

**EUREKA COUNTY BOARD OF COMMISSIONERS**  
***Budget Meeting - January 14, 2010***

STATE OF NEVADA            )  
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COUNTY OF EUREKA        )

**CALL TO ORDER**

The Board of Eureka County Commissioners met pursuant to law on January 14, 2010. Present were Chairman Leonard Fiorenzi, Vice Chair Jim Ithurrealde, Member Mike Page, District Attorney Theodore Beutel, and Clerk & Treasurer Jackie Berg. The meeting was called to order at 1:04 p.m. and began with the Pledge of Allegiance. The interactive video conference system was connected and utilized between Crescent Valley and Eureka during the entire meeting.

**APPROVAL OF AGENDA**

Commissioner Ithurrealde moved to approve the agenda as posted. Commissioner Page seconded the motion. Motion carried 3-0.

**PUBLIC COMMENT**

The Chairman called for public comments; there were none.

**EUREKA COUNTY WATER RIGHTS MAINTENANCE**

Proposal from Karen Peterson, Esq.: A proposal was received from Karen Peterson, Esq., attorney with Allison, MacKenzie, et al, for professional services relating to County water rights maintenance. Ron Damele, Public Works Director, explained that the County's water rights documentation and filings were currently being maintained by a water rights surveyor, but felt it would be in the County's best interest to have a water rights attorney provide these professional services. A proposal was requested from Ms. Peterson who is already providing legal services for the County. The proposal is for approximately \$14,000.00 for the first year and \$6,000.00 per subsequent year for time spent on water rights extensions and permits, and the contract will be reviewed annually. Ms. Peterson will also compile a water rights review and spreadsheet in order to provide timely information to the Nevada Division of Water Resources (State Engineer). Commissioner Ithurrealde made a motion to approve the proposal from Karen Peterson, Esq., of Allison, MacKenzie, et al, for professional services relating to County water rights maintenance. Commissioner Page seconded the motion. Motion carried 3-0.

**EUREKA COUNTY CODE, TITLE 13 – TOWN OF CRESCENT VALLEY ORDINANCE**

Set Public Hearing: A change to Title 13 – Town of Crescent Valley, of the Eureka County Code, was proposed during the January 6, 2010, meeting of the Board of Eureka County Commissioners. The proposed change would reduce the Crescent Valley Town Advisory Board (CVTAB) from five to three members. Mr. Beutel provided the Board with a copy of the proposed language changes to Title 13 for review. Chairman Fiorenzi made a motion to hold a public hearing on the proposed ordinance change on February 19, 2010, at 2:00 p.m., and requested that the CVTAB hold a public hearing on the matter as well and provide input regarding the ordinance change to the Commissioners prior to February 19<sup>th</sup>. Commissioner Page seconded the motion. Motion carried 3-0.

**REVIEW TENTATIVE REVENUE ESTIMATES FOR FISCAL YEAR 2010-2011**

Revenue Estimates: Mike Rebaleati, Recorder/Auditor and County Budget Officer, provided the Board with a copy of property and net proceeds valuations and preliminary estimates for Fiscal Year (FY) 2010-2011. Mr. Rebaleati described valuations and projected

revenue estimates for FY 2010-2011 related to the following: real property, personal property, net proceeds of mines, total ad valorem, and affect of tax abatements. These estimations are subject to change upon receipt of the tentative budget estimates from the Nevada Department of Taxation, expected in mid-February.

Net proceeds of mines pre-payments, currently being received by the County, will be balanced ('trued-up') in May 2010; this will result in additional payments from the mines or a reimbursement of net proceeds taxes. Mr. Rebaleati informed the Board that they have authority to modify the County's tax rate and/or change distribution of the tax rate.

### **PROPOSED AD VALOREM TAX RATE AND DISTRIBUTION FOR FY 2010-2011**

Tax Rate and Allocation: Mr. Rebaleati provided the Board with a revenue report for the County's major funds. The report included actual revenues in relation to each County fund for FY 2008 and FY 2009, budgeted revenues for FY 2010, year-to-date revenues for FY 2010, estimated revenues for FY 2010, and preliminary revenues for FY 2011. Michael Mears, County Assessor, reported that the Assessor's Technology Fund is scheduled to sunset at the end of FY 2011, but may be continued depending on how it is addressed during the 2011 Nevada Legislative Session.

