

MBJ

**Minutes of the Subcommittee Meeting  
COMMITTEE ON LOCAL GOVERNMENT FINANCE  
September 6, 2017, 9:00 a.m.**

The meeting was held at the Legislative Counsel Bureau, 401 S. Carson St, Room 2135, Carson City, Nevada, and video-conferenced to the Legislative Counsel Bureau, Grant Sawyer State Office Building, 555 E Washington Ave, Room 4412, Las Vegas, Nevada. This meeting was also part of a teleconference.

**COMMITTEE MEMBERS PRESENT:**

Marvin Leavitt, Chairman  
Marty Johnson  
Beth Kohn-Cole  
Jessica Colvin  
Alan Kalt  
Jeff Cronk  
Tom Ciesynski  
Mary Walker  
Jeff Zander  
Jim McIntosh  
Christine Vuletich

**COUNSEL TO COMMITTEE**

Peter Keegan

**MEMBERS OF THE PUBLIC PRESENT:**

Name	Representing
Lorinda A. Wichman	Nye County Commissioner
Clifford F. Dobler	Self
Linda Newman	Self
Jamie Hyde	CC Communications
Lisa Koster	Self
Bob Erickson	City of Fallon
Ken Eason	Nye County Hospital District
Sharon Styles	Self
Denise Lewis	Self
Nan Ancho	Lander County School District
Darren Adair	City of N. Las Vegas
Ryann Juden	City of N. Las Vegas

**DEPT OF TAXATION STAFF PRESENT:**

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

**ITEM 1. ROLL CALL AND OPENING REMARKS**

Chairman Leavitt called the meeting to order at 9:00 a.m. Members Christine Vuletich and Jim McIntosh arrived after just after roll call.

**ITEM 2. PUBLIC COMMENT**

Clifford F. Dobler, Incline Village resident, commented that he believes Incline Village General Improvement District's (IVGID) accounting and reporting has been unlawful. He sent multiple memorandums to IVGID, the Department of Taxation, and IVGID's auditors. He wants the Committee to place IVGID's accounting and reporting on its agenda.

Linda Newman, Incline Village resident, requested the Committee to consider contacting the Attorney General (AG) to investigate IVGID's accounting and reporting practices, adding that complaints have been filed with the AG regarding IVGID's concealment or destruction of records. She requests the Committee take necessary actions to hold IVGID accountable and ensure their compliance with Nevada Law.

**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:**

**1. Presentation by the City on the proposed SB78 Plan**

Member Beth Kohn-Cole recused herself from discussions regarding North Las Vegas. Member Marty Johnson disclosed that he owns some small bonds issued by North Las Vegas that would not have any bearing on any decisions he makes.

Ryann Juden and Darren Adair, appeared on behalf of the City of North Las Vegas.

Ryann Juden, Assistant City Manager, explained they are still working on a plan, focusing on new development. He went over the Apex development, and how they are working with landowners as well as the county on SB78 regarding what the plan will look like. The county is another potential taxpayer for Apex. He spoke about the tools they have, including SB78, to reduce and remove their reliance on transfers.

Chairman Leavitt inquired when they would be ready to work with the Committee on a plan, noting the Committee would like to start working with them on the plan prior to the Cities deadline of June 30th.

Mr. Juden replied that they will work with the staff at Taxation in the next few weeks. They would like a better idea of the plan first.

Chairman Leavitt requested North Las Vegas return for the next Committee meeting with an update on the plan, even if just an open discussion. They agreed. He also asked Mr. Adair where they are on the year end 2017.

Mr. Adair responded that the city is preparing for the upcoming audit, and the tentative analysis is encouraging. They anticipate a positive general fund, and the structural deficit remains at zero. The city has been able to contribute to its expenses. Staff levels remain at a minimum. The city is also aggressively going after growth.

Chairman Leavitt referred to page 123 of the exhibits, which shows the situation over numerous years. He commented that they seem to have things under control, and the basic problem is being able to provide services, Mr. Adair agreed.

**(b) For Possible Action: Discussion and Consideration of Nye County Regional Hospital District:**

**1. Update on Northern Nye County Regional Hospital District renegotiation of the lease and any potential Budget impacts;**

Member Beth Kohn-Cole questioned if the Hospital District Board members were the same as the Nye County Commissioners. Lorinda Wichman clarified they were not.

Lorinda Wichman, Commissioner and Ken Eason, Chairman of the Hospital District Board appeared on behalf of the Nye County Regional Hospital District.

She stated that Renown did not see a reason to renegotiate the lease.

She also noted that a new model for delivering services will be proposed to the Hospital District Board of Trustees on the September 25th. This will be between Remsa, the State Emergency Management System, and Renown. This may stretch the budget, but she believes the money they accrued over the years should more than cover any gaps or

deficiencies they have for the next few years. They encourage the Board to keep the expenditures in the \$690,000 a year range.

Nye County is expecting more growth, which will produce more revenue to the Hospital District. They hope to start reducing the subsidies and produce more of the services that they haven't had in Nye County for some time.

Chairman Leavitt asked Ms. Wichman to discuss the current medical services they have. She briefly went over the history of the lack of medical services in Northern Nye County and explained the agreement with Renown that brought Telemedicine services to the area. She described the new model. It basically takes an emergency room to the call, instead of the patient being taken to an emergency room.

Chairman Leavitt asked her to explain what happens if someone calls 911 with a heart attack, in Gabbs, for example. She explained that an ambulance would be dispatched from Fallon, if they are unable to take the call, they would go to Hawthorne.

