Minutes of the Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
April 25, 2014
10:00 a.m.

The meeting was held at the Nevada State Legislative Building located at 401 South Carson Street, Room 3137, Carson City, Nevada, and video-conferenced to the Grant Sawyer State Office Building located at 555 East Washington Avenue, Room 4412, Las Vegas, Nevada.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt, Chairman
John Sherman, Vice Chairman
Andrew Clinger
Beth Kohn-Cole
Julia Teska
Marty Johnson
George Stevens
Mary Walker

COMMITTEE MEMBERS ABSENT:

Alan Kalt
Mark Vincent
Jeff Zander

COUNSEL TO COMMITTEE

Dawn Buoncristiani

DEPT OF TAXATION STAFF PRESENT:

Terry Rubald
Kelly Langley
Warner Ambrose
Heidi De'Angelo
Penny Hampton
Susan Lewis
Janie Ware

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Scott Nash	Bank of America
David Pauley	Bank of America
Greg Titus	Bank of America
Al Kramer	Carson City Treasurer
Lori Chatwood	State Treasurer's Office
Darren Adair	City of North Las Vegas
Debbie Barton	City of North Las Vegas
Jeff Buchanan	City of North Las Vegas
Jan Fullmer	City of North Las Vegas
Ryann Juden	City of North Las Vegas
Sandra Morgan	City of North Las Vegas
Jeff Cronk	City of Sparks
Jeffrey Share	Clark County Finance Dept.
Bridget McInally	Clark County Water Reclamation District
Bruce Snyder	EMRB
Stephen Walsh	Fitch, Inc.
James DeHaven	Las Vegas Review Journal
Cy Ryan	Las Vegas Sun
Peter Bianchini	Mesirow Financial
Cole Richinn	Moore & Van Allen Law
Geoff Dornan	Nevada Appeal
Bob Barengo	Nevada Tax Commission
Leonard Cardinale	North Las Vegas Police Supervisors Association
Michael Sullivan	Town of Pahrump

1. Roll Call and Opening Remarks

Chairman Marvin Leavitt called the meeting to order at 10:03 a.m. Warner Ambrose, Budget Analyst, Department of Taxation, took roll call and stated there were eight members present, and there is a quorum.

2. Public Comment

There was no public comment.

3. For Possible Action: City of North Las Vegas Financial Condition

(a) Report by City on financial condition for FY 2014 including revenue, expenditures and cash flow analysis;

(b) Report by City on tentative budget and financial plan for FY 2015

1) Status of negotiations on CBAs

2) Explanation of general assumptions and plans as requested during March 7th CLGF meeting; Report from City on plan to alleviate financial difficulties currently experienced by City

3) Report on other litigation/judgments

4) Report on any new or increased taxes, licenses, or service fees contemplated in the budget

(c) Consideration of Recommendations to tentative budget and financial plan by Department/CLGF

Chairman Leavitt expressed appreciation and congratulations to those who have worked very diligently on behalf of the City, the State and the labor groups to reach agreement on these contracts. It makes a huge difference on the City's situation going forward. Chairman Leavitt expressed appreciation to the Governor and his staff, the administration of North Las Vegas, the Department of Taxation staff and all of the labor groups.

Jeff Buchanan, City Manager, City of North Las Vegas, stated on behalf of Mayor John Lee, all of the City Council Members, himself and all of his executive staff, first and foremost, they want to thank this body, Chairman Leavitt and the rest of his team for the willingness to work with their City through these trying times. The Mayor would love to have been here today; unfortunately he was unable to make it. Mr. Buchanan made a few comments on his behalf. He thanked the Speaker of the Assembly and the Governor's office for their assistance during this time. The bargaining groups have made tremendous sacrifices, and the City of North Las Vegas has worked hand-in-hand with their executive team to come to some tentative agreements. The tentative agreements are not complete but are really close. All of the adjustments and agreements were made so the City can preserve services in the community. The City is not out of the woods yet. There are some long-term challenges but they have met the short-term challenges with the agreements that are in place. It is really important for the City to continue to work closely with the bargaining groups. The bargaining groups have been exemplary in how they have come to the table and worked through these trying times. Mr. Buchanan introduced Darren Adair, Acting Director of Finance, Sandra Morgan, City Attorney and Ryann Juden, Executive Government Affairs Liaison, with the City of North Las Vegas.

