

EUREKA COUNTY BOARD OF COMMISSIONERS

January 20, 2016

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 20, 2016. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Beutel; and Commissioner Clerk, Jackie Berg. The meeting was called to order at 9:30 a.m. and began with the Pledge of Allegiance. The interactive video conferencing system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

APPROVAL OF AGENDA

Commissioner Etchegaray motioned to approve the agenda as posted; Commissioner Sharkozy seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Goicoechea opened the floor for public comments. Bill Leppala, Crescent Valley resident, informed the Board that a section of State Route 306 has deep ditches immediately adjacent to the pavement and it's fortunate that an accident hasn't yet occurred. Chairman Goicoechea assured him that the County will contact the appropriate people and alert them to the problem.

APPROVAL OF MINUTES

January 6, 2016: Commissioner Etchegaray motioned to approve the minutes of the January 6, 2016, Commission meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

COUNTY COMPTROLLER

Payment of Expenditures: Expenditures were presented for approval by County Comptroller, Kim Todd. Commissioner Etchegaray motioned to approve expenditures in the amount of \$263,051.70 for accounts payable, \$261,767.17 for payroll, and \$79.95 for Yucca Mountain expenses, for a grand total of \$524,898.82. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Ms. Todd informed the Board that she is encouraging different County departments to renegotiate the copy machine maintenance agreements with OPI (Office Products Inc.) to more closely reflect actual usage. This is already saving the County money.

Comptroller's Report: The current Fund Balances Report was presented for the Board's review.

Update on Federal Debtor Status: Ms. Todd continues working with Prominence Health Plan and the US Treasury to clear up the amount erroneously listed as a delinquent federal debt owed by Eureka County. Prominence originally reimbursed Medicare in January 2015 on this claim, which should have cleared this up. They recently issued a second reimbursement, but are now being asked to issue it to another federal office. Prominence will issue replacement checks and will request refunds for all checks issued to-date. In the meantime, federal payments to Eureka County (i.e. Medicare payments for ambulance service) continue to be seized and applied to the debt until this matter is cleared up.

COMMISSIONERS

Update Reports: The quarterly meeting scheduled January 15th in Crescent Valley was cancelled. Weather prohibited travel and the interactive video connection was unavailable due to internet problems in Crescent Valley. All items were rescheduled to the February 5th meeting, the next available agenda (the January 20th agenda had already been posted).

Commissioner Sharkozy attended the Local Emergency Planning Committee meeting on January 6th; attended the Great Basin Regional Development Authority meeting in Goldfield on January 11th; attended the Crescent Valley Volunteer Fire Department meeting on January 12th; attended the Senior Centers Advisory Board meeting on January 19th; and attended the Medical Clinics Advisory Committee meeting, also on January 19th.

Commissioner Etchegaray attended the Medical Clinics Advisory Committee meeting on January 19th.

Chairman Goicoechea was in Chicago January 7th-10th unrelated to County business but while there, had several phone calls related to the sage grouse litigation; participated in the University of Nevada Cooperative Extension interview process for a new Extension Educator, held at the Opera House on January 12th; had a conference call with representatives of Congressman Mark Amodei and Senator Dean Heller on January 13th regarding the US EPA activities in Eureka; traveled to Elko the evening of January 13th to hear a presentation on a multitude of issues by Dr. Pete Coates, Research Wildlife Biologist with the USGS Western Ecological Research Center; gave a presentation, along with Jake Tibbitts, the morning of January 14th to the Society for Range Management on local government roles and responsibilities moving forward with implementation of sage grouse protections; attended the Lincoln Day Dinner at the Opera House the evening of January 15th; met with some permittees and constituents on January 18th; attended the Medical Clinics Advisory Committee meeting on January 19th; and attended the Natural Resources Advisory Commission meeting the evening of January 19th.

Process for Dissolution of Devil's Gate GID: At the request of the Board, District Attorney Beutel prepared a letter outlining the process required for dissolution of the Devil's Gate General Improvement District and the Eureka County Television District.

