

SPECIAL JOINT MEETING OF
THE CITY OF LAS VEGAS CITY COUNCIL
CLARK COUNTY COMMISSION,
NORTH LAS VEGAS CITY COUNCIL
AND THE HENDERSON CITY COUNCIL

AGENDA

Cashman Center, Room 104
850 Las Vegas Boulevard North
Las Vegas, Nevada 89101

CITY OF LAS VEGAS INTERNET ADDRESS: <http://www.ci.las-vegas.nv.us>

January 15, 2003

1:30 p.m.

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR ACTION UNLESS SPECIFICALLY NOTED OTHERWISE. UNLESS OTHERWISE STATED, ITEMS MAY BE TAKEN OUT OF THE ORDER PRESENTED AT THE DISCRETION OF THE CHAIRPERSON.

CALL TO ORDER

ANNOUNCEMENT RE: COMPLIANCE WITH THE OPEN MEETING LAW

1. Receive a report and presentation on the Final Report of the Governor's Task Force on Tax Policy in Nevada, the status of the State of Nevada budget shortfalls and the possible effects on local government revenues and programs, and any appropriate action or direction to staff

CITIZEN PARTICIPATION:

ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISION OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A MATTER NOT LISTED ON THE AGENDA, PLEASE STEP UP TO THE PODIUM AND CLEARLY STATE YOUR NAME AND ADDRESS. PLEASE LIMIT YOUR REMARKS TO THOSE MATTERS UNDER THE EXPRESS JURISDICTION OF THE LAS VEGAS CITY COUNCIL. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES.

ADJOURNMENT

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Cashman Center, 850 Las Vegas Blvd. North
Las Vegas Library, 833 Las Vegas Boulevard North
Senior Citizen Center, 450 East Bonanza Road
Clark County Government Center, 500 So. Grand Central Parkway
Court Clerk's Office Bulletin Board, City Hall Plaza
City Hall Plaza, Special Outside Posting Bulletin Board

**SPECIAL JOINT MEETING OF
CLARK COUNTY COMMISSION
THE CITY OF LAS VEGAS CITY COUNCIL
NORTH LAS VEGAS CITY COUNCIL
AND THE HENDERSON CITY COUNCIL**

JANUARY 15, 2003

I. CALL TO ORDER

The meeting was held at the Cashman Center, Room 104, 850 Las Vegas Boulevard North, Las Vegas, Nevada 89101.

Representatives from the Clark County Commission, City of Henderson, City of Las Vegas, and City of North Las Vegas were present as noted on the Roll Call.

Mary Kincaid-Chauncey, Clark County Commission Chairman, called the Special Joint Meeting to order, on behalf of the Clark County Commission, at 1:40 p.m.

Mayor James B. Gibson, City of Henderson, called the Special Joint Meeting to order, on behalf of the City of Henderson City Council, at 1:40 p.m.

Mayor Oscar Goodman, City of Las Vegas, called the Special Joint Meeting to order, on behalf of the City of Las Vegas City Council, at 1:40 p.m.

Mayor Michael Montandon, City of North Las Vegas, called the Special Joint Meeting to order, on behalf of the City of North Las Vegas City Council, at 1:40 p.m.

II. CONFIRMATION OF POSTING AND ROLL CALL

Chairman Mary Kincaid-Chauncey, Clark County Commission, confirmed the Special Joint Meeting had been noticed in compliance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at The Cashman Center, Clark County Government Center, Clark County Courthouse, Third Street Building, Winchester Park and Center, Paradise Park, and Desert Breeze Park and Community Center.

Monica Simmons, City of Henderson City Clerk, confirmed the Special Joint Meeting had been noticed in compliance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at The Cashman Center, Henderson City Hall, Emergency Services Facility, Green Valley Police Substation, and Fire Station No. 96.

Mayor Oscar Goodman, City of Las Vegas, confirmed the Special Joint Meeting had been noticed in compliance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at The Cashman Center, Las Vegas Library, Senior Citizen Center, Clark County Government Center, Court Clerk's Office Bulletin Board, and City Hall Plaza.

Mayor Michael Montandon, City of North Las Vegas, confirmed the Special Joint Meeting had been noticed in compliance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at The Cashman Center, Las Vegas Library, Senior Citizen Center, Clark County Government Center, Court Clerk's Office Bulletin Board, and City Hall Plaza.

