**Minutes of the Meeting**
**COMMITTEE ON LOCAL GOVERNMENT FINANCE**
**August 4, 2011**

The meeting was held at the Legislative Building located at 401 South Carson Street, Room 2134 in Carson City and video-conferenced to the Grant Sawyer Office Building at 555 East Washington Avenue, Room 4401, Las Vegas, Nevada at 9:00 a.m.

**COMMITTEE MEMBERS PRESENT:**

Marvin Leavitt, Chairman
Michael Alastuey
Beth Kohn-Cole
Mary Walker
Gary Kraemer
Marty Johnson
Greg Weyland
Mark Vincent
Andrew Clinger

**COMMITTEE MEMBERS NOT PRESENT:**

John Sherman
Alan Kalt

**COUNSEL TO COMMITTEE**

Dawn Buoncristiani

**DEPT OF TAXATION STAFF PRESENT:**

Christopher G. Nielsen
Terry Rubald
Tom Gransbery
Warner Ambrose
Penny Hampton
Heidi DeAngelo
Shirley Rains:

**MEMBERS OF THE PUBLIC PRESENT**

| **Name** | **Representing** |
|---|---|
| Robert Barengo | Chair, Nevada Tax Commission |
| Jane Countryman | Washoe County Resident |
| Jill Olsen | City of Reno |
| Jonathan Shipman | City of Reno |
| Robert Chisel | City of Reno |
| Sheri Russell | Carson City |
| Nancy Paulson | Carson City |
| Tom Motherway | Washoe County |
| Cy Ryan | LV Sun |
| Carole Vilardo | Nevada Taxpayers Association |
| Suzanne Kilgore | Nevada Taxpayers Association |
| Brian Duggan | RGJ |
| Jeff Church | RPD Retired |
| Betty Hicks | Citizen |
| Gina Session | Office of the Attorney General |
| Gayela Emon | City of Reno |
| Robert Miller | Cty of Reno |
| Kristen Burgess | Kafoury Armstrong & Co. |
| Karen Griffin | KRNV-TV |
| SD | Nevada Appeal |
| Robert Parclear | Self |
| Al Kramer | Carson City |
| Kevin Knutson | City of Reno |
| Anthony Rogers | BAC 13/AFL-CIO |
| Dave Empey | City of Mesquite |
| Lana Hammond | City of North Las Vegas |
| Mike Catheart | City of Henderson |
| Jill Lynch | City of Henderson |
| Jeffrey Share | Clark County |
| Frank Tokas | Riverside Casino Laughlin |
| Dan Musgrove | City of North Las Vegas |
| Richard Derrick | City of Henderson |
| Rana Lacer | LVCVA |
| Debbie Barton | City of North Las Vegas |
| Robert P. Bilbray | Laughlin Economic Development Corp |
| Jan W. Fullmer | City of North Las Vegas |
| Tin Geiger | City of North Las Vegas |
| Tom Baker | City of North Las Vegas |
| Alfonso Noyola | City of North Las Vegas |
| William Riggs | City of North Las Vegas |
| Javier Trujillo | City of Henderson |
| Yolanda King | Dir Budget & Financial Planning Clk Cty |

## August 4, 2011

Chairman Leavitt called to order the August 4, 2011, Committee on Local Government Finance (CLGF) meeting. Warner Ambrose called the roll and stated there was a quorum. Chairman Leavitt welcomed the new committee member, Andrew Clinger. He then called the first item on the agenda, public comment.

Andrew Clinger thanked Mr. Chairman and said he looked forward to participating in the Committee. He spent 11 years in the State Budget Office, 5½ years as the State Budget Director and has the state perspective and now in his new role as City Manager, for the City of Reno has a different perspective on issues.

Tom Motherway, Washoe County Resident, he also owns property in the City of Reno and gets two tax bills every year, the County has a fire tax allocation and the City does not. He referred to item 8(a)(2) and asked that the Committee be alerted to the fire situation when they are dealing with the Reno issues. Reno has closed five fire stations, and has used county tax money to fill that void. He suspects in the near future that will stop. He would ask how the City intends to operate those closed stations if at all.

Jane Countryman, Washoe County Resident, referred to item 8(a)(2) she lives in the Truckee Meadows Fire Protection District one of the two County fire department districts. Right now Sierra Fire which is the other district provides her service, however, her tax dollars go to Truckee Meadows. She is very concern that her tax dollars are being used to provide services to others, but not to her. The closest station to her would take 20 minutes to get to her house. She would like the Committee to consider the fact that when they pay their tax dollars that they would like to get the service that they are paying for.

**Agenda Item 3 Open Meeting Law Changes**.

Chairman Leavitt see no other public comment called item number 3 on the agenda, briefing on Open Meeting Law changes.

Terry Rubald said she wanted to provide the Committee the memo that she received from the Attorney Generals Office that is included in their packet. The memo outlines the various changes enacted by the Legislature with regard to the Open Meeting Laws, and she pointed out that the changes to the agenda regarding comment have been made. There is now public comment both at the beginning and the end of the agenda. Public comment is limited to 5 minutes, and the public is asked to waive repetition. In addition, the agenda now says each action item has a phrase for possible action next to it.

**Agenda Item 4(a) City of Reno**

Chairman Leavitt called item number (4)(a) City of Reno Financial Condition. Andrew Clinger stated that he spoke with the Deputy Attorney General (DAG), and item (4)(a) was an item that he will have to recues himself from any discussion or action. The DAG said it was acceptable to remain in the room and on the Committee during the discussion.

Beth Kohn-Cole stated that she will have to recues herself regarding both (4)(a) and (4)(b), based on the explanation that was at the last meeting as follows: "Beth Kohn-Cole talked with Dawn Buoncristiani, Deputy Attorney General, regarding a potential conflict of interest regarding the City of Reno. She was hired by the Reno Fire Fighters Union to review financial records for the city that are public records, and she testified on behalf of the union as an expert witness during arbitration hearings. After discussion with Dawn she was going to abstain from voting, but will participate in the discussion without influencing any of the decision making.

Mary Walker stated that she will have to recues herself regarding (4)(a), based on some of the information discussing transfers particularly from insurance funds. She provides financial consulting services to the Truckee Meadows Fire Protection Services, some of that money did go into those funds. Also recues based on the explanation that was at the last meeting as follows: "Mary Walker said she was the financial consultant for the Truckee Meadows Fire Protection District which has merged with the City of Reno approximately 11 years ago. She has been working with the City for that period of time. The liability in regard to our employees is under some of the funds. We pay into the funds for workers compensation, retirement, medical and these are the funds in question. She will also abstain from voting."

Terry Rubald stated agenda item (4)(a) is a report on the financial condition of the City of Reno. If you'll recall, at your last meeting in March, Department staff had observed a number of violations reported in the CAFR for the City of Reno for the fiscal year ended June 30, 2010. In view of the volume and seriousness of the violations, Department staff recommended that the City report to this Committee on what actions have or will be taken to prevent recurrence of each violation, again pursuant to the process provided in NRS 354.6245. Which is a statute that requires a corrective plan of action in regard to the audit, it is not a corrective plan of action with regard to Severe Financial Emergency. If the plan is not satisfactory, the Department may advise the governing body that it deems the plan inadequate and may propose an alternate plan. So far, the Department has not proposed an alternate plan. The violations reported in the audit included seven funds in which expenditures were in excess of budget, three of which were exempt from the requirements of NRS 354.626, leaving 4 funds which are in violation; and eight funds with deficit find balances, the most serious of which were the Self-Funded Workers Compensation Internal Service Fund and the Community Assistance Center.

Also discussed the City's current debt situation, particularly with regard to the ReTRAC bonds for which proceeds from the sales taxes have not been sufficient to cover the debt service this last year, and the efforts the City has made with the bondholders. We also mentioned the decline in assessed valuation and its effect on the revenues of the City and the resulting impact on the ending fund balance. The City provided a corrective action plan addressing these issues, and the Committee spent some time reviewing the policy of having pooled cash and using one-day loans to cover shortfalls in particular funds. This brought up the question of how generally to handle "due to/due from" issues, and how NRS 354.6118 applies in these cases. As you can see on the agenda, there is an item later on to discuss whether the Committee wishes to go forward with regulations on that topic.

The Committee made several observations during the March meeting with regard to the process that the City needs to go through to determine the status of the City's liabilities and to keep within the budget. The Committee then asked the City to come back to its next meeting. The purpose today is to get an update on that plan as it relates to the final 11-12 budget and how the proposed actions have played out. The Committee also wanted to see a debt service schedule and an estimate to see how the shortfalls will be handled.

Ms. Rubald ended by stating after the City gives its presentation, Mr. Gransbery will be making some remarks on the proposed medium term obligation for which the City has asked approval and other point of information.

Kevin Knutson, Assistant City Manager for the City of Reno, stated for the funds that went over budget last time, they have changed their procedures so that they closed the opportunity for people to spend money a lot earlier in the year at the beginning of June rather than the middle of June. Then they went on an aggressive program of identifying all potential over expenditures and making sure that they have adequate augmentation created before the end of the year. He does not expect to have any of those issues in this years CAFR. For the fund with deficit fund balances where they used "due to/due from" they changed the way they do that in two ways. For some of the funds they roll them into the General Fund so they no longer exist at a dispatch center, enterprise fund and the planning enterprise fund. For the others they have done appropriate interfund transfers to make sure there are adequate fund in there so there is no deficit fund balance at year end. For two of them the Community Assistance Center Capitol Project Fund and the Self-Funded Workers Compensation Internal Service Fund they have done medium-term obligation through their board and have submitted to the Department of Taxation to handle those. At the end of the session AB 471 changed the key elements in the law that made his original plan to pay back workers comp over a five year period unachievable under the way they had first proposed it so they are now working on a plan to cure that before June 11, 2012. On all other items the interfund transfers they have made sure that they did them correctly according to the code and that has been completed for this year. They have not used any money that is restricted in use for those purposes. On the 1(d) 354.685 which is the incurred debt beyond its ability to pay they are continuing to work with their bond holder to make certain that they are able to make all of their payments as promised. And in fact they will not have any issues in this years CAFR they have solved the one from 09-10 by getting a forbearance agreement in place and they don't have any technical or other types of issues in this years CAFR. The only real issue that they have going forward is the decline of 10% cumulatively. He thinks that will continue next year and possibly again in Fiscal Year 12-13.