Chairman Leavitt stated he spoke with Mayor Lee a week ago, and he indicated he would be unable to be here today. Chairman Leavitt told him that would be fine, and we would recognize he had a prior commitment.

Member Beth Kohn-Cole recused herself due to conflicts of interest with the unions.

Member Johnson wanted to disclose he owned a small amount of bonds from the City of North Las Vegas which are paid through the water and sewer revenues. Since it is a very small amount, it should not impact any decision, action taken or his voting.

Chairman Leavitt asked a few questions to establish some matters for the record. Regarding the proposed agreement with the unions, he asked if the result of that agreement is reflected in the tentative budget, both in the current year, the subsequent year and the next fiscal year.

Darren Adair stated the financial impact of the tentative agreements has been reflected in the details of the tentative budget.

Chairman Leavitt asked if they have payments reflected for all maturing principal and interest on all debt in the tentative budget.

Darren Adair responded that they do. They have payments in May and June which are set aside, and they are prepared in this current year and the next year to meet those obligations.

Chairman Leavitt asked if they have money reflected as payments for all contracts they have with the City in the tentative budget.

Darren Adair responded that to the best of their knowledge, they have reflected all of the contracts. One of the benefits of this whole process is that most of the contracts and obligations which otherwise might not be readily noticeable have come forward on their own to make sure they were included in the consideration.

Chairman Leavitt asked if they believe that the revenue and expenditures shown in the tentative budget will leave them with a cash balance sufficient to pay their obligations and payroll so they will not have a cash flow problem at any time during the year.

Darren Adair responded that the tentative budget was prepared with an ending balance of 8%. The City Council allowed them, by resolution, to go down to 6%. It is anticipated that during the year they may drop below 8% and get close to a 6% balance. The tentative budget does contemplate being able to meet all of their obligations as they currently know them and being able to be almost back up to an 8% ending fund balance in the general fund by the end of the fiscal year.

Chairman Leavitt stated that just recently the results of a lawsuit regarding Fifth Street and eminent domain came from the Supreme Court. He asked if someone would comment on where they stand on that lawsuit and if it is reflected in the tentative budget regarding how they plan to proceed.

Sandra Morgan stated the matter was still in pending litigation. It is currently at the Supreme Court. The City has filed a petition for rehearing, and the Supreme Court has asked the respondents in that case to respond. She stated it was not budgeted. Since it is still pending, she is not comfortable having anyone else comment on it.

Chairman Leavitt asked for clarification that it was not budgeted in the current year or next year regarding the end disposition on the lawsuit.

Sandra Morgan responded that was correct.

Darren Adair responded that they are aware of it, and they are in contemplation of the options they may have to address as a City.

Chairman Leavitt asked Mr. Adair to continue with his presentation. He was finished with his preliminary questions regarding the substance of the basic document.

Darren Adair stated the most notable thing they have to report is that they were able to reach tentative agreements in business points with their collective bargaining groups. They were able to get the tentative budget about three minutes before it was due. In the budget, it contains comparative information of the prior year as well as where they anticipate being at the end of this year. The main thing to point out is that the ending fund balance in the general fund would be returning to 8%, which is where the City Council's resolution, which is a one-year resolution, would require them to be by the end of the fiscal year. Also, Mr. Adair pointed out that as you go through the line items, the costs in comparison to where they are this year and the prior year, are fairly flat with a few exceptions. The fact that it is staying flat indicates what the City has

accomplished in the previous two years by resolution and cost-cutting measures voluntarily established this year through the collective bargaining groups coming forward.

