

Minutes of the Committee Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
August 8, 2023, 9:30 a.m.

The meeting was held at the Department of Taxation, 1550 College Parkway, Carson City as well as via zoom.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt
Jessica Colvin
Marty Johnson
Tom Ciesynski
Gina Rackley
Paul Johnson
Felicia O'Carroll
Jeff Cronk
Abigail Yacoben
Tom Ciesynski
Jim McIntosh

COUNSEL TO COMMITTEE:

Kayla Dorame

**DEPT OF TAXATION STAFF
PRESENT:**

Yvonne Nevarez-Goodson
Patricia Olmstead
Kelly Langley
Kellie Grahmann
Evelyn Barragan
Ande Thorpe
Cheryl Erskine
Christina Griffith
Chali Spurlock

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Christine Vuletich	Herself
Dan McArthur	Esmeralda County
LaCinda Elgan	Esmeralda County
Vera Boyer	Esmeralda County
Angela Manninen	Boulder County
Cadence Matijevich	Washoe County
Jared Luke	City of N. Las Vegas
L. Cooke	
Leonardo Benavides	City of N. Las Vegas
Ashley Garza Kennedy	
Connie Lucido	
Tiffany Thorpe	
Will Harty	N. Las Vegas
Quinn Averett	Mesquite PD
Patricia Cervantes	
Maddie Gugino	
Debbie	
Jessica Dioquino	City of N. Las Vegas
David Weiser	Henderson
Dillon Kay	City of Henderson
Will Yepez	
Chan Y	
Christine Thomas	
Petrovan	
Steven Marrillo	
Steven Osburn	Clark County School District
Michael Smith	City of N. Las Vegas
Mcg4	
Rich Hogan	
Elizabeth Jordan	Nye County
Beau Bennett	

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Leavitt opened the meeting by recognizing the service Christine Vuletich provided the Committee prior to her retirement. Ms. Vuletich thanked the Chairman for honoring her and commented that it was a pleasure serving the Committee.

ITEM 2. PUBLIC COMMENT

No public comment.

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

- (a) Update from Esmeralda County regarding audit findings related to its credit card program and the status of employee training and ability to meet required deadlines for its Budget for Fiscal Year 23/24.**

The Department of Taxation's ("Department") Supervisor of Local Government Finance, Kelly Langley, advised that Esmeralda County (Esmeralda) was asked to return to the Committee and discuss the findings of its FY22 audit and its credit card program, employee training, ability to meet deadlines and its FY23/24 budget.

Ms. Langley also informed the Committee that Esmeralda attempted to raise its tax rate despite the advice of the Department, and the Department was determined that proper notice of the tax increase was not completed. Consequently, the Department imposed last year's tax rate and made other corrections to Esmeralda's budget. Esmeralda did not publicly notice its final budget with all requirements.

Chairman Leavitt asked Esmeralda what it would do not to repeat the same budget issues and to well address plans regarding additional staff or hiring an outside accounting firm.

Vera Boyer, with Esmeralda, noted that the County is working on strengthening its credit card policy and are making payments more timely. The County will start working on noticing the tax rates in December so it will be timely in the future.

Chairman Leavitt asked whether the County has enough staff. Ms. Boyer stated she believed the audit staff is adequate. She also noted that the County is trying to implement ClearGov to streamline the budget process. Member Yacoben asked whether the County has technical assistance to help with the new software and Ms. Boyer responded in the affirmative.

Member Paul Johnson noted the small counties have these issues with staffing for accountants. He asked about whether the County had policies in place to prevent these issues in the future.

Ms. Langley noted the Department provides a calendar to the counties for the budget process, which includes the deadlines required by statutes. The Department also offers training for the counties and she recommends that Esmeralda take the training again. The Department has been in communication with Esmeralda to help and was surprised by the attempt at increasing the tax rate.

Member Paul Johnson suggested Esmeralda make sure it has policies and procedures in place to prevent these issues. Chairman Leavitt agreed the County should have a list of what is due and when.

Lacinda Elgan, with Esmeralda commented that the County is being proactive and outlining things in advance. She added that the County is training someone training on bank reconciliations, and another on the credit cards, which are being reviewed every couple of weeks to notice problems early. She noted the County will be pre-setting a calendar with the due dates.

Chairman Leavitt is happy the County has adopted credit card procedures. He asked Dan McArthur to give input on current standings.

Mr. McArthur, auditor for Esmeralda, has read the credit card policy and would like to see its implementation but he is happy the policy has been adopted and is being implemented. On the budget, his office believes it is a County decision and setting a timeline calendar for the county would be a good place to start. Mr. McArthur's office is optimistic the audit will be completed timely this year.

Member Ciesynski thinks positive efforts are being made, but suggested that there needs to be more success and future results need to be presented to the Committee.

Chairman Leavitt commented Esmeralda is not currently on fiscal watch, but the Committee wants to see actions taken on a timely basis, and have more accuracy, or he will suggest fiscal watch.

(b) Update from the City of North Las Vegas Regarding its enterprise loan status (sewer & water) including reducing its dependability on these funds, and budget planning for further reductions.

Will Harty, with the City of North Las Vegas, spoke on the PILT reduction plan which has been reducing yearly.

Chairman Leavitt asked Mr. Harty to provide a schedule of the remaining transfers and changes that need to be made to eliminate those payments at the next meeting. Mr. Harty agreed to do so.