Chairman Leavitt noticed in their budget they had some fairly substantial decreases in staff. Has that taken place? Mr. Knutson said yes, and in addition they have also gained concessions from a great number of staff a 7 ½ percent salary decreases for many of their employee and other cuts. They balanced it from reducing position and reducing payroll.

Chairman Leavitt asked if they anticipate that when the Committee sees the audit for this next year we will not see comments regarding any of these violations that they had prior. Mr. Knutson said with the exception of the Workers Compensation Fund.

Chairman Leavitt asked what they were planning to do with the Workers Compensation. Mr. Knutson said one of the things they have done was made sure they put adequate money into their stabilization reserve plus they were starting to fund capital again. At the beginning of the year the City Manager instructed all staff to not begin the capital project until they resolved the issue. He believes they have sufficient funding they just need to determine how they are going to make it happen.

Chairman Leavitt as it relates to cash you do not anticipate during this current year to have a cash flow problem such that you will be unable to meet expenditures when they occur. Mr. Knutson said he did not anticipate any problem with cash flow this year.

Chairman Leavitt asked if they have renegotiated the term of some of this debt that is potentially that are revenue bonds, to pay them without going into default.

Robert Chisel, Finance Director for the City of Reno, these are the revenue bonds for the City of Reno it's the entity itself we negotiated for the ReTRAC bonds two year forbearance and so they will meet all of the obligations there. Depending upon the other revenue bonds we feel they are going to meet all of those requirements of all the revenues for all the other revenue bonds for the City of Reno with the exception of a parking garage revenue bond for what is call the Fitzgerald's Parking Garage and they have gotten also an agreement for a developer to purchase the land that is underlying that bond and the bank has agreed to two year forbearance in that bond with the exception of that and the ReTRAC bond they feel they are good and on sold ground for all of the revenue bonds for the City of Reno.

Chairman Leavitt asked as it relates to this redevelopment situation if you have more reduction in assessed value. Mr. Chisel said for the revenue bonds for the City of Reno like any entity in the state we are all having financial constraints put on us. For the City of Reno a lot of those revenue bonds are tied to room tax, sales tax and as those decline we will have further pressure on those bond payments. The Redevelopment Authority also is tied to assessed valuation incremental tax assessed valuation for the downtown area. Those have some severe constraints on them as the assessed valuation in the downtown core of Reno has declined dramatically in the last few years.

Chairman Leavitt asked if they were going to be able to make the payments on those. Mr. Chisel said he was working with their financial advisers to come up with plans to meet their requirements for this fiscal year. We do have a couple of bonds that they have concerns on and may have to renegotiate with the bond holders. Mr. Chairman said right now you do not have revenue coming in from the increment of such exists anymore to pay those bonds. Mr. Chisel said that was correct.

Chairman Leavitt asked if the terms of those bonds call for an accelerated payment as we move forward so the situation gets worse as we move down the road. Mr. Chisel said each bond is different. There are a couple that were back loaded and don't start payments for about another 15 years. For the Redevelopment Authority there are pretty much the payments they have today will be the payments for at least the next five years. Same thing with most of the City of Reno bonds. Chairman Leavitt asked if the bonds when they are issued did the financial arrangements project an increase in assessed value in increment as it relates to the Redevelopment Agency. Mr. Chisel said when the bonds were issued for the Redevelopment Authority bonds were issued there were projections that assessed valuation would increase, and that is not occurring in fact it is decreasing in the down town area.

Chairman Leavitt asked what other bonds that are not strictly city bonds do you have payment problems with? Mr. Chisel other than the Redevelopment Authority bonds and the City of Reno bonds that is it. With the City of Reno bonds some of the bonds he needs to note are development bonds for Summitt Sierra, and Cabela's area that they have not been reaching their revenues that were projected however, those bonds are not default we are just not getting the payments that had been projected based on sales tax growth. That was a risk the bond holders accepted when they bought the bonds, so it is not a default. Other than that their bonds will be making all of their payments for fiscal year 11-12 for the City of Reno Bonds.

Chairman Leavitt asked when those payments are not made as projected does interest accrue on that so it is building up a balance, how does that work under the terms of those bonds. Mr. Chisel said it depends on each individual bond what the ramifications are. If they do not make their bond payments, interest would probably accrue.

Marty Johnson said it might be more helpful he would think there was a four or five page handout that has all the different typed of bonds the City has outstanding and shows the debt service payments and the revenue. It might be more helpful if we went through that, because there are some of those where it becomes very clear that there are either are increasing payments and/or not enough revenue to pay them, or the payments are being made from sources that are probably to some extent one time sources. Chairman Leavitt said that was a good idea.

Marty Johnson referred to the handout, Debt Schedule as of June 30, 2011, page two, sewer bonds, it looks like the debt services goes up by about $500,000 in a couple of years . He would assume the City's plan is to raise sewer revenues at that point. Mr. Chisel responded their revenue projections for those sewer bonds is the fees will meet the requirement of each of those bond payments.

Marty Johnson referred to the section just below that that gets rid of the general obligation bonds, any of the bonds that have general obligation backing at least for 2012 it appears that the revenues are sufficient. If you go to the first category on the revenue bonds there is room tax and C-tax revenue that come into pay bonds that do have slightly increasing debt service and it looks like what is making that work is a pledge of C-tax revenue at least 2012 for 2.7 million dollars. He asked what the City's ability to continue to pay that and potentially increase that if room tax revenue does not go up.

Robert Chisel responded currently that C-tax revenue of 2.7 million is about 7.5 percent of the pledge with the cap at 15 percent so they are well below what C-tax is capable of paying. They are somewhat optimistic on the room tax and that the room tax has somewhat stabilized and they are hoping that continues at least at the current rate. That one they are fairly confident they will be able to meet those bond requirements with no problems. Mr. Johnson said on an affordability basis the City can continue to put 2.7 million plus towards paying these in the next five years. Mr. Chisel said it is currently in the budget to utilize that 2.7 million dollars for FY 11/12 of course they would prefer not to. But they have an obligation to pay and they will meet their obligations.

Marty Johnson referred to the top of page four, you have the ReTRAC bonds and it looks like in a couple of years the payments jump up by about 3 million dollars? Mr. Chisel said that was correct because the subordinate bond the 2008B was the forbearance for two years so they are not making those bond payments for FY 11/12 or 12/13 so that was how they were able to renegotiate with the bond holders to meet their obligations. Right now they are getting about 6.5 million dollars in sales tax from that $1/8^{th}$ sales tax. Mr. Johnson replied so that is the one by 2013 you will have need to have renegotiated that transaction some how with them.

Marty Johnson referred to the last page the redevelopment bonds, if he is understanding the table correctly you have annual payments of about 2.9 million the increment revenue is $832,000 so the bonds are being paid from debt reserves and in bond insurance. He was assuming that not all of the bond are insured. Mr. Chisel said the first bond 1998F is the one that would probably require the bond insurance payments if it comes to that. Those are the bonds that we were referring to that need to be renegotiated and they are working with their financial advisor and bond counsel to come up with a plan. He would like to note that that estimated tax increment revenue of $832,000 was 2.5 million dollars just the prior year and down from about 4.5 million dollars in 08/09 they have met with the county assessor and they are going to try and meet with some of the other Washoe County officials to get a better handle and a better projections on where those revenues are going. The revenues have declined rapidly and so we have to renegotiate and come up with a plan that we will have to take to the redevelopment authority board for their approval on how to handle those bond payments.

Marty Johnson asked at the end of 2012 will there be anything left in the debt service reserve or will this payment exhaust. Mr. Chisel said it will be exhausted after this year for bond reserves. Marty Johnson asked Mr. Chisel to explain the RDA-notes payable. Mr. Chisel said that is a note payable to RDA it is a loan secured by property and that was one they were looking at negotiating and selling some of the property to meet the requirements of the note.

Mark Vincent asked regarding property tax did he know how many appeals vs. drops in valuation? Mr. Chisel said he talked with the assessor and they are looking through the numbers, and he did not know how many were appeals. There is almost an 80% decline in assessed valuations is what they are seeing above the base.

Michael Alastuey in the discussion in the last few minutes he felt poses a scenario. In one hand the Assistant City Manager indicated they anticipate no cash flow problem this year obviously an examination on the debt side indicated there are perhaps non-sustainable resources coming from general revenue to support some of these thing at least in near term with the necessity to renegotiate the term which may or may not be feasible. He thinks in term of looking for some semblance of a plan of corrective action. The two components the general operations and the redevelopment are not quite fitting in terms of a long term solution. The time horizon that the Committee has before us in terms of duration of a plan cannot exceed five years and there are certain intervals in which progress needs to be checked obviously we do need be concern about the near term. They have taken the measurers particularly the procedural one, however, the structure still appears somewhat broken. He wonders if the City or any other Committee members might fell differently.