Sandra Morgan stated that on the agenda, under 3(b), it does have status and negotiations on collective bargaining agreements (CBAs). As Mr. Adair pointed out, they have reached tentative agreements, but they cannot discuss the details of those agreements because they are not sure if the collective bargaining units have actually voted on those. It is reflected in the budget, but is actually scheduled for final City Council approval for ratification of those agreements on May 7th. She wanted the Committee and the Chairman to understand why they cannot go into detail on those.

Darren Adair stated there has been a lot of discussion around the seven-year projection, the $17.8 million structural deficit or deficit in the forecast for FY 2015. Shortly after the presentation in early January, they learned of the ruling from the District Court about the two previous resolutions and their impact. They had $17.8 million that they knew was forecasted, and that forecast was very detailed. Going out seven years, it gets a little less accurate. They had a $23 million anticipated settlement there, but about $16.1 million of that was calculated as being related to pay increases that had been suspended during that two year period of time. There was also an estimate of what might be prejudgment interest that had not been finalized. The combination of those amounts was about $34.9 million which they were trying to solve for FY 2015. Mr. Adair outlined some of the items in solving for that number. Through the settlement reached in these tentative agreements, it included the settlement of that ruling and liability. There was a $9.4 million savings. That savings was $10.4 million. That would be a $17.1 million potential liability that they had minus the $7.7 million ultimate amounts that were settled with the collective bargaining groups. They had $5.6 million used in that settlement process. In the general fund at the end of the year, they still anticipated having about $5.5 million that was anticipated to be used from the general fund for the general fund portion of the settlement with a total of $7.7 million. There was also $2.1 million in the ending fund balance in Fund 288, which is the More Cops Fund. This was going to be used only for those portions of the settlement that would be paid out to sworn officers. During the budgeting process, they were able to take what they had, which they thought was a fairly tight number for 2015 and the seven-year projection, meet with the respective department heads, help them understand the nature of the situation, and reduce another $2.6 million dollars out of their operating budgets. They had been holding on to many of their positions through a Critical Needs Committee, reviewing all of the positions as they became vacated and determining if those positions were absolutely critical for the City to rehire. They were able to get some vacancy savings rather than being required to make cuts in other positions, and that was approximately $4.8 million and included 42 positions.

Chairman Leavitt asked if comparing what is funded in the tentative budget with the staff currently on board showed a reduction from that number in the tentative budget or if it shows funding for everyone on board.

Darren Adair responded that the tentative budget reflects the current staffing. Their goal is to maintain this. Mr. Adair believes the City Manager's goal is to try to preserve jobs and services for their citizens. They felt that although a number of the positions that had been vacated during this fiscal year were critical to the City, they could, through sharing the responsibilities, manage through that process. It left a remaining hole of $10.4 million that they needed to resolve, and that $10.4 million went to the respective collective bargaining groups. They discussed an approximate pro rata portion of that with each of them and asked them to work with them to identify how the benefits and salaries could be adjusted to make up the difference. A good portion of the $10.4 million was made up by freezing holiday and sick pay banks, which was part of the resolutions in the past. What was accomplished through resolution the previous two years was accomplished voluntarily on the part of the collective bargaining groups through the tentative agreements. That accounted for the $34.9 million hole they were trying to resolve. The budget contains a small contingency amount of about $500,000 for unexpected things during the year. That is the customary balance amount the City has put in the past and does not give a lot of wiggle room, but they do believe that they can execute on that budget.

Chairman Leavitt asked if the budget provides for maintaining the new large park at its current level.

Darren Adair responded that they do have a contract for the maintenance and servicing of that park and the contract is included.

Chairman Leavitt inquired why there was a very substantial increase in jail costs.

Darren Adair stated that a couple years ago, the City of North Las Vegas, in an effort to share services with the City of Las Vegas to reduce costs for the City of North Las Vegas, entered into a contract for detention services. That contract provides for increases in the daily bed costs or housing costs for the inmates.

Chairman Leavitt stated he wanted to discuss the enterprise funds and the $32 million coming out to supplement the revenue of the general fund.