Other funds discussed included: the Loss Control Internal Service Fund; Property Sale Trust Fund; Retiree Health Insurance Premium Fund; Future Reserve Fund; Road Fund; Landfill Fund; Regional Transportation Commission (RTC) Fund; Agricultural Extension Fund; Agricultural District #15 (Fair Board) Fund; Building Reserve Fund; Capital Projects Fund; Eureka Town Sewer Improvement Fund; Town of Eureka Fund; Eureka Water Improvement Fund; Crescent Valley Town Fund; Crescent Valley Water Reserve Fund; Eureka County Television District Fund; Diamond Valley Weed District Fund; Diamond Valley Rodent District Fund; Nuclear Waste/Yucca Mountain Fund; Yucca Mountain Direct Payment Fund; Recreation Fund; Tourism Fund; Devil's Gate Water District Fund; Devil's Gate Improvement Fund; Water Mitigation Fund; Range Improvement District Funds; Accident Indigent Fund; Eureka County Indigent Fund; Eureka County Indigent Hospital Fund; Assessor's Technology Fund; Capital Project Fund; and School General Fund. The associated tax rates, estimated revenue, and fund balances were discussed for each fund as well. Discussion was had on the use of the Water Mitigation Fund. Mr. Beutel explained that the use of the funds is up to the County, due to the non-response from the State Water Engineer, as negotiated in the agreement when the fund was implemented. Chairman Fiorenzi relayed that designating a portion of the tax rate to the Water Mitigation Fund may be worth considering due to the ongoing water issues in the County. The Board also discussed possibly allocating a slightly increased portion of the tax rate to the Eureka County Indigent Hospital Fund, and the process for collecting Public Guardian fees relating to indigent care.

### **NON AD VALOREM REVENUE PROJECTIONS AND ALLOCATIONS FOR FY 2010-2011 TENTATIVE BUDGET**

Non Ad Valorem Projections: Non ad valorem revenues distributed to the County funds include: other taxes; licenses and fees; intergovernmental revenues; grants; charges for services; and fines and forfeitures.

### **REVIEW ESTIMATED EXPENDITURES BY FUNCTIONS AND ACTIVITY**

General Budget Items: Mr. Rebaleati provided the Board with the expenditure report that included the actual expenditures for FY 2008 and 2009, budgeted expenditures for FY 2010, year-to-date expenditures for 2010, estimated expenditures for 2010, and estimated expenditures for 2011 for each County department. Each department will be sent an

expenditure report in order to help develop a budget for FY 2010-2011, and each department will come before the Board during the budget process to present their budget requests.

**Personnel Budget Items:** Mr. Rebaleati explained that some time back (around 1984), the Public Employees Retirement System (PERS) required that all salaried employees selecting the 'employer paid' retirement benefit option must designate a salary adjustment to compensate for the portion of the benefit being paid by the employer. Choices included a reduction in salary, or an "in lieu of equivalent cost of living adjustment". For consistency purposes, the County designated all salaried employees as selecting the "in lieu of equivalent cost of living adjustment" which was most beneficial to the employee and no extra cost to the County.

A recent audit conducted by PERS found that a selection had not been designated for two salaried employees of Eureka County. Mr. Rebaleati felt it would be a good time for the Board of Commissioners to reaffirm that all Eureka County salaried employees with the 'employer paid' retirement option fall under the "in lieu of equivalent cost of living adjustment" designation. Other audit findings will require the County to make some minor adjustments for call back pay and holiday pay.

Commissioner Ithurralde motioned that Eureka County continue supporting the "in lieu of equivalent cost of living adjustment" PERS designation for all salaried employees; Commissioner Page seconded the motion; motion carried 3-0.

Mr. Rebaleati received a letter on December 2, 2009, from Nevada PERS regarding re-employment retiree earnings limitations for 2010. The letter stated, "*The earning limitations for retired employees returning to employment with a Nevada public employer in a non-eligible position for fiscal year 2010 is \$24,076.00. A retired employee who exceeds earning limitations in any fiscal year must have his/her retirement benefits suspended for the duration of the employment, independent contract, or any subsequent employment during the fiscal year even if it extends into the next fiscal year.*" Mr. Rebaleati noted that the County does not currently have any employees that fall under this status.