Chairman Leavitt asked the question regarding the capitol improvement bonds that are being paid for by room tax revenues and C-tax. When those were originally issued was it anticipated that room tax would be sufficient to repay those bonds without dipping into the C-tax, or did they always anticipate some dipping. Mr. Chisel said the intent was the room tax would be enough to provide the coverage for that debt. However, to provide a more stable bond the C-tax was provided as a secondary source just in case such a scenario as we are facing with the economy occurred.

Gary Kraemer had a question on schedule A-1 on page 19 of the packet, the street fund shows 6 million transfers out, was that to the debt service fund or General Fund. Robert Chisel said it was for the debt service. Mr. Kraemer noted under the finance function of activity is way down, and they may want to increase that. Kevin Knutson said they changed the organization and moved some of the people out of finance so it looks like a worse hit than it is, although they did reduce two positions with in the finance department.

Gary Kraemer referred to page 28 of the packet, under intergovernmental that miscellaneous went up to $5,131,300, he was curious as to what that was. Kevin Knutson said they were in the process of researching that.

Gary Kraemer referred to page 35, under other finances uses transfers out, from the General Fund 1 million dollars. He then referred to page 78, internal services self funded medical plan, is there a policy on fund balance for each of the internal service funds. Kevin Knutson said they do have written policies for all of their funds and after review they show they will be in compliance with all those policies.

Kevin Knutson said he had an answer for the 5 million dollar question, what happened was they changed the way they account for their utility payments, they now combine them all.

Gary Kraemer asked if for the internal service fund could the Committee receive a schedule that shows what the budgeted beginning and ending fund balance for each fund.

Chairman Leavitt welcomed Mayor Cashell.

Tom Gransbery wanted to go over some observations he made to The City of Reno's August 3rd report on their plan of corrective action, and comment on the FY 12 budget. In their plan of corrective action they mentioned an augmentation that was approved by their board on June 22nd. He reviewed the augmentation and it appears that everything was completed correctly. There was a lot of change in adjusting of both revenue and expenditures. Basically it was their attempt to get away from over expenditures and deficit fund balances and he believes they have accomplished that, but the proof will be in the 11 CAFR. One of the big adjustment they were hoping to make was trying to cure a deficit fund balance in their community assistance center fund of 1.2 million dollars. They provided us with a medium term obligation packet that basically were hoping to get approved and it was going to be and interfund loan 1.2 million from the sewer fund into the CAC fund to cure that deficit. He has reviewed that medium term obligation and we are going to approve it with several conditions. Mr. Gransbery said in the packet they sent us there were two amortization schedules. The first schedule showed the loan of 1.2 million and the City is anticipating selling a piece of property in October and receives $519,000 for the sale, and in their amortization schedule they build that money going directly to the payment of this loan. If that materializes the first of November that 1.2 million dollar loan could go to $700,000. They have a five year plan of making payments of about $155,000 back to the sewer fund and the interest rate their charging is 1%. We have done some research and we believe the 1% interest rate is represents the going market. However, there is some concern that maybe that property will not sale, and so they included a second amortization schedule and with this one it shows no payment than for FY 12. There would be no receiving of the proceeds of the sale of the property, so they show the payments starting until FY 13, and those payments would be around $261,000 for five years. So the condition we are going to put on our approval is if the City has to go to the second amortization schedule we are going to require them to adjust that schedule to show a payment for FY 12. The second condition on approval is there are two other properties they are holding that possibly could sale and they have stated the proceed would go to paying back the sewer fund. The two properties are the Reno Sparks Gospel Mission and the St. Vincent's Dinning site. So the second condition on the approval letter is if and when these properties sale that they will again put that money towards the payment of the loan.

Tom Gransbery continued that we realize that they do have a huge issue with the workman's comp and basically the Department of Taxation is willing to listen to anybodies suggestion on how they might be able to fix that. He believes they are trying to prevent that deficit going any deeper in their FY 12 budget. They are showing in FY 11 they hope to have a net income for that fund for a small $17,000 but then for FY 12 they are hoping to see a net income of $587,000. Third in their plan of corrective action, item 11 they state they have an addition 3 million dollars for a stabilization reserve and he has a question for the City. Is this accounted for in the increase in their contingency fund? Kevin Knutson said yes. Mr. Gransbery continued with item number 12 about financial report having been late, he is happy to report that the five filings that the City has had to make to the Department of Taxation have been filed timely.

Gary Kraemer asked if they have a fund balance policy for the internal service funds and the workers comp fund is in a deficit that doesn't add up. What is the deficit? Kevin Knutson said they put through a medium term obligation to off set that, however, as he said earlier in his comments it looks like this year we will not be able to effect that so they are going to put cash in there from the General Fund.

Tom Gransbery said as far as looking at what he observed on FY 12 final budget was that their ending fund balance in the General Fund is slightly at over 4% which is in compliance with the NAC. He sees the large increase in their contingency fund 5.7 as some cushion for the City. If we are going to request them to adjust that amortization schedule for the medium term obligation he sees they have money there to adjust the schedule and be able to make a payment for FY 12.

Chairman Leavitt said he appreciated the fact that the City has made some real effort to correct some of the problems. You still have some fairly substantial problems left to resolve, such as the RDA and workers comp. He then referred to item 4(a)(4) on the agenda, request for advice regarding sufficiency of plan of corrective action, and said it appears to him that in some of the items the corrective action plan is probably sufficient. He also thinks as a final follow-up to this we'll be having meeting as we go along later this year and as we move towards getting the financial statements we should have all of you back in here. You should also provide a report on your current status is where you stand on the redevelopment negotiations and give up-dates on the bonds that are finances by room tax and C-tax. Those are a concern to him because you are using revenues that otherwise would be available for operations which hurts your ability for service delivery as long as you're having to use those funds.

Tom Gransbery mentioned that he felt like we need to have a meeting with the City of Reno towards the end of the month. Mr. Knutson has not had the time to look at my observation and questions on the augmentation for FY 11, and I suggested to him that we need to look at the redevelopment areas and see if there is anything we can help in.

Betty Hicks, Citizen of Washoe County, she has observed the City of Reno just recently they annexed some land that is not contiguous to the City and took the tax revenue of over $800,000 out of the county coffer to the City of Reno and there is no concurrency they are not covering the services for the people they annex. So the county is having to pick-up the cost of services of fire and sheriff. Even though the City of Reno is taking the revenue. This has been happening for years. The City has been expanding with absolutely no concurrency of services. If her tax dollars are being taken to fund what is going on in the City of Reno we in the unincorporated have no representation. We need something in place to stop the land grab and money grab to where the citizens who are paying for services get what they are paying for.

Jeffrey Church, Retired Reno Police Sergeant, as a citizen he finds it troubling that basically the City of Reno cannot pay their bills, unless they renegotiate or sell property. Since the 1970s the Reno Police Department the Reno Fire Department has received very generous raises, including in the last five years, in spite of the dire economic conditions. Both Reno Fire and Police have now become by far the highest paid agencies outside of Clark County in Nevada. In some cases we double the pay of other northern Nevada agencies for police and fire. He testified in front of Reno City Counsel on the fire contracts. He requested a copy of the fire contracts and was not allowed to see them. The other issue is the health care for life, it is an unfunded scam. He mentioned that the Reno fire personnel did not give up 7.5% salaries.

Jane Countryman resident of Washoe County, referred to the debt schedule as of June 30th talked about the sewer bonds and how the sewer revenue would have to increase the cost of sewer, and then she listened how the sewer department has money to help secure a short fall for Reno what happens if Reno cannot pay it back. Do the residents then get an extremely cost prohibited sewer plan they have to pay for.

Chairman Leavitt said he has pretty well outlined what we want the City to do as a follow-up to this meeting.

Terry Rubald said she appreciated the advice and will issue a letter accepting their corrective action plan.

Mayor Bob Cashell wanted to thank the Department of Taxation and Committee for working with the City of Reno, and said they will keep working on a game plan.

**Agenda Item 4(b) City of North Las Vegas**

Chairman Leavitt called the City of North Las Vegas Financial Condition.

Terry Rubald said agenda item 4(b) is a report on the financial condition of the City of North Las Vegas. Like the City of Reno, the City of North Las Vegas has experienced a tremendous decline in assessed value affecting the property tax revenue of the City, and ultimately has experienced a serious decline in its ending fund balance as well. The City came up with a plan to address its budget shortfall in its final budget which, for various reasons, cannot now be implemented as originally planned. In considering what options are available to the City, the City recently invited the Department to make a presentation on what technical financial assistance or severe financial emergency involves. Mr. Nielsen, the Interim Director and I did attend the City Council meeting on July 20th to make that presentation. For today, we have asked officials from the City to give a report to the Committee on the status of the City's finances and what options the City is considering at this point. Mr. Al Noyola, the City's Interim Director of Finance, will make that presentation.

Al Noyola introduced Mr. Tom Baker who is the budget manager for the City of North Las Vegas and Mr. Jan Fuller who is acting as their accounting manager for the finance department. Mr. Noyola commented the they are a victim of the current economic situation and over the past several years they have been implementing a variety of different strategies in order to meet the financial obligations of the City and looking into the future. He had a power point presentation that was part of the Committee's packet. The General Fund the operating losses that have occurred since fiscal year 2008 much of the losses were covered by one time transfers of monies to be able to cover the expenditure and also use the ending fund balance. Early on in the economic downturn the City had a financial policy of a minimum of 18 percent ending fund balance, however, at the beginning of the economic downturn we actually had a hire ending fund balance. However, given that the economy continues that downward turn they are confronted with and ending fund balance that is significantly lower.