Darren Adair responded that they have been concerned about that fund and have spent time analyzing it. It was anticipated there would be a very close to the minimum financial covenant for cash balances and reserves. That is still the case. The timing of that is approximately two or three years out from now when they are projecting to go slightly below the amount necessary to meet the covenant. Historically, they have been achieving a little better than their budget. At the waste water facility, they run the staff lean. The engineering group there is continually looking for opportunities to extend the life of the capital replacement items such as membranes and pumps. They believe they can maintain above the covenant. Once they get off of the payment transfers in 2021, the fund becomes very healthy and the reserve starts to build up fairly quickly. At the last meeting the Committee asked for their analysis on that reserve. They have engaged a firm to provide the reserve study. They expect to get a draft presentation in the next week and a half and a final presentation in about two weeks. They would be happy to provide the Committee with the results of the reserve study. They believe with the rate increases set by resolution through their City Council and the forecast to continue use of that subsidy, although tight, if they do not decrease it, it will be sustainable through 2021.

Chairman Leavitt asked if they had a severe maintenance problem, would there be resources to maintain it properly and keep operating in this current year.

Darren Adair stated they were concerned that if there was a catastrophic event or requirement to replace infrastructure, collection systems, etc. for the sewer system or water system, they would be challenged and without the ability to raise capital. In anticipation of that, they are working closely with some of their significant vendors regarding contracts and vendor financing. They have been holding staffing to minimum levels and have made reorganization decisions which amount to some additional savings at the waste water facility. This will help minimize the risk.

Chairman Leavitt asked if they plan to increase any services charges, license fees, taxes, etc.

Darren Adair responded that the tentative budget does include an increase. Through the shared services process and partnering with the City of Las Vegas, they were able to identify some best practices and fee structures. The City went through a fee comparison study and the process of approving those changes in the fee structure. They have also looked at some efficiencies they can do on the collection process. The Director of their Business Licensing Division identified the potential for about $1,700,000 million in revenue increase. In the budget, they took into consideration about one third of that in the next year as they ramp up towards increasing those revenues.

Mr. Adair added that there are a number of other small things pertaining to building, licensing, animal control and shelter services. They have worked closely with the Animal Foundation, and there are some smaller revenues being collected on their behalf.

Chairman Leavitt stated he felt it was quite an achievement to get the tentative budget within the timeframe due to the level of staffing in their finance area.

Darren Adair responded he personally felt it was nothing short of a miracle. Staff worked long hours and over the weekend. They had assistance from former staff that are now working with other municipalities. They had assistance from some of the City of Las Vegas staff through Mr. Vincent's help. They felt they had included everything they were aware of in their budget and felt very comfortable with it.

Chairman Leavitt commented, for the purpose of the record, in the estimating of revenues for property taxes and consolidated taxes, the City of North Las Vegas used estimated revenues provided by the Department of Taxation.

Darren Adair responded that it was an interesting process. He thought they might need to look at what the City was able to do in the way of increasing revenues, including property taxes. It was his understanding that might avail the City about $7 million or $8 million even after abatements, close to $12 million on a gross basis. Mr. Vincent and his staff helped run a more detailed model with the exact parcel information. They became aware that it was going to be substantially less, around $1.5 million to the general fund. That would primarily be from the more mature parts of the City. They felt they needed to pursue the other options.

Chairman Leavitt commented that the current situation in the state regarding property taxes and a big problem for all governments, including schools, is the huge drop in assessed valuation and the huge drop in revenues coming from those. The way the caps work now with the limits on growth from prior years, it appears we will never get back to where we were prior to the big drop in assessed valuation. This is something that needs to be considered by the Legislature. Otherwise, we are looking at property taxes not maintaining the historical role as far as revenues for both local governments, schools, cities, counties and special districts.

Vice Chairman Sherman asked for more clarification on the property tax issue. He asked about the absolute property tax rate that was included in the analysis -- the increase.

Darren Adair stated they had responded back to the Department of Taxation in the normal process, as required, asking for the 30.5 cent consideration. The full amount was available. The challenge was the decision, and options were being considered. They needed to understand the impact if they stayed where they were. The calculation of the abatements and caps is a fairly complex process so they had to ask for a quick revision from the Department of Taxation. Most of that information was coming in last week. They reviewed the information with what they put in their tentative budget, and are comfortable with the numbers.