III. ACCEPTANCE OF THE AGENDA

Clark County Commission

Present:

Mary J. Kincaid-Chauncey, Chairman
Commissioner Yvonne Atkinson Gates
Commissioner Chip Maxfield
Commissioner Rory Reid
Commissioner Myrna Williams

Excused:

Commissioner Bruce Woodbury
Commissioner Mark James

(Motion) Commissioner Gates introduced a motion to accept the agenda as presented. The vote favoring approval was: Those voting Aye: Kincaid-Chauncey, Gates, Maxfield, Reid, and Williams. Those voting Nay: None. Those absent: Woodbury and James. Those abstaining: None. Chair Kincaid-Chauncey declared the motion carried.

City of Henderson

Present:

Mayor James B. Gibson
Councilmember Amanda M. Cyphers
Councilmember Arthur "Andy" Hafen
Councilmember Steven D. Kirk

Excused:

Councilmember Jack Clark

Also Present: Monica Simmons, City Clerk

(Motion) Councilmember Hafen introduced a motion to accept the agenda as presented. The vote favoring approval was: Those voting Aye: Cyphers, Hafen, Gibson, and Kirk. Those voting Nay: None. Those absent: Clark. Those abstaining: None. Mayor Gibson declared the motion carried.

City of Las Vegas

Present:

Mayor Oscar B. Goodman
Councilmember Gary Reese
Councilmember Larry Brown
Councilmember Michael J. McDonald
Councilmember Lawrence Weekly
Councilmember Michael Mack

Excused:

Councilmember Lynette B. McDonald

Also Present: Barbara Jo Ronemus, City Clerk

(Motion) Councilmember Brown introduced a motion to accept the agenda as presented. The vote favoring approval was: Those voting Aye: Brown, Goodman, Mack, M. McDonald, Reese, and Weekly. Those voting Nay: None. Those absent: L. McDonald. Those abstaining: None. Mayor Goodman declared the motion carried.

City of North Las Vegas

Present:

Mayor Michael Montandon
Councilmember Robert Eliason
Councilmember Shari Buck

Excused:

Councilmember William E. Robinson
Councilmember Stephanie Smith

(Motion) Councilmember Eliason introduced a motion to approve the agenda as presented. The vote favoring approval was: Those voting Aye: Buck, Eliason, and Montandon. Those voting Nay: None. Those absent: Robinson and Smith. Those abstaining: None. Mayor Montandon declared the motion carried.

City of Boulder City

Present:

Mayor Robert Ferraro

Excused:

Councilmember Andrea Anderson
Councilmember Bryan Nix
Councilmember Mike Pacini
Councilmember Doug Schepmann

Note: A motion was not made due to lack of a quorum.

1.	STATUS REPORT STATE OF NEVADA BUDGET SHORTFALLS
----	--

Receive a report and presentation on the Final Report of the Governor's Task Force on Tax Policy in Nevada, the status of the State of Nevada budget shortfalls and the possible effects on local government revenues and programs, and any appropriate action or direction to staff.

Meeting Chair Mary Kincaid-Chauncey, County Commission, explained that this joint meeting unites elected bodies to gain a comprehensive understanding on the shortfalls of tax issues and how to best repair citizens' needs. She noted that 70 percent of the State's population exists in Southern Nevada, and the population in Clark County has doubled in the last ten years. Although growth has not always paid for growth, the valley offers the best quality of life, the best master-planned communities, and the best place to start a business. This meeting will focus on the most economical and accountable tax challenges. Ms. Kincaid-Chauncey stressed the importance that all government bodies work together and be supportive of everyone's needs.

The following individuals presented a PowerPoint presentation:

- ◆ Guy Hobbs, Governor's Task Force
- ◆ Jeremy Aguero, Governor's Task Force Technical Committee Chair
- ◆ Marvin Leavitt, Legislative Advocate for Cities and Counties
- ◆ Mike Alastuey, Legislative Advocate for Cities and Counties
- ◆ Carole Vilardo, Nevada Taxpayer's Association

Note: The PowerPoint presentation is attached as part of the record.

A PowerPoint presentation was provided entitled "Nevada's Fiscal Outlook, A State and Local Perspective." The presentation overview, given by Guy Hobbs, included ACR 1 and the Governor's Task Force on Tax Policy, measuring the problem, task force recommendations, and local fiscal issues. The Governor's Task Force on Tax Policy was created as a result of ACR 1; presupposing the existence of a "structural deficit; required that any recommendation for revenue enhancement "reflect the diversity of the state's economy," and the Task Force took a two-phased approach.