Mark Vincent asked how much their revenues drop from FY 09 to FY10. The reason why he was asking the question is what he was reporting here is the net income loss and it looked like it grew of 09 to 10, which could lead the uninitiated to think you didn't take any action to do anything about the 09 and he was trying to figure out if that was true or if its really just additional revenue drop that was not anticipated in FY 10. Mr. Noyola said the revenues actually did drop in that year. Mr. Vincent asked if the operating income did exclude transfers in and out. So it does include the transfers in and out, which include the PILT.

Michael Alastuey commented in looking at the line called one time transfers is that transfers that have not occurred annually, or does that include transfers from your sewer. Al Noyola said those are one time transfers of other monies that were available to transfer into the General Fund and does not include the PILT transfer.

Al Noyola stated having seen these declines what actions has the City taken over the course of the last several years. On slide number 5 starting on FY 11 they hade hiring freezes and department reductions and over the course of FY 10 and FY 11 additional expenditure reductions have occurred. Part of the strategy that was utilized over the last 18 months were some transfers of debt burden or expenditure burden out of the General Fund into other funds that were able to sustain those particular items. For example if they had a particular fund that had to do with street maintenance they would move part of street maintenance functions out of the General Fund and place those against that particular revenue fund, because it was allowable under the NRS. To date including the latest reduction BRP III, since FY 09 the City has reduced about $175 million in expenditures from their budget. The next slide shows the eliminated/unfunded positions since FY 09 he supposed that just of these is that they have reduced their FTE in the City to about 819 it is about a 40% drop in their staffing since 2009.

Al Noyola referred to the next couple of slides show the sense of where the FTE of the staffing resides in terms of the funding sources and to allow the Committee to see where there might be capacity for the reductions if they need to do that as strategy moving into the future.

Mark Vincent ask Mr. Noyola to speak to the issues they have had with respect to being able to implement the current year plan given light of some of the interpretations in legal and court on the collective bargaining agreements.

Al Noyola referred back to slide number 5 second to the last line talks about FY 2011/2012 budget reduction plan III that number is $26.3 million. They actually submitted a tentative budget in April in which they were going to identify where they were going to achieve the balance and try and maintain the 6% ending funding balance in the General Fund. In the tentative budget they showed a $20 million short fall and also a $2.6 million shortfall in fund 267 the public safety tax override fund. So the two combine was $22.6 million and since then we had some additional revenue declines specifically related to the federal inmate program in which the federal government provide revenues for housing of federal inmates. That loss of revenue then brought their final hole they needed to plug to $26.3 million. What they presented to council for consideration was not only to plug this particular number but also to have enough cash to be able to do the payouts of the number of employees that would leave the City so they calculated about $4.9 million. So the total number they were trying to achieve was $30.3 million in terms of BRP III. The council approved that, they moved forward to initiate the layoff and they were taken to court by the unions in which the judge granted a temporary injunction to keep them for laying off police and fire fighters. So out of the $30.3 million they were seeking they now had a new hole that opened up of about $8.6 million and since then that is what they have been trying to resolve and close that gab and maintain a balanced budget throughout the year.

Mark Vincent asked so given what the court injunction was when do you anticipate you would be able to lay off police and fire. Al Noyola said the court order required both parties the City and the Police Officer's association to sit down and negotiate over the next 90 days and reply back in written form to the court by September 30th at which time she will review her decision on the injunction and whether or not she would extend that or not. But the second portion is the reason for the injunction is there is language in the memorandum of understanding that was reached between the union in a previous concession in which there would be no layoffs for 18 months. That 18 month period end June 30th of 2012, so in essence beginning July 1, 2012 if the City Council were to choose to move forward with layoffs at that time we would be free to do so.

Mark Vincent asked these are you FTEs as of July 1, 2011, how much of your $2.63 million program III is already reflected in these numbers? So the FTE numbers do not include the police and fire that were in the budget to cut that you couldn't cut. Mr. Noyola said that was correct.

Mark Vincent noted in the five year projection they are even with the plan with the exception of the police and fire cuts. You have an $8 million deficit in projected in FY 13 and then it balloons to the $39 million in FY 14. Would it be correct to assume the $19.7 million left that is non-public safety wouldn't be sufficient to cover your projected future deficits. Al Noyola said that was correct if we did nothing else then you are absolutely right.

Tom Baker said the $8 million deficit is for FY 2013, the bigger number is for FY 2014, we are sound for FY 2012 other than coming up with the $8 million shortfall.

Chairman Leavitt commented it looks like they started off the year 2007/2008 with $37 million budget. Since the end of this last year we took one time transfer and essentially cleaned out all other funds that had available resources to the tune of $46 million. So that was added to the total and then however we have spent that and are now down to $6.5 million ending fund balance so essentially we have taken the $37 million we had we have added $46 million, but we have still spent more than that and we are now down to $6 million so we have essentially have been spending substantially to the tune of 37 less 6, 31 plus 46 million dollars more than you have taken in for these years. The Committees purpose is not to place blame, the purpose is to look forward and say what are we going to do. It scares him when he looks and he sees that we are talking in the period now of month where unless something is done you will be out of cash. Lets forget about all the budget document for a minute you will be out of cash and we have got to do something fairly quickly to solve the problem given all the limitation you have such as this court decision. He wanted to talk about what can be done, what are you going to do, where do we go from here. It looks like we're down to a short period now and when you have a $6 million ending fund balance and some of that is receivables you did not receive until about now some of it, so that means there is a cash problem. What do you propose about doing about it and is the Board willing to do what ever it takes to resolve that problem. Otherwise when you are out of cash you have a big problem.

Tom Baker wanted to clarify in this schedule that this is something he has been showing council for the last 18 months. He think part of the issue when you are dealing with governmental accounting people look at the decrease in fund balance. So you look at 2009 and you see that you reduced your fund balance by $7 million. He did not think council was getting the point that the only reason why the decrease is only $7 million is we were shoring it up with one time transfers. In the good days we had set aside some money $25 million in a municipal facilities fund. So the largest chunk of that is coming from that fund. We drained that fund we took some money from some of the self insurance fund that we felt like we had enough adequate reserve in those fund. In FY 10 we finally exhausted our $2.5 million dollar rainy day fund. What he tried to show in the green was we were covering these loses throughout this period with one time transfers, and then the red started to show as the one time transfer money got uses up. We started hitting the fund balance and you are exactly right to where for FY 11 we're using up most of our fund balance to where we have very little available if anything in one time transfers and essentially about a payrolls worth of fund balance left in the General Fund so yes the situation is pretty bleak.

Al Noyola the other thing he wanted to point out on this particular slide is that we need to also keep in mind in FY 10 the city did transfer a public safety tax override of 18 cents out of the General Fund into fund 287. It is a tax override that was specifically for law enforcement purposes and in order to maintain this ability of transparency of those particular revenues and expenditures we moved not only the revenues but the corresponding expenditures as well. So that is why you see a substantial drop in that particular year and it's really due in part $8.5 million being moved of revenues of at the General Fund into fund 287.

Mark Vincent when you move the revenue to a special revenue fund where did the related cost expenditures go. Mr. Noyola said they also moved to the same fund.

Chairman Leavitt asked if they have reached the point where we have do to do something, or you will not make your payroll.

Al Noyola referred to the next slide in FY 11 the General Fund ending fund balance was projected $7.2 million. They have informed their board that every action they take that is not already budgeted for must be a zero sum impact to the FY 12 budget so therefore any revenues or BRP savings that don't materialize only add to the deficit in FY 12. In addition, every position that is saved must be offset by other savings. Every savings that is not of a recurring nature adds to the FY 13 deficit.

Al Noyola referred to the additional slides for informational purposes as to where we have gone in terms of revenues.

Mark Vincent had a question regarding the PILT, under the new law they have a ten year period to deal with that issue. Mr. Noyola said yes it was in the slides. He continued with slide 15 and 16.

Mark Vincent asked if he could tell us what your renegotiated contract MOU's how they handle this years PERS increase. How are the employees paying for their contribution. Mr. Noyola said in this current fiscal year we have only had one union as part of the concessionary agreement where they have agreed to reduce a portion of their COLA to pay for 50% of the PERS increase and that was the police officer association.

Chairman Leavitt said before we go on to future projections and things that might happen in the future he would like to get resolved at this time about what we are going to do over the next three months to stop you from going into not having any cash.

Al Noyola said their board currently has already approved approximately $4 million of reductions in expenditures in order to bring this back in line based on the $8.6 million that was created because of the court decisions. He will be meeting with the board in two weeks to provide them with final recommendations of the additional cuts in order to close that gap and bring their expenditures down to be able to have the cash flow throughout the remaining year to be able to meet all of their financial obligations.

Chairman Leavitt asked if there were going to be layoffs. Mr. Noyola replied the plan could include laying off of personnel. Mark Vincent asked if the plan for layoffs, aren't these layoffs just a replacement of the ones that you are unable to do in your plan. Your plan was getting you down to fund balance of $6.5 million, your cash will be significantly less, because of the timing of the revenue collection. Therefore, you will have to do the cuts you just talked about just to get close to the number. Al Noyola said the plan that we are currently working to present to council will have all of these executed by the end of September.

Al Noyola said last night there was a presentation to the Board about revenue increases specifically for park functions and if approved that will bring in additional revenues in this current fiscal year it could be as high as $900,000 to the city's General Fund.

Michael Alastuey said he realizes they are hovering around the $8 million figure. Even looking at $8 million is 6.4% of your budget that is something a little more that a hairs breath beyond a pay period and recognizing that a taxable sale that occurs in June has to be booked to this year with the cash in the form of consolidated taxes not distributed for many weeks after even this figure puts you at very best hand to mouth until the end of the year. Whether it is two weeks from now or a couple of months from now you are headed for an irresolvable situation unless you put together sustainable long term plan, which the Committee is not seeing.