Mr. Harty noted that his office is due to go before the City Council before the end of this calendar year as the City is at the end of year five.

Chairman Leavitt asked for a written report on the City's plan prior to the next meeting.

(c) Update on the Clark County Sales & Use Tax Act of 2005, "More Cops" program

The Departments Budget Analyst, Kellie Grahmann, explained the "More Cops" program, including which entities are part of it and how many officers have been hired.

Chairman Leavitt asked for general comments on how the program is working.

Chief Financial Officer of the Las Vegas Metropolitan Police Department (Metro), Rich Hogan, commented that his department has accumulated a sizable fund balance they planned to spend over time. Metro planned to decrease it year to year until COVID hit, when it lost several employees during that time. Metro is having challenges recruiting and is projected to have large surpluses. By FY25 Metro anticipates resuming the negative fund balance and gradually reducing that over time. Metro is in a position to hire more positions this year as well as next year.

Chairman Leavitt asked if Metro is satisfied with the program in general, and whether it has accomplished its purpose. Mr. Hogan noted it has surpassed expectations.

Chairman Leavitt commented he was surprised and pleased at how well sales tax did during the pandemic.

David Weiser, with the City of Henderson, commented that the increase in the City's fund balance is due to vacancies. The City added new positions last year and this year, however it still has high vacancy rates and is working on recruitment policies. The City expects the fund balance to go down in FY24.

Chairman Leavitt stated it seems the fund balance has been related to recruitment.

Quinn Averett, with the Mesquite Police Department, noted it has been conservative with its expenditures and revenues, and it currently has 7 more officers. The program has been a great benefit to the City of Mesquite and the Police Department would not have the response time it has without the program.

Elizabeth Jordan, with Nye County, noted it is hard to find officers to cover the County. The County's ending fund balance has been high because of it. Nye County has started an academy to help with recruiting.

ITEM 4. FOR POSSIBLE ACTION: DISCUSSION REGARDING CLGF'S REGULATORY RECOMMENDATIONS PURSUANT TO GOVERNOR LOMBARDO'S EXECUTIVE ORDER 2023-003 AND CONSIDERATION OF ESTABLISHING A REGULATION SUBCOMMITTEE TO ADOPT THESE REGULATORY RECOMMENDATIONS PURSUANT TO EXECUTIVE ORDER 2023-003 AND NRS CHAPTER 233B

Chairman Leavitt reported that he would like to establish a subcommittee for the suggested regulatory changes and have that subcommittee come back to the Committee to make any recommendations. Chairman Leavitt appointed Member McIntosh to chair the subcommittee, and appointed Members Yacoben, Paul Johnson, and Colvin. He would like a report by the next meeting in October. The Department's Chief Deputy Executive Director, Yvonne Nevarez-Goodson, gave a recap of the Governors Executive Order that put a freeze on new regulations and requested a report regarding proposed amendments and repeals of other regulations within the jurisdiction of the Committee. The Department submitted the Committee's recommendations to the Governor and the freeze on regulations has been lifted. The Governor further required agencies to go forward with the recommended changes. Ms. Nevarez-Goodson noted that a subcommittee could make recommendations to the Committee, and upon approval of such recommendations, the Committee may direct the Department to hold a workshop. Thereafter, the Committee will be responsible for holding a hearing to adopt any regulation changes. She also explained this will be a lengthy process.

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

(a) FY 23/24 Redbook (Property Tax Rates for Nevada Local Governments)

Ms. Langley noted the Redbook had been completed and very few entities increased their tax rates. Chairman Leavitt commented on the abatement amounts, and Ms. Langley noted it has been increasing again.

(b) Lobby Expenditure Report (NRS 354.59803)

Ms. Langley stated the Department was successful in getting the reports back timely from the local governments and she noted that there were decreases during COVID, with a significant increase for 2023.

(c) Legislative update from the 82nd Legislative Session and the 34th and 35th Special Legislative Sessions

Ms. Nevarez-Goodson advised the Committee that the Department tracked any bills that affected local governments. She stated it has been determined that none of the bills will create a fiscal impact to the Department. The only bill that could affect the Department would be the one appropriating funds for Elko County for a new school. Elko County will have to pass a measure to adopt it, and it will only create additional internal training for the Department's Local Government Finance staff.

(d) Discussion from Chairman Leavitt regarding his reappointment

Chairman Leavitt noted his term expires at the end of October. He let the Committee know he did not want to stay if he was no longer an asset to it. The Members confirmed he was and would like him to stay. Ms. Langley added she believes the League would like him to stay on if he chooses.

ITEM 6. REVIEW AND APPROVAL OF MINUTES

For Possible Action: CLGF Meeting – April 14, 2023

Member Ciesynski motioned to approve the minutes with a correction to Member Paul Johnson's name on Page 4. Member Yacobon seconded the motion with the correction. The motion passed unanimously.

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

Chairman Leavitt noted he and Ms. Langley had spoken about having the next full committee meeting within the first two weeks of October. The Members agreed to hold the next meeting during the week of October 15-19, 2023.

ITEM 8. PUBLIC COMMENT

No public comment.

Ms. Nevarez-Goodson complimented the Local Government Finance staff on its hard work.

ITEM 9. FOR POSSIBLE ACTION: ADJOURNMENT

Meeting adjourned.