b. Report on SCR-37

Via PowerPoint presentation, Sabra Smith-Newby, Director of Administrative Services for Clark County; and Shaun Carey, City Manager of Sparks, reported that Senate Concurrent Resolution 37 (SCR-37) directed the interim finance committee to establish a subcommittee to review Nevada's revenue structure and provide long-term recommendations for revenue stabilization. The presentation included slides pertaining to IFC Subcommittee Responsibilities, Nevada Vision Stakeholder Group, Independent Consultant Responsibilities, Technical Working Group Members, and a Timeline for the Study.

Questions and Discussion

Councilwoman Debra March, City of Henderson: This is an important piece of legislation and the activity of this group will be essential to steering a course for our future in Nevada. A couple years ago, the Brukie institution did work in Nevada and looked at the mountain mega study and looked at Nevada as it's compared to the other mountain mega states, including Utah, Nevada, Arizona, Colorado, and New Mexico. One of the striking pieces of feedback they provided was that Nevada was behind these other states because they hadn't engaged in a visioning exercise to really look at what their priorities are. I think this is important for us as a state. To achieve those goals we need to be on target. To be a sustainable state and have a sustainable future, we need to look at the economic, social, and environmental implications.

Mr. Reilly: What type of recommendations are coming forth from the local governments to join these committees?

Commissioner Chris Giunchigliani, Clark County: If you look at the two resolves, can you tell me was the issue if there was a change, and whatever taxes were collected, if that's why the computer software issue is contained within here?

Sabra Smith-Newby, Director of Administrative Services for Clark County: Anytime they have a change in what's collected or any tax, they need to go through the computer system that is set up.

Commissioner Chris Giunchigliani, Clark County: It does specifically say the recommendation does come in with that and they have to contingency fund money for funding it. That then would remove it from the table.

Sabra Smith-Newby, Director of Administrative Services for Clark County: They didn't want to repeat what has happened in the past where they start the session with discussion about a tax structure and new taxes. Then by the time they come to an agreement, it takes staff that much longer to draft the legislation correctly and get any bugs out of the legislation and longer to implement the program.

Commissioner Chris Giunchigliani, Clark County: On the national rankings of the quality of life area, do we have any idea who those independent groups would be or who might be gathering or providing any of that?

Michael Alastuey, Technical Advisor: I would expect the vision stakeholder group to be involved. Not in the selection, but the confirmation of some of the other measures that have been previously discussed in the legislative environment. There are embassies in terms of availability of health insurance, per capita income, educational attainment, household composition, et cetera. So there are socio- economic indicators of status in that regard that are commonly discussed, and I would anticipate the vision stakeholders will have that as a substantial part of their agenda.

Commissioner Chris Giunchigliani, Clark County: Is there any prohibition if we have recommendations through NACo and League of Cities of independent groups for providing - - I'm thinking of kids counsels is an excellent resource that is done each year and is fairly independent. Just making sure certain things don't get ignored. I don't see any language that says we couldn't make any recommendations.

Mr. Reilly: Or those existing reports that are done nationally or locally, that they be forwarded to the vision group.

Mr. Reilly: What are some thoughts about how to get local governments voices heard on this issue? The legislature set up various formats for participation and various groups. But collectively or regionally, are there thoughts about ideas to give to your managers and staff how to collectively move forward?

Mayor Oscar Goodman, City of Las Vegas: I think we have to do it anecdotally in a sense that we pay for our services as the result of sharing the consolidated tax. For the past two years, every month the consolidated tax share to the City of Las Vegas has been decreasing. We get to a point where our income does not meet our expenses. Form the quality of life for all intents and purposes. We pay for the streets, traffic lights, potholes, parks, and all the things that contribute the quality of life that's going to be enjoyed in our communities. I think there has to be a serious discussion as to what effect this is having on each of us as far as cuts, retiring people from employment, services that will be cut out. We have a relationship with the legislature where they will listen to us because they have to be responsible to the constituents as well. This has to be a personal conversation and the practical effect of what is taking place has to be felt by everyone.

Mr. Reilly: So personalize each individual jurisdiction, and make it real and personal to legislators in the community.

Commissioner Nancy Boland, Esmeralda County: Discussions we've had at NACo is that as revenue shrinks, our abilities to perform services or quality of life issues also shrink along with it. One thing we have discussed is that when we are no longer able to provide these services and have to make horrible cuts, like to our senior programs, parks, it needs to be brought up that we have no ability to raise the money. The effect that has happened to our county government is brought down on us from the legislature. A lot of times the public does not understand how government works. They need to be aware, too, so they can go back and talk to their representatives and make their feelings known.

