

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY, NEVADA
LOCAL GOVERNMENT SUMMIT**

FRIDAY

10:00 A.M.

JANUARY 23, 2015

PRESENT:

Marsha Berkbigler, Chair
Kitty Jung, Vice Chair
Vaughn Hartung, Commissioner
Jeanne Herman, Commissioner
Bob Lucey, Commissioner

Stacey Brownfield, Special Deputy County Clerk
John Slaughter, County Manager

The Washoe County Board of Commissioners convened at 8:36 a.m. for a Local Government Summit at the Henderson Convention Center, Grand Ballroom, 200 S. Water Street, Henderson, Nevada. After introductions and the announcement of quorums by the individual entities, the following discussions ensued:

15-0114 AGENDA ITEM 6 – OPENING REMARKS

Mayor Andy Hafen, City of Henderson, and Lorinda Wichman, Nevada Association of Counties (NACO) President, welcomed everyone. President Wichman noted the purpose of the summit was to allow all to come together and get the word out to the constituents and legislators regarding identified priorities, opinions and common issues of concern facing the cities and counties of Nevada.

Anita Wood, Nevada League of Cities President, welcomed everyone. She said everyone had a voice and it was important to use that voice in shaping future policy. She thought now was the time to address any key issues within the proposed Bill Draft Requests (BDRs) to make the most out of this legislative session.

15-0115 AGENDA ITEM 6 – PUBLIC COMMENT

Mona Lisa Samuelson said she was interested in hearing the discussion regarding medical marijuana and would like to read a prepared statement during the final public comment. She also congratulated President Anita Wood.

15-0116 AGENDA ITEM 7 – EXECUTIVE DIRECTORS' REPORTS

Wes Henderson, Nevada League of Cities, thanked Past President Emily Carter and President Anita Wood for their leadership. He briefly summarized the following projects they had been working on since the last Local Government Summit held in 2013. He said they had been working on the Federal level regarding long-term

funding for transportation projects, Marketplace Fairness Act, maintenance of tax-exempt status on municipal bonds, and the filing of an Amicus brief in a case between the City of Reno and the firefighters' union. He noted Reno had sustained some firefighter positions via a SAFR Grant and subsequent to that grant not being renewed they had to lay off some firefighters through that grant. The Court ruled in the City of Reno's favor stating that budgetary decisions were the sole discretion of the governing body, which he felt was very important. The second ancillary thing that came out of the case was that under Rule 29 a municipality could file an Amicus brief without consent of the parties or leave of the Court. The Court accepted the filing under Rule 29, but then asked them to file a motion asking permission to file the Amicus. He reported they did that, but then the Court rejected that motion as being unnecessary. He explained the importance of that because that set a precedent that the League and NACO could file an Amicus under Rule 29.

Jeff Fontaine, NACO Executive Director, briefly summarized the projects they had been involved with including: Funding the Highway Trust Fund, Marketplace Fairness Act, maintaining the tax-exempt status on municipal bonds, Nevada Lands Management Task Force including phasing of transfer of land to the State, a lawsuit challenging the Endangered Species Act Settlement regarding maintaining approximately 290 species listed including the Greater Sage Grouse and listing deadlines, assisted counties with medical marijuana ordinances, renewable energy ordinances and AB 239, property tax abatements for renewable energy, and worked with the Nevada Department of Transportation on the development of their road relinquishment regulations. Mr. Fontaine also thanked the NACO committee members for their hard work.

There was no action taken on this item.

15-0117 AGENDA ITEM 8 – LOCAL GOVERNMENT BILL DRAFT REQUESTS

Agenda Subject: “Executive Directors and Individual Entity Representatives.”

Wes Henderson, Nevada League of Cities, briefly described the Bill Draft Requests (BDRs) that had been filed by the Nevada League of Cities:

- Assembly Bill 19: Revises the provisions governing the timing of budget hearings by local governments.
- Assembly Bill 25: Revises the provisions governing the authorized uses of the proceeds of the Residential Construction Tax.
- Senate Bill 22: Revises the provisions governing state licenses required for certain businesses such as liquor importers, wholesale dealers of wines and liquors, and wholesale dealers of beer.
- Senate Bill 28: Clarifies provisions governing the fees that may be charged for providing copies of public records.

- Senate Bill 51: Establishes and funds a state coordinating agency for the Main Streets USA Program of the National Main Street Center of the National Trust for Historic Preservation.