Vice Chairman Sherman asked if the Clark County Treasurer ran pro forma revenue calculations on tentative budgets for the purposes of determining the gross and the net after abatement. He asked if the Clark County Treasurer ran pro formas for this proposed tax rate increase.

Darren Adair responded that they did. He understands that is the process, and they followed that process when they requested consideration of the full tax increase. They had done the calculation and included it in the calculations they do for all tax-receiving entities. They asked them what other scenarios might look like. This is not a quick process. The Assessor's Office provided updated information about a week ago.

Vice Chairman Sherman asked what the yield from the 30.5 cent rate increase would be in gross and net of abatement.

Darren Adair responded he did not have those numbers at this time. He believes the numbers would have a $12 million gross related to the gross increase in taxes as related to the 30.5 cent increase and net of all of the abatements. He believes that actual increase to the City was going to be $1.1 million.

Terry Rubald stated in the information she has, the initial pro forma projection was based on an entity combined tax rate of 1.4637 and would have generated $48,130,000. The second tax rate that was submitted was the rate of 1.1637, and that was expected to generate $45,694,000. The difference between those two would have been $2,436,092.

Vice Chairman Sherman stated, in looking at the general fund on Page 53 of the packet, he noticed in the estimate of current year ending June 30, 2014, there are two numbers anticipated, hours and benefits and anticipated savings. He asked for an explanation because that is over $4 million.

Darren Adair clarified that this was in the current year. He explained they had held positions, staffing vacancies during the current year and across the board in many of the departments. Some were layoffs that were done and made public. Some were just vacancies that were not filled. In balancing the budget for the year, they anticipated they needed to have the vacancy savings. That was part of the creation of the ending fund balance that was available for the settlement with the collective bargaining groups.

Vice Chairman Sherman stated that typically those spending numbers and net of any anticipated savings are included in the line items of the various categories. He is hoping they are not double counting savings and that those savings are included in the salary/benefit accounts.

Darren Adair responded that he is absolutely certain they are not double counted.

Chairman Leavitt stated he noticed, when looking at the revenue from licenses and fees, the exact same amounts between the two years.

Darren Adair responded that when going through the budgeting process, they sat down with the department heads and went through these. The City has placed a great deal of emphasis in the last two or three years on expense reduction and a little less focus on revenue generation. In the last couple of months, the City Council and the Mayor have directed them to focus on revenue sources. The primary focus of the Shared Services' efforts was to identify opportunities that they may have missed regarding revenue as well as efficiencies on the expenditure side. The 2,600-acre residential area in Park Highlands is picking up and moving forward. Those increases were not specifically included in the revenue numbers. What they did include in the projections of revenue numbers were reasonable growth rates which they have been historically experiencing over the last two or three years. Not all the details, but their ideas for revenue generation have been reflected in the budget.

Member Clinger commended the staff of the City of North Las Vegas. The work they have done over the last few months has been tremendous. He had the opportunity to spend some time with Mayor Lee, Manager Buchanan and the rest of the senior staff. He came away highly impressed. It gives him confidence, as a member of this Committee, that we have the right people in place to help solve this problem. Member Clinger asked what the timing is on coming back to this Committee to ask for approval of transfers from the enterprise funds. He asked if there was any worry or impact to cash flow waiting for those approvals.

Darren Adair stated they are not currently asking for additional funds beyond the $32 million. They hope to develop a plan in the near future with increased revenues to reduce the $32 million. In their seven-year forecast, they forecast needing the $32 million as an essential part of their budget to balance their outflows for the foreseeable future. Beyond that $32 million, there are no immediate plans to re-approach this Committee about additional funds. Their goal is to do just the opposite, to wean themselves off of that plan by 2021.

Chairman Leavitt asked what changes they anticipate between the tentative budget and the final budget.