Mr. Rebaleati reported that the County has a total of 92 full-time employees with benefits (not every position is currently filled), and provided a spreadsheet of all personnel related costs. For calendar year 2009, the County expended nearly \$4.9 million for salaries, wages, and associated personnel costs. At a future budget meeting, Mr. Rebaleati will bring forth a recommendation for cost of living increases, and was directed by the Board to provide information from the US Department of Labor and the State of Nevada for comparison purposes.

## **COUNTY TAX RATE**

**Tentative Tax Rate:** For purposes of calculating the tentative budget, which must be submitted to the State of Nevada by April 15, 2010, and to inform the public of the Commission's intentions regarding the FY 2010-2011 tax rate, Mr. Rebaleati requested a statement or a motion regarding the considered tax rate for the upcoming fiscal year. Commissioner Ithurralde motioned that the General County tax rate remain at 0.8458, the Television District tax rate remain at 0.0085, Crescent Valley Town and Eureka Town tax rates remain at 0.2153, Diamond Valley Weed District tax rate remain at 0.0781, and the Diamond Valley Rodent District tax rate remain at 0.0400. Commissioner Page seconded the motion. Motion carried 3-0. The School Bond portion of the overall tax rate (0.1625) will be addressed after the combined meeting with the Commissioners and the School District Board of Trustees.

## **CAPITAL IMPROVEMENT PLAN**

**FY 2010-2011 Capital Improvement Plan and Five-Year Capital Improvement Plan:** Mr. Rebaleati explained that a large portion of the County's capital improvement projects have

been committed to or are in the process of being constructed. Timeframes for capital improvement projects were briefly discussed under the General Fund; Road Fund; RTC Fund; Building Maintenance Fund; Landfill Fund; Assessor's Technology Fund; Justice Court Administration Fund; Juvenile Court Assessment; and Justice Court Facility Fund. Planned projects under the Capital Improvement Fund included: the County car pool; Sheriff vehicle replacement; ambulance replacement; radio repeater upgrades; fire equipment; data processing equipment; general equipment replacement; Ruby Hill Sidewalk Project; and flood abatement. Larger planned capital improvement projects fall under the Eureka Town Fund such as the Main Street Water and Sewer Project; Springs Refurbishment Project; and Flood Abatement Project. Chairman Fiorenzi noted that projects scheduled within the next three years should be planned and designed early in the process. Discussion led to the possibility of creating a special fund for all projects, monitoring, studies, planning, and services related to water in Eureka County.

Future projects considered in the Five-Year Capital Improvement Plan include a new Beowawe Road Shop and a potential new water supply. Additional projects will be considered if brought forward by the public or department heads. Mr. Damele explained that the infrastructure projects are underway or will be underway, but the Landfill Expansion Project will be put on hold until there is corresponding development and population growth in the Town of Eureka. Mr. Rebaleati relayed that proper funding for litigation and water issues will have to be evaluated for the coming fiscal year under the Commissioners' budget.

#### **TENTATIVE BUDGET FOR JULY 2010 THROUGH JUNE 2011**

Tentative Budgets: Various information required for completion of the tentative budget was presented and discussed throughout the day's proceedings.

#### **DATE AND TIME OF NEXT BUDGET MEETING**

The next budget meeting was scheduled for February 3, 2010, at 9:30 a.m. Chairman Fiorenzi requested that the main focus of the February 3<sup>rd</sup> budget meeting be issues and projects related to all aspects of water in Eureka County.

#### **PUBLIC COMMENT**

Chairman Fiorenzi opened the floor to public comments; there were none.

#### **ADJOURNMENT/RECESS**

At 3:51 p.m., Chairman Fiorenzi recessed the meeting until 5:30 p.m., at which time a combined meeting with the School District Board of Trustees will take place to discuss the following items related to the School District general obligation bond: associated tax rate, current designated funds, and schedule for payment in full of the bond.

Approved this 5<sup>th</sup> day of February, 2010.

/s/ Leonard Fiorenzi  
Leonard Fiorenzi, Chairman

Attest: /s/ Jackie Berg  
Jackie Berg, Clerk