Jeff Fontaine, Nevada Association of Counties (NACO) Executive Director, briefly described the BDRs that had been filed by the NACO:

- Assembly Bill 10: Requires the state public defender to bear the cost of providing legal representation to an indigent person in a capital case for which the death penalty may be imposed.
- Assembly Bill 80: Phases out the prepayment of net proceeds of mineral payments to counties.
- Senate Bill 16: Reduces the percentage of costs that counties must pay to the State for presentence investigations reports prepared by the State's Department of Public Safety Parole and Probation Division.
- Senate Bill 29: Delegates additional authority to counties for certain day-to-day functions of county governments specific to health and safety issues, including authority for county commissions to adopt ordinances regulating health and safety issues.
- Senate Bill 30: Authorizes a board of county commissioners to reduce longevity pay to elected county officers.

There was no action taken on this item.

15-0118 AGENDA ITEM 10 – SESSION EXPECTATIONS

Agenda Subject: “Legislative Leadership/Government Affairs Chairs.”

Anita Wood, Nevada League of Cities President, welcomed Senator David Parks.

In response to Ms. Wood, Senator Parks noted he was working on a bill that dealt with the reporting/publishing of the tax rolls and the expense that local counties/governments incurred with that regulation. He was hopeful it would pass this time.

Chris Giunchigliani, Clark County Commissioner, commented that she supported SB 16 and requested that the timelines and length of stay be addressed as that was what drove up costs to the counties.

Ron Schmitt, City of Sparks Councilman, suggested to Senator Parks that an amendment be included in the bill he was proposing regarding the publication of the tax roll to include all legal notices no longer needed to be published in the newspaper, which would create a cost savings.

Councilman Schmitt discussed SB 22 regarding the duplication of business licenses for liquor. He commented on other businesses that were required to obtain a business license and was concerned why some had to file with both the city and the county. He wondered if NACO was going to support the bill. Mr. Henderson stated he had received support from both Washoe County and Clark County. A request was made for an explanation as to which business licenses had to come before the commission when their business was solely within a city. Mr. Henderson stated SB 22 would only require wholesale liquor business license requests to come before the commission.

Responding to a comment made by a member of the public, President Wood noted that the labeling and marketing of medical marijuana products would be brought up during this legislative session. She stated Colorado was having issues with medical marijuana being purposefully marketed toward children. She was not sure if that was something that could be handled at the local level, but thought it needed to be handled at the State level. She said they were looking toward the arguments brought forward to the Colorado legislation in order to make a proposal to Nevada's Legislators regarding keeping children safe and strengthening the law.

Commissioner Giunchigliani said that additional legislation was being reviewed including how medical marijuana dispensaries were selected as well as legislation giving local governments more flexibility. Nye County Commissioner Dan Schinhofen stated they currently had one dispensary and the owner of that dispensary cultivation was in Clark County. He noted they had no intention of hindering their sales regarding cross-county jurisdiction for medical marijuana dispensaries. He said anything they could do to open those door cultivations would be appreciated. Ms. Wood stated they had no intention of stopping cooperation between any of the jurisdictions; it was just to make sure that the packaging was clear as to what the product was, so there was no confusion as to what it was and making it as safe as possible.

Mr. Henderson commented on a letter from Speaker Designate John Hambrick, which was placed on file with the Clerk. He noted that collective bargaining would be discussed during the legislative session along with certain bills regarding the prevailing wage laws. Mr. Fontaine stated in addition to those two items, they were aware there may be a bill and discussion regarding changes to the Public Employees' Retirement System (PERS), and tax issues. Mr. Henderson stated there would be discussion regarding Home Rule and he summarized a few Senate bills that had gone through the process.

Regarding the issue of collective bargaining, Commissioner Giunchigliani commented they needed to refrain from getting caught up in the politics and dragged into

a fight. She said there were many other important issues that needed to be addressed such as the tax agenda, Home Rule and education.

15-0119 AGENDA ITEM 9

Agenda Subject: “Overview of Local Government Fiscal Working Group – Jeremy Aguero, Principle Analyst, Applied Analysis.”

Jeremy Aguero, Applied Analysis, gave a PowerPoint presentation entitled “Board of Directors Meeting”, which was placed on file with the Clerk. The areas of discussion of major concern included: state of the economy and economic indicators; state of local governments, General Fund revenues and expenditures for counties and cities, revenues per capita, expenditures per capita, revenues and revenue alternatives, principles of good tax policy, property tax, payroll tax, business license fees, Sales and Use Tax, Live Entertainment Tax, general business taxes, excise taxes, Net Proceeds of Minerals Tax, other revenue considerations, and closing considerations. Mr. Aguero stated in conclusion he believed revenues would continue to be unstable; revenues would continue to be stressed and would not keep pace with the costs of delivering services.

Mr. Aguero said the State of Nevada was the second fastest growing state; Nevada was number two in the Country relative to the pace with which the population was expanding; and, Nevada was number three relative to how fast we were creating jobs. He said the unemployment rate was falling and wages and salaries were rising. He noted however that while Nevada had gone a long way in addressing the economic problem, there had been very little done to address the fiscal problem.