He asked for an example of what happens with a bad car accident. She replied that anyone who has an ambulance shows up, explaining what happened with their volunteer EMT's was not been response, it has been where to take the patients. EMT calls have reduced. She explained to her community to stay healthy, as they do not know what they have for responses. They are working on partnerships to get support for their emergency services. She believes the community is working together to help each other out.

She added that she is excited over the new proposal. Chairman Leavitt agreed it sounds good and he is happy to see Nye County's financial condition improving. He noted that they expect a report on the financial condition for the year after the audit is complete. He wants them on the next agenda; hopefully they will have the audit report by then.

Chairman Leavitt asked Ken Eason if he had any comments. Mr. Eason expressed his support for what the Commissioner had already explained. The Hospital Board is supportive of the new elect Board members of the hospital district. He added that they do have a private clinic in Tonopah, and expressed the need for emergency services. He explained their goal is to eventually open the hospital again.

Ms. Wichman added that their EMT volunteers have declined. They went from 20 to 7. They recognize what is happening and are looking for partners.

Chairman Leavitt recollected the history of the hospital, and the people who work at Round Mountain gold. Ms. Wichman explained the mine has its own clinic, emergency staff, and their own ambulance. She also added they respond to accidents in Round Mountain, but do not offer services to non-employees.

**(c) For Possible Action: Churchill County Implementation Plan for PILT Revenues and Churchill County Communications Transfers.**

Alan Kalt spoke on behalf of Churchill County. He explained Churchill County Communications (CC Communications) and how they became. He noted that they believed PILT payments from CC Communications were not subject to NRS 354.613, so they asked the Department of Taxation for an advisory opinion.

Chairman Leavitt clarified that they have the only telephone company that is government operated in the State, and are therefore one of a kind regarding that particular fund.

Mr. Kalt confirmed, explaining they have strict federal rules on what is allowable cost, and they set the rates across the United States. CC Communications is at the lowest, noting they have never raised rates on their customers.

In the late 80's they developed a formula with experts to establish how to calculate the PILT payment. It remained the same until 2013-2014, when they had to implement an unintended consequence to the changes in NRS 354.613. They did not raise rates to make the payment. They give a dividend back to the citizens to help support essential and non-essential programs in Churchill County.

In the statutory provisions, there is an exemption for federally regulated airports. Their goal is to get that exemption. They are seeking change in the 2019 session for an exemption for local governments that own telephone communications, similar to the airport exemption. Starting in 2019, the county and CC Communications will reinstate a gradual reduction, if necessary, to be compliant with the statutory provisions.

Chairman Leavitt stated he personally thinks they got caught in something that was not really intended for them. They are unusual and the only one. He agrees they need the exemption, and should not be subject to those provisions.

Mr. Kalt noted they do not believe there will be any pull back from that.

Chairman Leavitt asked Member Walker if she was familiar with this issue. She and she did not think it was intended for CC Communications to be part of that and should be resolved legislatively.

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

(a) Report by Department of Local Government Finance "Audit Summaries 2007 – 2016"  
as prepared for the Committee

Kelly Langley, with the Department of Taxation, presented the 2007-2016 Audit Summaries, briefly explaining the charts in the material provided.

Member Walker commended Ms. Langley and her staff, adding they did a great job providing what the Committee asked for.

Chairman Leavitt recalled that there are a couple of school districts the Committee wanted to come back. Ms. Langley confirmed, noting there are three. Since the audits are due at the end of the year, she thought it would be good to have them back in January, at the next meeting.

Chairman Leavitt added the material she provided shows clearly what has happened to property taxes throughout the state. He commented on Clark County, which shows the struggle they have had with property taxes remaining low.

Ms. Langley explained that the abatements kept the counties that show a significant decline from capturing any growth.

Member Colvin added that CTX has rebounded for Clark County. Chairman Leavitt noticed the CTX has come back in a lot of the State, as it is not capped. He also noted net proceeds through the various counties jump all over the place in this report, confirming the risk for local governments.

Chairman Leavitt added that he really appreciates the Department preparing this. Member Kohn-Cole noted one error, the total revenue is off for the city of Reno on page 133 of the material.

Member Ciesynski also thanked Ms. Langley for the outstanding detail and quality of the information, suggesting breaking out the property tax. She noted they are looking at that.

**ITEM 5. REVIEW AND APPROVAL OF MINUTES**

**For Possible Action: CLGF Committee Meeting – June 9, 2017**

Member Kalt motioned to approve the minutes from the June 9, 2017 meeting, Member Johnson seconded. The minutes were approved unanimously.

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

Chairman Leavitt noted after audits are completed, there are several entities they want to come back.

Ms. Langley stated that at the last meeting, it was discussed that White Pine and Lander School Districts were to return.

Chairman Leavitt suggested the next meeting be in the first couple of weeks in January.

Ms. Langley added North Las Vegas and Nye County Hospital would be on the next agenda as well as a Legislative update.

Member Kohn-Cole clarified Nye County also, not just the Hospital District.

Chairman Leavitt further clarified Nye County is to give an update on their financial condition. He would like North Las Vegas to discuss the SB78 plan, present on their audit report for the year end, and provide a summary of their staffing levels for each of their departments, back to 2008.

**ITEM 7. PUBLIC COMMENT**

There was no public comment.

**ITEM 8. FOR POSSIBLE ACTION: ADJOURNMENT**

Meeting adjourned at 10:22 a.m.