Tom Baker said they recognize they have a cash flow problem in the General Fund, what was sustaining them was the pooled cash funds of the city. Mr. Alastuey commented that they have heard testimony in previous meetings from another entity to the effect that cash is cash. He would submit that is not a desirable situation if in fact that is a habitual policy that you carry out. In fact you are not only teetering on but actually stepping over the line of unauthorized interfund loans.

Chairman Leavitt said technically speaking the day that a fund does have sufficient cash and you pay bills out of the common fund, what you really have is a transfer from one of the other funds to meet the cash probably without going through the normal interfund loan approval which is required.

Al Noyola continued through his slide presentation with slide 17 options.

Mark Vincent asked how the options come about, where they management proposed. Mr. Noyola said they were options being proposed from a variety of sources. The options do not provide an immediate source of revenue other than option 3 refinance the GO bonds, they could actually same some money within three or four months. Mr. Vincent said in his opinion the first 3 options are highly unlikely. In option 5 are there anything in your labor contracts or MOUs that would prevent you from being able to outsource certain services. Mr. Vincent said currently in two of their labor contracts in their memorandum of agreements with the teamster's contract no outsourcing for the next two years through fiscal year 14 and there is some language in the police union contract which speaks to no privatization of the detention facility.

Chairman Leavitt referred to option 6 and said in most situations where there is a layoff people leave with money from accrued leave, how much will that offset your saving and how long will it take to make up that loss. Al Noyola said what they do when they make the recommendation for reduction in force they also have included the last two options sufficient amount of cuts to cover those particular costs in the current fiscal year where those reductions occur. At this time with the BRP III they looked at their reserves and self-insurance funds to ensure they have adequate cash on hand to be able to whether that over the course of the year. He continued with the next slide number 18.

Tom Baker wanted to add a comment on slide 18, the first dot point should have said something along the lines of a short fall. They have been talking about the $8 to $9 million dollar short fall because of the court actions which essentially would bring them down to a fund balance of near zero. It would not be a $9 million deficit to the General Fund it would be a short fall of $9 million which would reduce the fund balance down to zero to a negative $1 million. Al Noyola continued with slide number 19 thru 23.

Mary Walker wanted further explanation on the contracts in 2013 there was $10.4 million and then the 3 and the 3% can you give more detail on that. Mr. Noyola said what they did was in order to try to account for all of the expenditures and revenues that occur in the next five years they try and build that into the model. In FY 13 in terms of payroll factor they factored in those items that are in the collective bargaining agreements that they would have to pay in 13 that currently today maybe not paying. Such as COLA, merit increases, that short of thing. Both in FY 13 and 14 what that actually covers in the number he gave for FY 13 in all fund the cost that they have to put back into our budget expenditures is $10.4 million because those are the COLAs and what not that they are obligated to pay and in FY 14 it is $17.7 million. Ms. Walker asked what type of COLAs. Mr. Noyola said for their firefighters in FY 13 it is a total of about 5.75% and FY 14 its 4%, for the police union in FY 12 is 1.125% in FY 13 it is a total of 5.5%. Teamsters do not have a COLA in FY13, but in FY 14 they have a COLA of 2.3%.

Mark Vincent said in all of these cases Mr. Noyola is assuming on the first line that the employers are picking up the full PERS increase, and so really they way it should be reflected is the employers piece and anything that you're absorbing for the employees should be added to their payroll assumption.

Al Noyola continued on with slide 23. Andrew Clinger had a question on the revenue assumptions, first of all in looking at these they looked optimistic specifically on the property tax did he work with the county when they came up with those projections, because in looking at zero in 2013 he thinks what he is seeing in Northern Nevada is those values are continuing to drop and we are looking at declines in 2013 and in the growth numbers you have going out that's question number 1. Then on the sales tax he was curious where they came up with your 5% per year growth in the sales tax numbers as well. Mr. Noyola said the property tax we did work with the county for FY 12 and obviously those numbers are in. We actually originally projected minus 5% and it actually declined an additional percent to minus 6. We did not work with the county for the future years but we tried to keep it somewhat flat for FY 13. What we have done is we have looked at the stratification of our real estate in North Las Vegas and try to say what historically has been happening. He thinks the City of North Las Vegas was one of the ones where the assessed values dropped very quickly, and he felt they were closer to the bottom in terms of the real estate assessed values than anywhere else in Clark County. In terms of the more cost sales tax that particular item is purely sales tax related and is not part of the overall consolidated tax number. Sales tax generally tends to be a percentage of growth much larger than any other components of the consolidated tax formula. The C-Tax growth down here we have noted is averaging just slightly above 5% for the City of North Las Vegas.

Mary Walker asked if they had any abatement left. Tom Baker replied we had about $2 million left this year, so he is expecting by next year that that hopefully won't be all exhausted.

Al Noyola continued with the next slides 24, 25 and 26 concluding his presentation.

Mary Walker asked if their plan was consistent with AB 471, she thought they needed a plan within so many years to eliminate their reliance on utility funds. Mr. Noyola said he said in his recollection of AB 471 is the next year that we have to provide a plan to the Department of Taxation on how we plan to wean ourselves off of that portion of the PILT that is transferred vs. the portion that can be charged to the General Fund for expenditures related to the support of the utility fund. They have 10 years from the passage of the bill to wean themselves off.

Chairman Leavitt thanked the City of North Las Vegas. He wanted an update at the next CLGF meeting.

Al Noyola wanted to thank the Department of Taxation, LGF, they have been very helpful in assisting them in identifying possibilities of any other options to explore to keep the City of North Las Vegas solvent. He also has a close working relationship with the CFO's in Clark County and they meet on a routine basis.

Chairman Leavitt wanted to caution again regarding the transfers from funds to these loans. Make certain as you go forward before your board to formalize those loans and satisfy the requirements of NRS.

Mark Vincent wants to have the CAFR or at least a preliminary unaudited CAFR that would have their year end accruals.

Mary Walker would like to see the cash flow projections for the General Fund and the other funds that they are having difficulty with.

The Chairman called a short break.

**Agenda Item 5(a) Inter-fund loans in "due to/due from"**

Terry Rubald said the first item under 5(a) potential for looking at regulations defining the use of inter-fund loans in "due to/due from" situations and an interpretation NRS 354.6118. The question that arose at your March meeting during the presentation by the City of Reno was how NRS 354.6118 should be interpreted. Currently the statute requires that before an interfund loan can be made, or a loan to another local government, the lending local government must determine that there is a sufficient amount of money available for the loan, and that the loan will not compromise the economic viability of the fund. This is quite a specific requirement that it is the governing body that decides whether a loan can be made. However, there are examples of transfers between funds, if you will, where the governing body has not actually made a decision to loan. Some of those examples might be cost allocations or grant funding; or in the case of the City of Reno, the one-day loans which were basically journal entries to avoid any negative fund balances, in which cash in the pooled fund is applied through book entries to those funds with negative cash balances. Your packet contains examples of the various kinds of "due to/due from" transactions, as well as examples of resolutions where the governing body gave its approval for the loan.

Ms. Rubald continued as you know, the Committee recently adopted regulations providing a process for turning a temporary one-year interfund loan into a medium term obligation. One of the specific provisions of the new regulations was the definition of a temporary interfund loan, and that can be found at page 350 of your packet. Basically a temporary interfund loan is a loan of money for a term of less than 1 year which is made to meet an immediate obligation of another fund in advance of receipts of revenues that the borrowing fund expect to receive. The question, I think, is whether this definition needs to be expanded to clarify what to do in the case of cost allocations, grant funding, or other situations; whether some transactions rise to the level of a temporary interfund loan which requires approval of the governing body; and secondly, whether a regulations needs to be adopted to make this clarification, or whether simply a guidance letter from the Department would be sufficient.

Chairman Leavitt said lets say you have a situation in a government where you have funds that normally have transactions with each other all through the year. He could see at the end of June you have a one fund billed the other with actual cash has not been transferred, so you have due from that you recognize.

To him that does not seem like an inter-fund loan, in the contemplation that we have when we did the regulation. But at the same time if you know you are going to receive a federal grant for several million dollars and you are going to get reimbursed for the grant after all the expenses have been incurred, and you are going to have to loan money upfront. That seems like a situation of magnitude that you would want the board to approve it, because otherwise you could get into the same situation as North Las Vegas where you are short on cash and you've loaned another fund money and now you are unable to operate. That is a formal enough situation where you need to go through the process. These people that have pooled cash funds, each fund has ownership in that pooled cash. In March the one fund is out of money and they continue to get paid out of pooled cash, however, you technically got one fund loaning money to another fund out of that pooled cash. You might at the end of June and make the entry to record the "due to/due from" you really have the transfer at the time you made the loan. This type of action needs approval of the governing board.

Gary Kraemer said at Washoe County School District they have several very large federal reimbursement type grant that they have relied on a letter from the Department of Taxation from 1998, the board has approved them in the budget. However, they cannot get reimbursed from the federal government until they have actually expended the money. He would hate to see something that has worked well for them for over 10 years be disrupted and cause a lot of paperwork because some entities have had some issues with other type funds not federal reimbursement grant type funds.

Tom Gransbery said included in the CLGF packet on page 368 is from the Humboldt County CAFR and we do have the receivable payables "due to/due from" and this is for cost allocation and he looks at this and he see an amount of $24, sometimes we are talking about a very small amount of money. The next one on page 369 is the larger amount from the Washoe County School District from their FY 10 CAFR and as Mr. Kraemer said they have been doing this for years and years. He believes this is being discussed at the meetings when the grant are accepted and he was thinking it was a known fact that there will have to be a borrowing of money short term to get the money to do the project and there is going to be reimbursement. The other two examples are may be how some of the members may want to go with. There is a resolution with reference to NRS 354.6118 and it's signed by the governing board. Then the last example on page 372 from Douglas County they do the inter-fund loan through a resolution, he did not see a reference to NRS 354.6118, but again this is full transparency what the local government is doing.