Mr. Aguero explained in 2014 there were roughly 290 non-restricted gaming licensees in Nevada. He said 23 of those were along the Las Vegas strip and represented more than 50 percent of all the gaming revenue and 75 percent of all of the rural revenue in the State.

Mr. Aguero commented Nevada had the narrowest sales tax in the United States and if we fail to expand it we would see revenues down and spend more of our money on services. He believed there were lots of mistakes made on property taxes, one of which was the tax cap. He said it was a good idea at the time; however, today the amount we had abated equated to a half a billion dollars and approximately 43 percent of that would have gone to schools. He concurred property tax was the single most important source of revenue for the State and even though it had been an historical stable source of revenue, it was becoming one of our less productive sources of revenue.

Mr. Aguero stated Clark County would set a record for the most taxable sales when the December numbers came in. He thought that would be a result of lower fuel costs, which allowed people to spend more on taxable items. At length, Mr. Aguero discussed the live entertainment tax, general business tax and what all that entailed in Nevada.

In response to a question regarding Hawaii's comprehensive sales tax, he stated they suffered horribly during the economic downturn. Florida reversed their sales tax on services almost immediately after it was put in place. He discussed expanding the sales tax base to include services and categorized those services into three tiers. He commented that some of those tiers were elastic and some were not.

Mr. Aguero stated he did not want to pre-empt any announcement by the Governor, and explained some of the considerations that had gone into the proposed business license fee with across-the-board increases and categorizing the businesses by size. He thought the possibility of creating and taxing a new industry, such as the sale and reprocessing of spent nuclear fuel could be a good source, but he had not heard that as part of the discussion.

Mr. Aguero stated the Governor's proposed business license fee, as it was constructed, would look more like the economy than any other source of revenue in the State of Nevada today. Mayor Goodman recommended looking at all sources of connectivity such as cell phones, tablets, etc. to see if there was potential for a source of revenue.

Mr. Aguero stated the funding formula system was broken and needed to be addressed as well as the money that fell out of the system, which should be recirculated back into the education system and not returned to the General Fund. He believed there was also a need to generate more money for education.

15-0120 AGENDA ITEM 11

Agenda Subject: "Discussion regarding Local Government Positions and Session Priorities."

Lorinda Wichman, President Nevada Association of Counties, requested those in attendance to come to a unified decision on the message to deliver on the tax issues. The following suggestions were noted after discussion by the entities present: depreciation on the property tax, adjusting or removing the property tax cap, correcting bad legislation that was already in place, create tax policy that meets the four criteria mentioned today (simple, transparent, neutral, stable), taxing self-funded insurance groups, sales tax on services, Bond rollover, graffiti clean-up of abandoned homes, tax abatement, Indigent fund Medicaid reimbursement rate, paperless sample ballots, increase taxes on non-resident ownership, more legislative activity in Southern Nevada, Home Rule, and addressing term limits of mayors and council members.

President Wichman stated that based on the discussions and suggested topics; there was enough information for Mr. Henderson, Mr. Fontaine, and staff to compile additional position statements in an effort to move forward during the legislative session.

15-0121 AGENDA ITEM 12

Agenda Subject: “Closing remarks – Presidents Wood and Wichman.”

Anita Wood, President Nevada League of Cities, and Lorinda Wichman, President Nevada Association of Counties, thanked Mr. Henderson and Jo Walker for organizing the summit. They also thanked the City of Henderson for hosting the summit.

15-0122 AGENDA ITEM 13 - PUBLIC COMMENT

Mona Lisa Samuelson, a medical marijuana patient, read a prepared written statement asking for the local government leaders’ assistance and support in making medical marijuana an issue of “Home Rule” in this legislative session.

15-0123 AGENDA ITEM 14 – SPECIAL ORDERS

On behalf of their respective entities, Mayor Andy Hafen, City of Henderson; Mayor Carolyn Goodman, City of Las Vegas; Chairwoman Marsha Berkgigler, Washoe County; Commissioner Lorinda Wichman, Nye County; and Commissioner Steve Sisolak, Clark County; adjourned the special meeting.

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11:31 a.m. There being no further business to discuss, the meeting was adjourned without opposition.

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The foregoing minutes represent the understanding of the Washoe County Clerk’s Office of the discussions held during this meeting.

MARSHA BERKBIGLER, Chair
Washoe County Commission

ATTEST:

NANCY PARENT, County Clerk and
Clerk of the Board of County Commissioners

*Minutes Prepared by:
Jan Frazzetta, Deputy County Clerk*