Darren Adair responded they are putting together a detailed seven-year forecast. One thing that might have an impact would be additional information with respect to revenues. He has been working with Mr. Vincent and appreciates Mr. Clinger's comments and his visit. There were a number of things that came out of that visit which gave them ideas, but he does not anticipate anything right now that would materially change this budget. They have been through it over and over again. They appreciate the opportunity to be in front of this body and have the benefit of the Committee's thoughts and observations. At this time, the tentative budget looks pretty close to what they might present as a final budget.

Chairman Leavitt stated on April 21st, Department of Taxation sent them a letter with a number of questions. He recommended they look these over and send their answers back to the Department. The Department will give the answers to the members of the Committee.

Darren Adair responded that they did receive the letter and came prepared today to respond to every one of the questions.

Chairman Leavitt stated the questions were technical, and we do not need to take time to go over them today unless Terry Rubald has a particular concern.

Terry Rubald responded that mailing in the responses would be sufficient. Most of the bigger questions have been addressed today.

Darren Adair stated that they would send it after this meeting.

Chairman Leavitt commented that it appears to him, through the changes and agreements the City of North Las Vegas has entered into, they have made it through June 30, 2015. He asked what they currently have on the horizon for the next fiscal year that is different than this one.

Darren Adair clarified that Chairman Leavitt was referring to 2015-2016. He stated when they put together the seven-year forecast, they had a $17.8 million deficit in the 2015 Fiscal Year. In 2016, they expect that it will be a little bit less. The goal going into discussions with the collective bargaining groups was to develop a plan that would allow them to get through the next two years. Beyond those two years, 2015 and 2016, they knew the principal payments under their debt obligations were going to take a spike up. They start to go up in the next year, materially, leaving them with a shortfall. He recalls this being around $6 or $7 million which they would need to address in the years following. The concession agreements discussed primarily address this next year, and in some cases, the following year. For the groups that would be revisiting their contracts during that two-year period of time, they will be negotiating those and trying and including them on the impact of the years following. Beyond the two years, they are going to work with some of the suggestions they have received to date and with the State Legislature to address concerns. What they have right now primarily addresses the two years, and in that two years, they will need to adhere strictly to the budget they have. They do not foresee anything in that 24-month period of time, if they are able to maintain where they are right now, that would prevent them from making it through the second year.

Chairman Leavitt asked what happens to their debt payments in the second year. He asked if the payment will go up in the next fiscal year.

Darren Adair responded that there are some bonds that will begin having principal and interest payments in 2015. There are some that will take a significant jump about 18 months after that. They have hardworking staff looking at every revenue opportunity.

Chairman Leavitt commented that according to the press, they have a new development on the horizon.

Sandra Morgan stated they are currently in negotiations for Park Highlands Development. It was a development agreement they entered into with a master developer back in 2006. This developer, like many others, then went into bankruptcy. It was announced at their last City Council meeting that they would be splitting those developments into two, and it would still be the largest master-planned community in the City of North Las Vegas. The developers came to the meeting and stated they were both very eager to finalize the development agreement. They hope to finalize it in June and start building as soon as possible. This is definitely a positive for the City.

Chairman Leavitt stated with what they have done and the agreement they have made, they have kept the wolf away from the door for another year.

Member Clinger asked if the Committee members received a copy of the letter sent to the City of North Las Vegas, and if not, would it be possible to get a copy. He also asked about the source of the questions.

Chairman Leavitt stated they are technical questions about the budget from the Department of Taxation to the City of North Las Vegas. When they submitted it to the City, they gave him a copy of it. He believes the Department would be willing to provide all of the members of the Committee a copy right now.

Terry Rubald responded that she had a copy here, and will make sure everyone gets an electronic copy as well.

Member Clinger stated he was not sure if the questions were from Department staff or other members of the Committee.

Terry Rubald responded that they were strictly questions from staff.

Chairman Leavitt stated he appreciated their candor. This has not always been the case. We get along much better when you are straightforward with us and let us know the exact situation. We appreciate that.

Vice Chairman Sherman recommended a six-month follow-up to see how they are doing midway through the fiscal year.