Mr. Hobbs reviewed that Phase I, Defining the Problem, notes ten-year projections of revenues and expenditures; considered service levels and the role of the general fund in addressing shortfalls, such as education funding; and considered some outside issues, such as federal funding. General findings regarding anticipated revenue growth, anticipated growth to maintain existing service levels, revenue shortfall in 2003-2005 biennium, and revenue shortfall in 2009-2011 biennium were stated.

Mr. Hobbs further reviewed the Phase II recommendations, which included being aimed at maintaining existing service levels and balancing burdens; alternatives evaluated using 15 quantitative and qualitative criteria; as well as ACR 1 requirement of "must reflect the diversity of the state's economy."

Jeremy Aguero pointed out that the shortfall exists because of erosion of the State's tax base; changes in the structure of the economy; changes in the State's demographic make up; increased costs of providing services; and the lingering impacts of a national economic slowdown, the event of 9-11, and the uncertainty of continued military conflicts.

Several charts were displayed depicting figures and percentages regarding the following issues: changes in the state's economy; demographic make up; tax shift and property taxes; other changes that occurred; property tax revenue; urban unincorporated town rate components; County per capita revenue; cities/unincorporated towns capita revenue; Clark County expenditures by function; and expenditures by function of an average city.

Mike Alastuey pointed out that in 1979, the property tax capped at \$3.64, and there was a tax shift from property tax to sales tax in 1981. The total property cap in existence today is \$3.64. Other changes that occurred included tax on food for home consumption became exempt in 1979. This resulted in a net loss to the State, and no net benefit to schools or the local governments.

Marvin Leavitt reviewed a chart entitled, "Where did the Property Tax Go," and gave a background history beginning at 1978. The economic situation deteriorated between 1979 and 1981. The government was unable to grant further reductions in property tax to come out of State revenues, and then came the basic idea to substitute sales tax for property tax.

Mr. Alastuey concluded the presentation by reviewing the current property tax situation. He reviewed slides entitled, "Urban Unincorporated Town Rate Components; County Per Capita Revenue (inflation adjusted); Clark County Expenditures by Function; and Average City: Expenditures by Function."

Questions

Mayor Gibson, representing the City of Henderson, questioned whether the proposal is a long-term solution to go beyond ten years.

Mr. Hobbs explained that the intent was not a patch-work solution, and everyone is cognizant that long-term projections are often not reliable because of changes that occur. The recommendations are drafted in a way to expect a slight bit of returns in the outlying years. He noted that one goal is to shift to revenues that have stronger growth potential on sales and receipt tax in order to have a broader base business-oriented tax. They believe the recommendation will solve the problem through ten years, but there is evidence of issues recurring beyond ten years.

Mayor Gibson stated that there has been a lot of discussion about the tax shift and the stability of a property-tax based economy. While there was justification and explanation as to how the recommendation was accumulated, questions are frequently asked about the property tax and the possibility of undoing the tax shift of the 80's.

Mr. Hobbs replied that they talked about assessment ratios and base-related issues, which are important. Some task force members felt property tax should be used as the sole method of remedy; however, this did not seem objective from a diversification standpoint. He explained that a presentation was given to the Task Force regarding the potential for moving some of the property tax revenue from local governments to the State. The Task Force was concerned that this remedy would only shift the problem to the State, and the issue would not be solved. He noted that more discussion regarding this concern is included in the final version of the report.

Mayor Gibson asked whether there is a technical difference between the proposed gross receipt tax, sales tax, and income tax and whether constitutional issues can be avoided.

Mr. Hobbs responded that three former Attorneys General appeared before the panel and agreed that there would not be any constitutional issues in a tax in that form. There is a very slight difference between sales tax and gross receipt tax. The sales tax is of each individual transaction; a gross receipt tax is an aggregation of individual transactions of another amount. He stated that gross receipt taxes are based on gross business activity. Income tax is based upon gross activity and cost operation, but there is a different basis.

Commissioner Williams asked if the gross receipt tax captures large businesses, such as banks and Wal-Mart, that put other companies out of business who do not pay taxes in this state.

Mr. Hobbs responded that banks have a reaction based on their belief that deposits made to a bank could be counted as a receipt. Referring to the impact on economic development, most people would agree that economic development diversification is positive and good for the State. He commented that the credits for economic development have yet to be defined. The Task Force recognizes the importance of providing credit abatement for economic development.

Carole Vilardo said the recommendations do not consider the impacts for the local governments. She expressed concern that the recommendation for sales tax on services is suggestive for future consideration. She pointed out that is a major revenue source to the state and local governments at some point. The tax issue is difficult, but they do understand the need to contribute.

