

Minutes of the Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
November 9, 2020, 9:00 a.m.

The meeting was held at the Department of Taxation, 1550 College Parkway, Carson City, Nevada by Teleconference.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt
Marty Johnson
Tom Ciesynski
Paul Johnson
Jim McIntosh
Gina Rackley
Beth Kohn-Cole
Jeff Cronk
Jessica Colvin
Christine Vuletich
Mary Walker

COUNSEL TO COMMITTEE:

Peter Keegan

**DEPT OF TAXATION STAFF
PRESENT:**

Jeffrey Mitchell
Kelly Langley
Kellie Graham
Ande Thorpe
Christina Griffith
Chali Spurlock
Denesa Johnston
Hector Sepulveda

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Matt Taylor	City of Reno
Mark Hughes	City of Reno
Wesley Harper	NV League of Cities
Savannah Rucker	Nye County
Lori Frey	Clark County School District
Jason Goudie	Clark County School District
Abby Yacoben	Clark County School District
Leonardo Benavides	Clark County School District
Diane Baselice	Clark County School District
Steve Osburn	Clark County School District
Dagne Stapelton	NACO
Lorina Dillinger	Nye County
John Prudont	Nye County
Tim Sutton	Nye County
Raelyn Powers	Nye County
Jennifer Perry	Nye County
Jeff Church	Himself

ITEM 1. ROLL CALL AND OPENING REMARKS

Member Paul Johnson was absent, all other members were present.

Chairman Leavitt announced Beth Kohn-Cole would be retiring and commended her on her great service over the years. He noted she has been a great asset to local governments as well as the Committee on Local Government Finance (CLGF). Member Kohn-Cole thanked him, adding that it has been a pleasure and an honor to serve. She also thanked CLGF and their staff.

Chairman Leavitt also recognized Mary Walker for being an integral member of this committee as well as the Economic Forum. He stated that he appreciates her work on the technical committee. Member Walker replied that she feels honored to be on it.

ITEM 2. PUBLIC COMMENT

There was no public comment.

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

**(a) For Possible Action: Discussion and Consideration of Clark County School District Financial
Condition**

1. Report by the Department and Clark County School District on the Following Matters:

- a) **Discussion of the cashflow report for FY 20/21 along with recent enrollment numbers**
- b) **Discussion regarding any potential Federal funding to the School District due to COVID-19**

Member Kohn-Cole recused herself from this discussion due to a conflict.

Kelly Langley, with the Department of Taxation (Department), explained the cash flows were provided in the packet, actual to September. She introduced Jason Goudie, with the Clark County School District (CCSD).

Jason Goudie stated that the cash flow was fairly close to what was projected. They are adjusting it where related to COVID and will update as needed with the amended final budget. They are close to budget and their cash is higher showing a strengthened financial condition.

Chairman Leavitt requested an update on enrollment compared to what they had planned.

Mr. Goudie replied that they had cuts to funding with SB83. He explained the funding. They are developing their amended final budget. Enrollment is lower, but lower enrollment means lower costs. They made cuts to the budget to make up for SB83. They spent less, and their carry over increased for the end of 2020. Budgeted ending fund balance (EFB) increased. CCSD is the only entity that has their EFB increasing during the COVID crisis. Mr. Goudie requested CCSD be removed from fiscal watch.

Chairman Leavitt asked for comments from the Committee.

Member Ciesynski asked where CCSD is on distant learning or opening for in person classes. Mr. Goudie noted that no recommendations have been presented at the board meetings yet. They are having ongoing discussions on distance learning or a hybrid model.

Member Ciesynski also asked what the cost impact is for distance learning to hybrid learning. Mr. Goudie replied that the costs are reduced for the first semester, for transportation, fuel, utilities. They still have costs built in for the hybrid model. They will have an excess if it is changed out. Reductions if it remains distance learning.

Chairman Leavitt noted in the Economic Forum meeting, they discussed a government budget and should have a government budget by their next meeting. He stated they will see what revenue will be going to schools. By that time the Committee will probably make a determination on fiscal watch at that time.

Mr. Ciesynski reiterated as he has said in previous meetings that he commends Jason's leadership and agrees with the Chairman.

Ms. Langley addressed Mr. Goudie noting that she believes the per pupil savings and reduced cost for distance learning helps with costs. She asked about the CAFR.

Mr. Goudie replied that the CAFR should be presented after November 16th and that there are no surprises. The fund balance is higher than anticipated. They filled the deficit for 2021 and helped defer cuts. There are no internal control findings and results are better than expected. Ms. Langley thanked him.

Chairman Leavitt noted that he appreciates their willingness.

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

1. Report by the Department and Nye County on the following matters:

a) Update on Treasurer's Office Monthly Bank Reconcilements and Treasurer's Reports and update on status of filing with County Commissioners

b) Progress update on the FY 19/20 Audit Report c) Progress update on cross training

Member Marty Johnson disclosed his relationship with Nye County and confirmed that it would not affect any action taken, he stated he is not recusing himself.