Andrew Clinger commented that maybe this was the question Terry was asking about cost allocations, and he does not have a concern on cost allocations and going before the board and asking for approval for those because presumably those have approved as part of the budget process. If the City Council has approved a cost allocation it does not make since to come back and ask for a resolution to make the transfers since they have already approved that. Chairman Leavitt agreed with Mr. Clinger that was his thought as well.

Andrew Clinger said his main concern was on the situation where you have pooled cash and you are technically running a deficit in one of those funds that is in the pooled cash. You are not running a deficit there is no such thing as negative cash you are borrowing it from one of the other funds and those types of transactions should be approved in advance. You should not be coming back to the board or council after the fact, because you are putting that board or council in the position of they really do not have a choice.

Kristen Burges with Kafory Armstong appreciated that the grant reimbursement funds are being talked about and considered, because they are known funding coming and in such a short period of time and the grant a lot of the local governments in Nevada use separate funds for their grant account and it would be voluminous for the Department of Taxation to look at that as well as board to approve those on a case by case basis.

Chairman Leavitt asked if the Committee agree that at the time you accept the grant you determine where the upfront funds will come from.

After discussion by the Committee it was agreed that Terry Rubald would draft up a guidance letter and start the process for an amendment to the regulation.

**Agenda Item 5(b) Legislative activity overview and Department action plan**

Terry Rubald said 5(b) was is just an informational item, the Division of Assessment Standards prepares a legislative overview for all the areas in which it is tasked to administer. She wanted to provide a copy of the document since there were so many bills that effected local government administration. It is a reference document. She brought to their attention pages beginning at 411which is a summary of the action plans to implement the various pieces of legislation. In the first section relating to boards and commissions you can see that CLGF has a lot of responsibility in adopting regulations, particularly under AB 471, AB 551, SB 65, and SB 262. If you turn to pages 412 and 413 you will see that the LGF section plans on issuing guidance letters or has other new reporting or analysis duties including administering the More Cops reporting requirements for the local governments in Clark County.

**Agenda Item 5(c) SB 65 Format of Published Financial Statements**

Terry Rubald said 5(c) is about the requirements under SB 65. On page 418 of your packet, you'll see in Section 4 which requires CLGF to adopt regulations prescribing the format of the financial statements that are now required to be posted on the internet website of a city or county. On page 416, under section 2, you'll see that the statements that are required to be published in the newspaper now only have to be summary statements of the total amount of receipts, disbursements, and bills allowed and paid during the period. There are certain notification and contact requirements as well. She asked if the Committee wanted a subcommittee to work on these regulations, or do you want the Department to draft up something for discussion? Do you want the format to contain simply the fund/function/and activity; or something more or less? She wanted to remind the Committee that the Governor has a freeze on the adoption of regulations, so while we might come up with the language, I don't believe the regulations can actually be adopted until after the first of the year.

Mary Walker stated during the Legislative Session the league of cities had worked on a draft of a financial information to put on the website, maybe they could start with a copy of that.

Chairman Leavitt asked Terry to go through the legislative issues then come back and decide if we need to establish a subcommittee.

**Agenda Item 5(d) AB 471 Cost Allocations to Enterprise Funds**

Terry Rubald said 5(d) is about requirements in AB 471 regarding loans and transfers from enterprise funds. On page 423 of your packet, under section 1 subparagraph 8, CLGF must adopt regulations describing the types of cost allocations which can be allowed as a transfer from an enterprise fund without going through a medium-term obligation process. If you'll recall, in general this bill limits transfers out of an enterprise fund. IF the loan or transfer is for a purpose that is not related to the enterprise fund, than a medium-term obligation loan process is necessary. Monies borrowed in this manner have to be repaid to the enterprise fund within 5 years, with certain exceptions, which involve notifying CLGF. However other monies can be transferred from the enterprise fund if it is to pay for expenses related to the purpose of the enterprise fund or for cost allocations related to the purpose of the enterprise fund that is where we come in CLGF is to identify what those cost allocations can be. The fees of the enterprise fund can only be increased if it serves the purpose of the enterprise fund. In other words, fees can't be increased to support other fund needs. CLGF will also have the duty to review all the fiscal reports submitted electronically by local governments to the Department, and determine whether the local governing body has complied, and then report on its determination to LBC every other year by January 15th. The question is whether you wish to establish a subcommittee to determine what types of expenses can be included in cost allocations, whether you wish the Department to just draft something up.

**Agenda Item 5(e) AB 551 Consolidation of Services for School Districts**

Terry Rubald said this is about the requirements in AB 551. On page 435 of your packet under Section 1 subparagraph 4, CLGF is required to adopt regulations regarding the procedures and guidelines for how board of education may consolidate or share services, functions, and personnel. It seems to me that we might be able to borrow some of the language or ideas that were developed for the transfer of functions which required a lead entity to prepare a draft transfer plan, in this case it would be a plan of consolidation, provided that the participating agencies give the lead agency enough information to prepare the plan like a description of the function that would be consolidated and the operating costs of the function. Those regulations also provided a process for holding workshops to solicit comments regarding the consolidation plan and so on. Would you like a subcommittee to meet on this, or would you like the Department to prepare a draft.

**Agenda Item 5(f) Forms to be used for the "More Cops" reporting to AB 572**

Terry Rubald said this is about the requirement in AB 572 regarding the "More Cops" program in Clark County. Basically, the reporting requirements for the "More Cops" program that is funded by an increased in the sales and use tax in Clark County will now be turned over to the Department rather than LCB. We have prepared a draft reporting form that incorporates what previously was reported with regarding to expenditures, but it also includes reporting on funding the police department from the General Fund or other special revenue funds. The information will be used by the Department to determine whether any of the "More Cops" funding was used to supplant or replace existing funding in the General Fund. We'll also run this form by the Committee and Clark County reporting entities to see if any changes need to be made. The reporting to the Department starts on August 15th for the 2010-11 annual report and the 4th quarter report.

**Agenda Item 5(g) Forms Required by SB 92 requiring fiscal information from redevelopment agencies**

Terry Rubald said that is about the requirement in SB 92 requiring fiscal information from redevelopment agencies, CLGF is required to develop a form for report on property tax revenues from tax increment areas, and that is on page 453 of your packet near the bottom. The redevelopment agencies are required to report to LCB on a form prescribed by CLGF. It must include information on property tax revenue received the combined overlapping tax rate and the property tax rate of the redevelopment area the total assessed value of the redevelopment area and other information. We have not yet drafted a form for Committee review and approval.

**Agenda Item 5(h) Guidance letter issued by the Department regarding AB 46, water district special assessments**

Terry Rubald said that this is about the requirements in AB 46 regarding the treatment of special assessments for property in underground water basins. The Department has already issued a guidance letter which states that special assessments for water districts cannot be considered a levy for property tax purposes. What was happening was that in some underground water basins, the total amount necessary to be levied was converted into a tax rate which was part of the overlapping tax rate and thus subject to the property tax abatement. The water districts weren't getting the total amount to be assessed because of the abatement. Thus, the State Engineer resolved the problem by proposing this legislation which states that "ad valorem taxes" do not include any assessments made for water districts. We issued the guidance letter and she gather there is some concern now because our entities that own property in a water district that would otherwise be exempt for property tax are they exempt from a water assessment, so that is to be resolved.

Chairman Leavitt said it seems to him where their requirement is to develop forms is something the Department should do then bring it back to the Committee for approval. On the regulations required to the form of published statements SB 65, AB 471 and AB 551 we could have a subcommittee to work on that. Mary Walker will be the Chair, the other members will be Gary Kraemer and Greg Weyland.

**Agenda Item 6(a) DISCUSSION AND CONSIDERATION OF INCORPORATION FEASIBILITY STUDIES PURSUANT TO NRS 266.0261 OR SB 262 (2011)**

**a.) For possible action: Moapa Valley Town Incorporation**

Tom Gransbery referred to page 467 of the packet, it is a draft letter LGF put together recapping what happened since we got the information from the county giving us a task to do a feasibility study on the incorporation of Moapa Valley Town. This has been about a yearly process, so he would like to go over the recap of events in this letter.

Chairman Leavitt said the Committee has a formal responsibility to do this and so he thinks we probably should formally approve the contents of the letter so that we satisfy the legal requirements on this particular item.

Tom Gransbery said on October 22, 2010 they presented to the CLGF an analysis of what we thought the revenues might be for the incorporation and then an analysis of what we thought the expenses. When the report was reviewed by this Committee we realized it was multiple revenue sources and multiple expenses we needed to look at in more detail. What was presented by the incorporation committee was very weak and not a good representation of one year and maybe three to four years out. At that meeting it was decided to create a subcommittee to look at the incorporation and look at the feasibility study. On November 19, 2010 the subcommittee met we had a representative from the county several representatives from the incorporation committee and we started talking about revenue expenses in that meeting we got into more detail on who was going to be providing services there were several major issues one being police protection another being fire protection. At that time the County offered to have another meeting and to go into more detail for the incorporation committee so they could see what they needed to look at and what kind of analysis they needed to do. That meeting took place in December 10, 2010, Warner Ambrose attended that meeting and as you can see there were 20 department heads and regional entities at that meeting and basically the comment after the meeting was that it really opened the eyes of the incorporation committee that they had a lot of work to do. We invited the corporation committee to the March 31, 2011 CLGF meeting and basically no body showed up they did inform us they could not attend. At that meeting Chairman Leavitt stated that we needed to send the incorporation committee a letter stating we needed more information. Tom did draft that letter located on page 493 of the packet, and basically asked the four question in the letter. We gave the incorporation committee until July 11, 2011 to get back to us. But then on July 11, 2011 we received an email from Ben Robinson and basically he stated that they could not do what we requested them, it was to big of a task and there was no further reason to go on with the incorporation. We have asked for an official letter on letterhead, but we were told the incorporation committee never had formal letterhead. So we felt this was enough to bring to the CLGF.