Ms. Vilardo said taxes should be adjusted with small increases to fit the economy. They ask for efficiency in expenditures and hope there is not competition among the government bodies for the same revenue sources. Ms. Vilardo commented that the process will hopefully be an improved revenue system for the local governments. They want to see systematic changes to the revenue structure.

Mayor Goodman said some people making these decisions may think the cities are wealthy and would not feel the impact of these monies being shifted and diverted to the State. He stated that in the past ten years, the City of Las Vegas has reduced its staff per thousand residents by 22 percent. This staffing ratio deduction was 30 percent for non-public safety functions. In February of 2001, the City began a hiring freeze that generated a cost savings of \$10 million. This freeze requires employees to work more productively. He pointed out that it is inequitable to penalize the City of Las Vegas for acting prudent and saving money.

Chairman Kincaid-Chauncey said the cities are supposed to deliberate and give direction. The County echoes Mayor Goodman's comments. They have tried to spend their money responsibly, and must consider whether or not they are going to be able to provide parks, firemen, medical services, and such in the event of tax cuts. It is important to work with the Legislature to ensure the government entities do not suffer because everyone has been prudent with their finances.

XI. PUBLIC COMMENT

Tom McGowan voiced his concerns regarding the presentation.

Chairman Kincaid-Chauncey thanked the staff for coordinating this meeting and the Task Force for their efforts drafting this report.

XII. ADJOURNMENT

There being no further business to be discussed, the meeting was individually adjourned as follows:

Chairman Kincaid-Chauncey, Clark County Commission, adjourned the Special Joint Meeting of the City of Las Vegas City Council, Clark County Commission, North Las Vegas City Council, and the Henderson City Council at 3:35 p.m.

Mayor Gibson, City of Henderson, adjourned the Special Joint Meeting of the City of Las Vegas City Council, Clark County Commission, North Las Vegas City Council, and the Henderson City Council at 3:35 p.m.

Mayor Goodman, City of Las Vegas, adjourned the Special Joint Meeting of the City of Las Vegas City Council, Clark County Commission, North Las Vegas City Council, and the Henderson City Council at 3:35 p.m.

Mayor Montandon, City of North Las Vegas, adjourned the Special Joint Meeting of the City of Las Vegas City Council, Clark County Commission, North Las Vegas City Council, and the Henderson City Council at 3:35 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Tedia Jackson", written over a horizontal line.

Tedia Jackson,
Minutes Clerk
City of Henderson



DATE: January 8, 2003
TO: CITY CLERK
FROM: MAYOR GOODMAN
RE: SPECIAL JOINT MEETING OF THE CITY COUNCIL

Please schedule a Special Joint Meeting of the Las Vegas City Council with the Clark County Commission, the North Las Vegas City Council and the Henderson City Council at the Cashman Center, Room 104, on January 15, 2003 at 1:30 p.m.


MAYOR GOODMAN




DATE: January 8, 2003
TO: CITY COUNCIL
FROM: CITY CLERK
RE: SPECIAL JOINT MEETING OF THE CITY COUNCIL

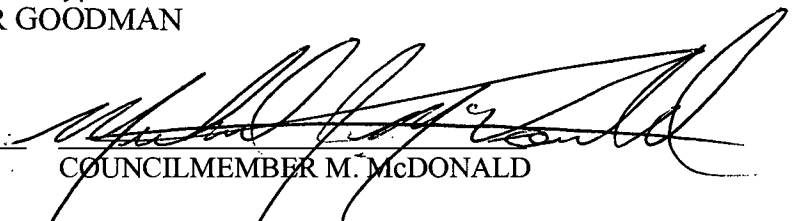
A Special Joint Meeting of the City Council with the Clark County Commission, the North Las Vegas City Council and the Henderson City Council is being called for the matter shown below. The meeting will be held in the Cashman Center, Room 104, on January 15, 2003 at 1:30 p.m.

Report and presentation of the Final Report of the Governor's Task Force on Tax Policy in Nevada, the status of State of Nevada budget shortfalls and the possible effects on local government revenues and programs and any appropriate deliberation or direction to staff.

ACCEPTANCE OF NOTICE: The undersigned do hereby acknowledge service of notice for the Special Joint Meeting called to be held as stated above.


MAYOR GOODMAN


COUNCILMEMBER REESE


COUNCILMEMBER M. McDONALD


COUNCILMEMBER BROWN


COUNCILMEMBER L. B. McDONALD


COUNCILMEMBER WEEKLY


COUNCILMEMBER MACK