Ms. Langley listed the items in the packet for Nye County. She also introduced John Koenig, John Prudhont, Savannah Rucker and Dan McArthur. She stated they are awaiting the 2020 audit, but it sounds good so far.

John Prudhont, with Nye County, stated they have been doing training. He noted that Raelynn is training on accounting treasurers report. She put together an outline. Staff was able to complete it on their own. They are continuing training for additional staff members. The bank reconciliation has been on time monthly for many months.

Chairman Leavitt noted that he appreciated these things being done. He asked if Dan McArthur was on the line. Savannah Rucker, with Nye County, stated she had spoke with Mr. McArthur, and he was on the way to a board meeting and said he may not attend this meeting.

Chairman Leavitt requested her to please update him.

Ms. Rucker stated they have met all deadlines on the timeline. They are on track to wrap up the audit next week. They have received 99 ½ % of their revenue and have spent 98.2 % of budget. Regarding the audit findings, they have resolved all issues. She stated it looks to be in good shape. They expect the audit by the end of next month.

Chairman Leavitt asked about the financial condition for the current year, anticipated EFB, June 2021 compared to 2020.

Ms. Rucker stated the budget is conservative and they have exceeded projections. She added that all the departments are doing an excellent job. She expects expenditures to come in under projections.

Chairman Leavitt noted they should have the audit report by the next meeting. If things continue to go well, and at stay stable he would at least consider removing them from fiscal watch.

John Koenig noted that he was not reelected and would be out of office January 4, 2021. He believes the audit is clear. He thanked the committee.

Member Walker agreed at both looking at fiscal watch at the next meeting and appreciating the leadership.

Member Rackley mirrored the comments, stating that it has been impressive progress on Nye County. She added that the petty cash needs to be cleaned up.

Raelynn Powers, with Nye County, stated the amount has been carried forward for many years. They are researching the petty cash and will work together to make corrections and identify the balance.

Ms. Langley thanked Nye County and noted she has received timely reports. She asked about any budget cuts due to COVID that the city has taken. Ms. Rucker responded that she anticipated property value increasing, they reduced CTAX revenues, revenues are about the same as they expected, no growth. She explained that property taxes were in excess of projections, COVID has not impacted revenues.

Ms. Langley asked if she could address managing expenses and if the county requested managers make cuts. Ms. Rucker responded yes. She continued stating the savings for the turnover rate reduced service and supplies by 7 ½ %, managing a reduction in budget well.

Mr. Prudhont stated they are aggressively working to remove tax sale properties and are done with the second auction and have 132 parcels back on the tax rolls and they will continue with that.

Chairman Leavitt asked if there were any further comments on Nye County, there were none.

ITEM 4. DISCUSSION AND REVIEW OF CHANGES TO BUDGET FORMS FOR SCHOOL DISTRICTS BASED ON PASSAGE OF SB543 OF 2019 LEGISLATIVE SESSION

Ms. Langley stated that SB543 from the 2019 legislative session will impact revenue reporting. She clarified that in the future budget year changes on schedule B will mention education fund opposed to other line items. She stated the primary change is that the budget forms do not need approval. She will talk to education to see if it meets their needs also.

Chairman Leavitt asked for comments, there were none.

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

(a) Update on the Legislative Report prepared by the Department reflecting Counties, Cities & Schools

Ms. Langley stated this is the earliest this report has ever been prepared.

Member Marty Johnson pointed out an error on the last page, regarding the two years actual data and the most recent budget. He stated this is useful to look at struggling entities to see declines. He wanted to give credit to staff for getting this report prepared.

Chairman Leavitt stated there is a huge amount of information in it. He noted the best years were seen until current. He thinks the end of the next fiscal year will be interesting.

Ms. Langley noted schools show enrollment numbers, maintaining revenues, expenditures are tight which helps the EFB.

Chairman Leavitt noted it would be interesting to see if CCSD increases their ending fund balance during these difficult times.

Ms. Langley offered the committee a hard copy of this report to be mailed to them.

ITEM 6. REVIEW AND APPROVAL OF MINUTES

(a) For Possible Action: CLGF Committee Meeting – August 12, 2020

Member Ciesynski moved to approve the minutes with corrections to the spelling errors on page three. Member Cronk seconded the motion.

ITEM 7. FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING

Chairman Leavitt suggested the next meeting be held at the end of January. He noted they should have audit reports by then.

Member Walker and Member Ciesynski agreed.

Chairman Leavitt asked if Member Colvin would comment on if she is seeing an increase in property tax delinquencies.

Member Colvin replied not to her knowledge. She will check with the treasurer, but nothing has been noted.

Chairman Leavitt asked to add that to the agenda. Ms. Langley commented that property taxes have not been noted on QES forms, she agrees with Ms. Colvin.

Chairman Leavitt asked if there were any other items to bring to the next meeting. There were no further comments from the Committee.

ITEM 8. PUBLIC COMMENT (See Note 2)

Jeffrey Mitchell, with the Department, noted that both regulations were approved and have passed.

There were no other Public Comments.

ITEM 9. FOR POSSIBLE ACTION: ADJOURNMENT

Meeting was adjourned at 9:55 a.m.