Terry Rubald said basically what we are asking the CLGF is to make a finding that the incorporation is not feasible at this time.

Chairman Leavitt asked for a motion to approve sending the letter located on Page 467 of the packet. Mary Walker made the motion, second by Gary Kraemer, the motion carried unanimously.

**Agenda Item 6 DISCUSSION AND CONSIDERATION OF INCORPORATION FEASIBILITY STUDIES PURSUANT TO NRS 266.0261 OR SB 262 (2011)**
**b.) For possible action: Laughlin Town Incorporation**

Warner Ambrose reported that SB 262 was passed which requires LGF/CLGF to do a fiscal feasibility study relative to the impact of Laughlin becoming a city. The impact will also affect Clark County both on the revenue side and the expenditure side. The CLGF will be required to produce this report and deliver it to the Legislative Commission and to the Clark County Commission by December 31, 2011. LGF has started some of the process. A week ago today they had a conference call with representatives from the Laughlin Incorporation group and representatives of Clark County principally being Jeff Share. He (Warner) gave the people in attendance in Las Vegas an overview of the incorporation process including what happens under general law which was the way most entities incorporate. Some other entities have incorporated where they actually have a vote of the people an advisory question goes on the ballot and if it passes they go before the legislature to have charter granted. The people in Laughlin have reversed this process they got the bill passed before they had the vote. In the past under general law the CLGF would review a proposed budget once the vote has been passed and before the incorporation proceeds.

Warner Continued the next principle discussion was relative to the timeframe to be included in the fiscal feasibility study. The members of Laughlin are part of the Laughlin Economic Development Commission and are made up of some developers, and other people involved in businesses in the Laughlin area. They would prefer the analysis to include a five to six year time frame which would include the transition year. This would be the first year of incorporation and then several "normal years" after that. The County believes it should be a shorter timeframe. It has been difficult to propose and analyze things five or six years down the road, and Mr. Share made the point if we did the analysis five years ago, we may have come up with some nice proposals, but that would have been two years before the market went south, and economic conditions would have changed that. Part of the discussion also included a proposed solar project to take place within the city limits of the new city and it was suggested that part of our analysis would be to include a worst and best case scenario regarding the timing of the major components of that project. The things to consider was when are they going acquire the land, when are they going to build the solar plant, and how are they going to house the employees.

Chairman Leavitt asked if this proposed incorporation was some kind of an economic development project that works around the solar plant. He was wondering because you have a solar plant that seems to be the focus. Mr. Ambrose said he has not received anything to indicate that, but the take he gets on the proposed incorporation was the fact that the Town of Laughlin wants some control over land issues on zoning and those types of things. The proposed plant was going to cover 5,400 acres of land that they will acquire from Fort Mohave Development Corp, and the property is owned by the county. In addition, 400 acres of this would be for a plant that would manufacture solar panels, the other 5,000 acres would be a solar farm. If you are not aware this proposal for incorporation does not include the hotel corridor. The principle owners of the hotel casino's in Laughlin want nothing to do with the proposed incorporation and have so stated. We need to get CLGF input as to things the LGF and Mr. Share have not thought of to including in completing this fiscal analysis.

Chairman Leavitt asked Mr. Ambrose if it looks like the financial feasibility of this project was somewhat tied to the solar project. Mr. Ambrose responded that he received a report done by a company in California it's called a corporation feasibility analysis which we received last spring and as he recalls he did not remember much mention of the proposed solar project. The proposed budgetary information they had in there included revenues and proposed expenditures. During discussions in the meeting last week was they looked at page 11 of the IFA, page 517 of the Committee packet, and spent time talking about some of the proposed revenues. The two main items were relative to property tax and the consolidated tax. They felt the proposed City of Laughlin could continue to receive the 28 cents levied from Metro. If you look at it, it was for the City of Las Vegas only and unincorporated Clark County. The city council could vote to impose some sort of revenue enhancement. Under the sharing of CTX their proposal also says that the county would essentially give the city some money to pay for police services. In order to project some of the gasoline taxes they need to get information from NDOT relative to the 2.35 cents motor fuel tax you need to get the annual vehicle miles. He has prepared a letter as a matter of information. LGF will send the letter to the school district letting them know of this proposed incorporation, to the Las Vegas Clark County District which has a branch library there, the County Assessor and the Treasurer as to how they could be impacted.

There was a discussion on the existence of the proposed solar plant.

Robert Bilbray stated he was present as Vice President of the Laughlin Economic Development Corporation which is a 501C3 corporation that encompasses approximately 75 business interests in the Laughlin community. During the telephone conference with Mr. Ambrose and members a lot was accomplished. The information the county and the LEDC consultant will be providing will result in an updated studies. The solar project did not occur until after the legislature, but it is a very exciting project. He feels since the provisions of SB 262 called for the incorporation to be effective as of June 30, 2013, he felt some relevance should be given to the status of that project. He expects that negotiations for the site acquisition with Clark County be concluded either in late August of this year or early September. The LEDC has been extremely cautious in securing an independent unbiased financial analysis on the information we had at the time in 2010, and he looks forward to updating that information. He said Mr. Ambrose has been extremely helpful in providing direction. Nothing in their analysis contemplated the massive impact as something as large as what the Mojave Energy Project would entail.

Jeff Share commented in terms of the solar project there was an agenda item that went to the Board of County Commissioners in July to begin negotiations. There was talk about appraisals and that's where the project stands at least on behalf of the counties. There is support for the project. He spoke with the Laughlin Town Manger to ask her about the infrastructure and just to get an idea when this project goes forward, what they were talking about in terms of the magnitude of this. She said that back in 2009 there was a feasibility study on the infrastructure needs for the 400 acre industrial park which is the manufacturing facility. The remaining acres will be solar panels but there was one feasibility study of three different sites and the site recommended will be about 90-95 million dollars worth of infrastructure that's going to have to be put in.

The question of timing has been something of concern. It was his understanding that the topography they are dealing with was that there was one mountain range that this will be impacted by and it's about 1 mile from south Laughlin. To give an idea of what we're talking about there was discussion at the last commission meeting about whether they would be leasing the land or selling the land. That decision was not made. There is still discussion going forward with the land. As far as the revenues (page 511 of the packet) there was the discussion about metropolitan police, the property tax the numbers in the far column that says New City these are FY10 numbers, the FY11 numbers of the property taxes were lower. He spoke with the Assistant Treasurer for Clark County and Michele Shafe the Clark County Assessor yesterday to talk to them about the about the projections for FY12. It looks like the numbers for FY12 for the new city will be down from the 1.6 number that is there. He has not finalized the numbers, it looks on his rough numbers it will be around 1.3, 1.4 million for the new city. There was a lot of assessed value loss in the hotel corridor in FY 12, there are about 3 hotels that lost a significant amount of assessed valuation. There was some loss in the city but not to the extent of the hotels. There will be some additional new property that was coming on the rolls in December that will come in the second payment and that was all for the city there will be no additional in the hotel corridor.

Mr. Share said he told them he would be able to get some good property tax numbers for FY12. He has since sent new business license numbers he spoke with the business license department got them revenues for that. The franchise fees were developed. The problem he was having with many of the departments in trying to figure out costs and revenues there has been no history with splitting a town in half and determining who gets what. Where do you split your services? How would Clark County who sweeps the streets stop? It was a little of a technical thing they need to work out with the departments to try and figure out how to give them some numbers. He had that discussion with Marian Henderson with the Department of Taxation and talked about the consolidated tax and discussed how they were going to figure out who gets what. Ms. Henderson told him there was going to be a discussion in her office and they would request an attorney generals opinion as to how to go back five years with consolidated tax to go forward. The 2.225 number on line 18 written as consolidated tax Marion could not confirm that number. There was discussion on line 19 county CTX transfer to city for transfer of police services. The consultant that was hired to do this decided this would be for police services because it was the largest expenditure. They were looking for a transfer of revenues for the services that would no longer be provided by the county and said that we would have those savings.

There was a discussion to determine whether this city can stand on its own. When he asked how long they would have to provide money to a city from unincorporated county tax payers to this city, it went back and forth and there was a difference of opinion. The consultant had referenced NRS 360.740 regarding the consolidated tax which talked about police services, fire services, park services, and public work services that a city council of a new city could request of the jurisdiction that they broke off of for revenues related to those services. There was discussion about the fact that the city council wouldn't be in place six months before the city if the incorporation went through. Whether the city became a city there wouldn't actually be a city council to ask for this revenue. There was discussion in the county about a subsidy to ensure, as you see on the income statement, to make the income statement work with the fund balance that they are looking for.

Mr. Share continued, again when they had the initial discussion he had with the consultant and one of the members of the incorporation committee Mr. Jim Shaw, it was agreed that the $1.6 million in property tax on that first line was actually going $1.5 million for FY11. His question to them was does that mean the $2.3 million county transfer was now going to be $2.4 million. So there are two real issues that he found that really need to be discussed. One was how to account for the solar project and the other was the county transfer. He has a list of several of the expenditures he can update through FY12. He was concern they had compared the projected cost of Laughlin to Mesquite and Boulder City. There were a lot of references throughout the study comparing to Boulder City and Mesquite but it looks like the expenditures that they are going to have regarding administration, judicial, public safety and the city as a whole would be about 1/3rd of Mesquite and a 1/3rd of Boulder City.