Chairman Leavitt agreed.

Darren Adair responded that they would be grateful for the opportunity to come back and report to this body.

4. For Possible Action: REPORTS ON REGULATORY MATTERS

(a) Update on Legislative Commission Action File No. R010-13 -- Heart-Lung Liability Reporting

Terry Rubald stated the heart-lung regulations were presented to the Legislative Commission on March 28th. However, after some comments by Speaker Kirkpatrick, Assemblyman Daley, and Senator Settelmeyer, the Commission moved to defer the regulations until the next Legislative Commission. All of the testimony is on Page 107 of the exhibit packet. Essentially, Assemblyman Daley expressed concern over use of the term, "compensation and medical benefits" as well as concern about an unfunded mandate on local governments. Ms. Rubald believes this has to do with the actuarial study. Senator Settelmeyer wanted to check with his Douglas County local governments to see if they concur with the regulations. Speaker Kirkpatrick discussed the difficulty some employees have had with receiving payments in a timely manner and wanted to know what

kind of enforcement would be available. We at the Department would like to seek your guidance as to how to proceed.

Vice Chairman Sherman stated he attended that meeting and had conversations with both Terry Rubald and some interested parties, the Nevada Taxpayer's Association and PACT. He recommended having one more meeting of the subcommittee on this matter to possibly recommend changes to the proposed regulation to accommodate these concerns. He asked the Committee to grant approval for one more subcommittee meeting, address these issues and bring the matter back before the Legislative Commission, as requested.

Chairman Leavitt stated this would be a good idea. When reading the objections of Speaker Kirkpatrick, her objections seem to deal with the actual implementation of the Act and not as much with the reporting situation.

Vice Chairman Sherman stated that information could be transmitted to Speaker Kirkpatrick to address the issue. It is our conclusion, too, that it is really the Chapter 617 Act itself and its implementation and not this regulation.

Chairman Leavitt stated from the wording, it sounded like she was having concerns about the payment of claims, which is obviously not part of this.

Chairman Leavitt stated if there was no objection, he would like to have another subcommittee meeting on this regulation. At our next meeting, we can report on the results of that subcommittee meeting.

(b) Recommendations on updating NRS 354.644 et seq, Delinquent Documents and Payments; Technical Financial Assistance; Severe Financial Emergency

Terry Rubald stated at the last meeting, Vice Chairman Sherman indicated an interest in reviewing the severe financial emergency statutes. The Department is very interested in doing that as well, and we have several proposals in mind. She has been working on a draft and would like to get the Committee's thoughts on it to see if we could submit a Bill Draft Request (BDR) through the agency that would be comprehensive.

Chairman Leavitt asked when she would be able to submit a BDR.

Terry Rubald responded that she was ready to share the draft before the next meeting.

Chairman Leavitt asked that she send a copy out to all of the members, and we will put it on the agenda for the next meeting.

Terry Rubald stated she would do that.

5. REVIEW AND APPROVAL OF MINUTES
For Possible Action: CLGF Meeting – March 7, 2014

Vice Chairman Sherman moved to approve the March 7, 2014 minutes with a second from Member Johnson. The motion passed, and the minutes were approved as submitted.

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

Chairman Leavitt suggested a meeting around the first part of August.

Vice Chairman Sherman agreed.

Chairman Leavitt commented that it was probably too early to set a date.

The other Committee members were in agreement with the approximate date of the next meeting.

Terry Rubald stated between now and August she will be working with Member Walker on the subject of the definition of a local government.

Chairman Leavitt asked Terry Rubald if she was satisfied with the direction we took with the City of North Las Vegas situation this morning, from the Department's point of view.

Terry Rubald responded yes, absolutely. She thought the questions were comprehensive. The City of North Las Vegas has worked hard on producing a balanced budget. She was very glad to see there were no plugged numbers. She stated Chairman Leavitt asked all the right questions.

7. Public Comment

There were no comments from the public.

8. For Possible Action: ADJOURNMENT

The meeting was adjourned at 11:12 a.m.