Commissioner Warren Russell, Elko County: Two things that affect us, when we talk about revenue structure so we're skirting around real issues. One of the real issues is how are we going to be impacted on property tax? One of the reasons, besides the price of gold, that Elko County was not impacted by the property tax is because we, as a rural county, were not included in that. If we were addressed in the same way by the state legislature regarding property tax, we would be significantly impacted. So a change in property tax or gold tax will impact us. We need to discuss the issues as well as talking about the process.

Mr. Reilly: When there's less money to go around in the legislature, cities and counties go after each other sometimes on the issue of a limited pot of money. That is an issue that local governments here need to address.

Councilman Gary Reese, City of Las Vegas: It's really good to have the study on the tax structure; however, I see the subcommittees coming back with different recommendations that will either benefit or hurt different parts of the state, cities, or counties. How do we go about coming up with recommendations to get something beneficial for everybody passed through the legislature?

Commissioner Chris Giunchigliani, Clark County: Part of the conversation should identify what are local government services versus state services. What could be shared services among our areas? What could be regionalized further? What could be consolidated further? As we have that conversation, some of those can help direct or take away financial impacts. The fact is we have an unstable and regressive tax base. I think we're seeing the regression of that, which allows the legislature four months to put a package together to figure out where they can get the votes. Unfortunately, one group or another gets hurt. If we can use this committee and an independent consultant to take a look at the structure because everything is interconnected. To me, it still comes down to who is delivering what service and why. And then find the financing to streamline it. If there are increases that need to come in or cost shifting, it's easier to do if we've actually figured out what we're supposed to be doing.

Mr. Reilly: The suggestion is what's the best delivery of services from County, City, to the State.

Councilman Steve Wolfson, City of Las Vegas: I'd like to see in this process is to direct public input, whether it be in the form of town halls or other types of open forums where the constituents are allowed to be heard. We're talking about an examination of revenue sources and distribution. Some people are willing to pay more taxes if they feel confident there's going to be a direct immediate local benefit. I'd like to make sure that's part of the discussion with our constituents in the form of town halls or whatever format we take.

Mr. Reilly: The recommendation is back to personalizing it to each of your jurisdictions and using various avenues to obtain public input.

Councilman Steve Kirk, City of Henderson: I think it's important that we do an inventory and identify things that we do well, and identify what other cities and other counties do well that we don't do so well. I think the League of Cities and NACo would be places for us to discuss these things, and put together an honest inventory, and not be so territorial. If we do that, we'll do a better job at delivering adequate and superior service to our constituents versus just saying it's our city; we're not going to give up any control to anybody else.

Mayor Bob Cashell, City of Reno: It's very evident that the state cannot continue to operate on a sales tax type government. All of the things we're talking about we have to do. Anybody in this room that doesn't think the state is not coming to look at part of the property tax is kidding themselves. We need to sit down and decide what the counties and cities do, but also what the state is going to give us back or take away if they take part of our property tax. That's the only stable tax we have. We need to all work together to see what counties and cities do.

Mayor Shari Buck, City of North Las Vegas: Let me just commend Clark County on a committee that is studying the tax structure in the state. They had a great report done pertaining to the history and how we got to the point we are now in the state because of the tax structure. We have some very brilliant minds in this state that can work to help find a solution. We're going to get a copy of that. It's excellent background and recommendations for solutions on how to restructure the tax distribution in the state.

Mr. Reilly: We should share this information with all the jurisdictions.

Mayor Roger Tobler, City of Boulder City: One of the things we need to do is paint a real picture for our state representatives on where our budgets are. Be able to show that we have no where else to cut. It's great to look at the revenue side, but we also need to become aware and start talking about the labor side. We can't continue to cut services because we're talking about our standard of living and lifestyles.

Mr. Reilly: One issue is the communication. I was amazed how few times state officials discussed issues with their local elected officials. Perhaps that is something you would want to consider about how do you personalize it? How do you talk about your same constituents together and develop that personal communication issue? We are a service government and that's where most of the costs are. Labor is an issue that needs to be looked at and discussed because there isn't much left once you start cutting.

Mayor Bob Cashell, City of Reno: Another thing to look at with this study is that the legislature passed a property tax cap. All of your properties now have been reduced in property tax. In the next 30 years, at three and six percent, you'll never get those property taxes back up to where they are today. We need to look at and we need to study that issue.