After some discussions they will make the decision of what kind of services that they want to provide to their citizens. He would provide the numbers that are currently providing for town services for fire, police, public works, and public recreation those kinds of services they are providing to them right now and let them make the decision to what kind of services they want to provide. That was why he concentrated more on the revenues and insuring the revenues that are correct. To give an idea of some of the expenditures that he does not see on this list just speaking on behalf of the finance department there was comptroller services, accounts payable, budget, payroll, risk management, HR, elections, public works, roads maintenance, street sweeping, street signs and street lights. There was real property management as a general term in terms of building maintenance, utilities, construction management and design, parks and recreation, landscaping, programming, and many other things Clark County is providing in Laughlin. There are still a lot of issues outstanding.

Robert Bilbray said that with respect to Jeff's comments he would like to get the information update and have the cooperation from the County staff to get correct figures and complete the analysis and submit to LGF staff.

Jeff Share commented there has never been a dedicated budget for Laughlin it has always been treated as one of the other unincorporated towns.

Chairman Leavitt thought maybe the solar plant should be included in the footnotes to the report so we are not giving our principle report on a facility that does not exist. He said that he would like to have a subcommittee formed with members of the South. It was decided that Mike, Marty and Mark would be members of the subcommittee.

Mark Vincent left the meeting at 1:25 p.m. due to a prior commitment.

Yolanda King Director of Budget and Financial Planning for Clark County commented there was a separate Laughlin Town Fund that was used to account for the revenues that are collected within Laughlin. Prior to 2004 the only expenditures that were dedicated and accounted for out of that fund included the Clark County Laughlin Fire Services that were provided in the town and the administration of the Laughlin town. Back in 2004 the property tax revenue that was collected in the Town of Laughlin was not enough to pay for both of the administration and the fire services. So the County essentially moved out the administrative costs, which was around $300,000 into the county General Fund. Currently as it stands today the Laughlin Town Fund are just for fire services. Laughlin was not charged General Fund expenses. She has asked the departments to estimate what those cost will be to contribute to Laughlin Town.

**Agenda Item 7(a) Review and Approval of Minutes 3-31-11**

Chairman Leavitt asked for a motion. Beth Kohn-Cole moved to approve the minutes, Greg Weyland seconded, the motion carried unanimously.

**Agenda Item 8 Briefing to and from the Subcommittee on Local Government Finance and Local Government Finance Staff**

Chairman Leavitt called 8(a)(1) whether to re-establish subcommittee to consider recommendations for regulations concerning appropriate recognition of health care liabilities on the books and records of local governments.

Terry Rubald said the way it left off was with the subcommittee and they recommended to put any further action until the end of the legislative session to see if anything could be passed and as far as she was aware nothing passed.

Carole Vilardo stated they had a bill SB 135 which would have put some parameters around heart-lung which from her perspective would have minimized the need, if the Committee did not want to go forward with putting in a footnote or something else in order to have liability. However, after listening to NLV this morning, looking a Reno, and other issues she was thinking there needs to be a footnote to liability, not only on what heart-lung is but well identified to what we are dealing with on the PERS liabilities and on the health care liabilities in general. The heart-lung is a particular concern to her. First of all for the retirees it is technically an occupational issue on workers comp which should be self-funded. Given what we have seen with financial situations with transparency in some of the budgets trying to identify potential problems we have no handle on it. She did know they were able to find out from one actuarial report by speaking with the actuary and the attorney covering the fund that the liability is a shade for the local governments in Nevada and that includes school districts because you have school police. Gray Kraemer said it was his understanding that school police and not considered under the heart-lung. Ms. Vilardo said irrespective of that should the other governments that are impacted by it she thinks you have got to have something in the budgets that identifies that liability even if it is as simple as a footnote.

Beth Kohn-Cole stated they should reestablish the subcommittee, it is a big issue and it needs to be addressed. Chairman Leavitt agreed, the subcommittee consist of Alan Kalt as the Chair, Beth Kohn-Cole and John Sherman.

Chairman Leavitt called 8(a)(2) Complaint regarding management and appropriation of tax revenue funds for Washoe County fire districts.

Terry Rubald explained this first came to the attention of the Department of Taxation through communications to the Chairman of the Nevada Tax Commission who passed that on and we obtained the advice of the Attorney General. On page 644 you can see that ultimately the decision was that the Tax Commission did not have powers to investigate this complaint and the tax payers were notified of this meeting, so we placed it on the agenda to see if you had jurisdiction or wish to entertain activity on this subject.

Mary Walker said she would like to recues herself from this agenda item. She works as the finance officer for the Truckee Meadows Fire Protection District and the Sierra Fire Protection District.

Beth Kohn-Cole said she would like to recues herself because she works for the Sierra Fire Protection District Fire Fighters Association.

Andrew Clinger would like to recues himself since it deals with the City of Reno.

Dawn Buoncristiani stated she agrees with what the AGs did with regard to the Tax Commission for terms of having statutory authority to exercise oversight over the terms and conditions of the interlocal agreement you do not have any. In terms of the operation of the fire districts you would have authority only to the extent of the statues in which you operate and that would be for example the local government budget and finance act. In term of the other letter from Mr. Sommers she has talked to the AG unit of the Nevada Public Integrity Unit of Northern Nevada and provided them with that letter. Your authority over anything that would be especially as your statues provide and she thinks they are very detailed and specific as to what you can do I term of revenue and budgeting. There is also a Nevada Case Law that states that that is what you are limited to.

Chairman Levitt as in relation to interlocal agreements between two local governments the Committee essentially does not have authority to get involved in those agreements.

Terry Rubald said the responsibility of the Department is to ensure that the various aspects of the budget and finance act are ad heard to. She would treat this complaint as a heads up as we go through analysis of budgets and audits to see if there is anything in those documents that we need to pay special attention to. Otherwise she cannot see that the Department would have any authority either.

Thomas G. Daly read from prepared testimony. Attachment A.

Chairman Leavitt asked if Mr. Daly has brought this matter to the attention of the Truckee Meadows Fire Protect District Board. Mr. Daly said yes and by a variety of citizens. Chairman Leavitt said it appears that the Board of the fire district is the one that entered into the interlocal agreement with the City of Reno and if they feel the City of Reno is not living up to the terms of the agreement the TMFPDB should be the ones that should be dissatisfied and want to amend it or change it.

Chairman Leavitt called 8(a)(3) Financial reporting requirements of GASB 54 with regard to GASB nomenclature for reserved and non-reserved funds and potential effects on budgeting requirements.

Tom Gransbery stated that he was going to meet with Jerry Ike and Sherry Mendez in August and bring back the discussion on whether they need to change their budget forms with regard to GASB 54. It appears that where we felt that was more of a financial reporting and not a budget form issue we are getting questions. So they are going to get together and see what kind of changes they may have to make to the budget forms. He will bring the changed forms to the next meeting. Beth Kohn-Cole asked if she could be involved in that meeting. Tom said that would be fine, and would inform her of the date.

Chairman Leavitt called 8(a)(4) Discussion by Committee Regarding Matters Affecting the Committee.

Tom Gransbery gave a report on Pershing General Hospital. Since the last meeting on March 31, 2011, the representatives from the Nevada Rural Hospital Partners stated that they would come and give a report on their revenue cycle. However, they were not getting cooperation from certain staff in the business office and they truly believe in the revenue cycle. Basically, they had to make changes with the business office staff and they feel they have a full complement of people that believe in this revenue cycle. They will come to the next meeting and give their report.

Tom Gransbery said a local government brought to LGF's attention that there is a possibility of the money market mutual funds that need a AAA rating for local governments to invest in that rating could be down graded. The question to LGF would there be a reason to have to move money out of those money market mutual funds. There was some discussion between the local government and the treasurer's office. Basically what was discussed is if that does happen there would not be a need to move the money out of the mutual money market funds right away, but the treasurer's office believes no new money could be invested.

Warner Ambrose gave a report on when the Legislature was here and LGF tracked the lobbying expense forms and most have been submitted. As of yesterday a total of $2.9 million was spent by local government entities during the session, and again in the past 3 or 4 sessions the breakdown is pretty much the same as the population. 69% of that $2.9 million was spent by entities in Clark County and 23% for Washoe County.

**Schedule Date and Review Agenda Topics for the Next Meeting**

The next meeting will be scheduled for mid to late October.

Marty Johnson brought up that there a number of reports that the local governments file that his personal opinion some are superfluous some don't mean anything, some could provide good information if they were directed a little better. An example is the debt management policy in the indebtedness report. All the information that is in the indebtedness report should be in the debt management policy already. There could be some ways to either condense or eliminate these reports. Chairman Leavitt wanted this information on the next agenda.

**PUBLIC COMMENT**

Carole Vilardo commented that sitting and listening to all of North Las Vegas if she heard correctly if their council does not accept those recommendations they are out of money. Her concern as a taxpayer representative is could the Committee as a contingency do some sort of follow-up to see what the council has done. If the council does not accept those recommendations, do a phone conference call or something so that you can intercede, because if you wait until October they will be out of cash.

Terry Rubald said the way severe financial emergency works is that the Department of Taxation makes a recommendation that they have met one or more of the 27 conditions and at that point we could request a corrective action plan. We will follow the activity of the council.

**ADJOURNMENT**

The meeting adjourned at 2:12 p.m.