new members.

Chairman Leavitt started noting the areas they have responsibilities in. First, they do regulations, particularly Chapter 354. When they do regulations, they have a preliminary discussion first as a full committee, then a subcommittee. He tries to make the subcommittee members from the same part of the state, although it doesn't have to be that way. There are a number of things they do subcommittees for. Sometimes it is general accounting, and they ask how it will apply to Nevada Law. Another being local governments in financial difficulty, which involves several different levels, fiscal watch is one. They have them report to the Committee on a regular basis, and either they improve and are removed, or they don't improve and get into severe financial emergency. At that time the Department will take over the operations of the local government.

They also have a responsibility as shown today to untimely reporting. He added that it seems like every legislative session, a few more of those are added to them.

They are active in drafting guidelines regarding debt, medium term finance, gasoline taxes as it relates to determination of miles and responsibilities of local government. The committee represents local government, and they have a responsibility to watch over them. Local governments have a responsibility to follow the law, and if they don't, the CLGF makes certain they do.

He realizes he came down kind of hard on some of them today, but they have a responsibility to do what they are supposed to do. Over the years, the Committee has developed a good working relationship with the Department of Taxation; they have been very helpful and have provided all the working papers, the agendas and such.

He noted that is a generalization of what they do and asked Member Kalt if he had anything to add.

Member Kalt added that he has been on the committee 20 years. He feels one of their responsibilities is to help local governments help each other. Member Kalt was hired at 25 years old as the comptroller of Churchill County. Guy Hopps, Kathy Young, Marvin, John Sherman, and people like that mentored him and helped him solve problems, peers getting together to help solve problems. He believes as a committee, one of their indirect responsibilities is to help entities solve their problems. If problems aren't solved, then the legislature tends to solve them, and we may not like that. He values the mentorship he received.

Chairman Leavitt added that the committee has new members with a lot of experience as it relates to local government. Many of the members have been involved with the drafting of the laws we operate under.

Member Cronk asked if the Department has a more formal document that shows the committees responsibilities, as an easy reference.

Ms. Langley stated she is not aware of such a document existing, but can share the organizational guidelines for the CLGF. It kind of says what the rules are for the Chairman, Vice Chair, and how often they have to meet. There are various statutes that say this is

governed by Local Government Finance. While the latest bill, SB78, was being discussed the Department went in and strongly requested that CLGF have the ability of oversight of the plan. Otherwise, the bill would have allowed them to pay the 3.3% annual reduction in their transfers they do from their enterprise fund to their general fund. Basically subsidizing taxpayers with rate payer money, that amount is \$330,000 per year. Should their budgets allow this, the Committee would request stronger payments. Otherwise it is a 30 year pay down.

Member Cronk commented that when he was reading that bill it prompted his question about the statutes for CLGF.

Ms. Langley noted at the next meeting, Chairman Leavitt and herself will make sure there is a Legislative Overview on the next Agenda. They will be able to provide various bills and what impacts they have on the local governments. They will show if there are any regulations or additional guidance or workshops needed, find where the committee can aid local governments to make sure the entities are compliant.

Chairman Leavitt added that, for example, the Department has consulted with the committee before on budget forms.

Ms. Langley stated the audits need to follow the budget form as close as possible, adding they still have entities that struggle with that, but the current budget analysts really work with them to say these need to comply as it is regulation. And as they get these forms together, they need to know that not just the budget is in that format, but the audit as well.

Chairman Leavitt added that they have dealt with a number of entities over the years. There was a hospital district that had problems, so they tried to assist them over a long period of time with the accounting and operational problems. They haven't had much of it lately, but in the earlier years they saw some governments get sideways and the committee acts as a go between back and forth to see if they can resolve it.

ITEM 5. REVIEW AND APPROVAL OF MINUTES

For Possible Action: CLGF Committee Meeting – January 12, 2017

Member Johnson motioned to approve the minutes. Members Cronk and Kohn-Cole seconded the motion. The minutes were approved unanimously.

ITEM 6. FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING

Ms. Langley stated based on today's meeting, some of the items noted she had already planned for the next agenda. She would like to have a Legislative update for the committee at the next meeting, discussing the bills that were passed and signed. The Department is putting together a list of bills that may have been approved but not signed yet. It was too early to provide the list to the committee for this meeting. They do try to do that for the committee as quickly as possible after legislative sessions.

Additionally, they will have the Annual Audit report showing the counties, schools, and cities. It will allow the committee to see ending fund balances, increase and declining, as well as revenues and expenses. It has been a helpful report in the prior years.

She added North Las Vegas was asked by Chairman Leavitt to come in and work with the department to put together a plan. Based on SB78 the plan needs to be approved prior to July 2018 by the Committee, so they will be on the agenda as well.

Nye County Hospital was also asked to return to provide an update as well on the hospital negotiations. Right now it is just the hospital. The Department will see, based on information coming forward, if they will have Nye County as well.

Winnemucca Visitors and Convention Authority will come in to tell the committee the status of their audit. She knows some of the others he had wanted to come in January, but was thinking he wanted Winnemucca to come in September to know where they will be on that. She asked about timing for the next meeting.

Chairman Leavitt responded that he was thinking September, because of the difficulty of scheduling in the summer with vacations. Ms. Langley stated that a variety of dates would be sent out to the Committee, and requested they respond as quickly as possible. The date chosen will be the one with the maximum number of available members.

She asked if there was anything else they would like to cover at the next meeting that hasn't been mentioned, adding that they will have White Pine and Lander school districts at a future meeting.

Chairman Leavitt stated he is not aware of any statutory matters they need to work on right now, but it is possible legislation may produce something.

Ms. Langley agreed that once the Department provides the Legislative Update, it may draw potential questions or areas they may need to look for additional guidance. She also added that later in the year, the Department will notify the Committee if Mt. Grant filed timely.

Chairman Leavitt stated he was not aware of anything else, and checked with the other members if they had anything, none did.

ITEM 7. PUBLIC COMMENT

There was no public comment.

ITEM 8. For Possible Action: ADJOURNMENT

The meeting was adjourned at 12:51 p.m.