The Devil's Gate GID was initially formed to take over and finance a troublesome water system started by another entity to serve that particular subdivision. Mr. Beutel explained the process to convey the system to the County and to dissolve the General Improvement District. First the GID Board of Directors must draft a resolution offering conveyance; second, the Board of County Commissioners must accept the conveyance; third, a certificate outlining the conveyance is created; and fourth, the signed certificate is filed with the County Clerk and the Nevada Secretary of State.

There are several reasons why conveyance of the system to the County is a good idea at this time: the GID currently has no true debt, only depreciation; the GID no longer serves a purpose that cannot be met by the County, and in fact is being met by the County; the water system is no longer a stand-alone system but, with recent improvements, is actually intertwined with the Eureka Town water system; and last but not least, the County is contemplating the benefits of a County-wide water system.

The Devil's Gate GID currently has a special assessment applied to the real property tax bills each year intended to help fund the water system. These assessments raise \$12,000.00 each year, which doesn't come close to funding the system. If the GID is dissolved, this special assessment would be eliminated.

Budget Director, Michael Mears, and Comptroller, Kim Todd, concurred that one water system and a single enterprise fund would streamline budgeting and accounting and would simplify the audit process.

Commissioner Etchegaray motioned to begin the formal process of dissolving the Devil's Gate General Improvement District; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Status of Television District: Over the past few years, members of the public have asked that the Board look into alternatives related to operation of the Television District. The District Attorney outlined the process for dissolution of the Television District. This is a much more complex process with some distinct disadvantages. The decision ultimately lies with the people receiving the service (property owners in the entire County which comprises the entire District).

The process involves initiation by ordinance, a public hearing, notification to all property owners, and notification to the Television District. At this point, a majority of the property owners can protest dissolution and stop the process. If the process is not stopped, a second ordinance and second public hearing are required. Again, a sufficient number of protests from property owners can halt the process (the cumulative number from both public hearings). Lacking sufficient protests, the Commissioners can proceed with dissolution by adoption of the second ordinance and filing of the ordinance with the County Clerk and the Nevada Secretary of State.

Drawbacks related to dissolution include: (a) the County assumes the Television District's property, duties, obligations; and (b) the tax rate assigned to the District (\$0.0085) does not survive dissolution and is no longer assessed for the benefit of television and radio service.

The Board concurred that the disadvantages outweigh any benefits that might be realized by the County assuming the Television District and noted their consensus that there is no desire at this time to pursue dissolution of the Eureka County Television District.

Sagebrush Ecosystem Program & Nevada Greater Sage-Grouse Conservation Plan: Chairman Goicoechea stated that the Sagebrush Ecosystem Program is working to implement some projects to test the Conservation Credit System. The next meeting of the Sagebrush Ecosystem Council is February 12th.

AMBULANCE & EMS

Activity Report: EMS Coordinator, Mike Sullivan, reported on activities since his last report on December 21st. Eureka had six calls for service and Crescent Valley had eight calls for service. To date for 2016, Eureka has had four calls and Crescent Valley has had two calls. As a recap for calendar year 2015, the County had a total of 193 calls for service – 127 in Eureka and 66 in Crescent Valley.

Continuing education training is scheduled in Eureka on January 25th and in Crescent Valley on January 28th. All EMT licenses and certifications have been submitted to the State and will be processed between now and the end of March. Mr. Sullivan attended the Nevada Project Heartbeat Board of Directors meeting in Reno on January 11th. He continues assisting the School District with replacement of expired EpiPens® and worked with the Sheriff's Office to replenish their supply of tourniquets. Nevada POOL/PACT provided HILTs (human injury limiting tools) for each ambulance and training is being conducted on proper use for transporting patients. EMT 2, Shaelene French, will attend the EMS Instructor class in Tonopah over the next two weekends.

PUBLIC WORKS

Repeater Site on Mt. Tenabo: Public Works Director, Ron Damele, reported that the necessary repairs were made to the repeater on Mt. Tenabo. While the technician was here, the opportunity was taken to double the battery capacity at the site.

Weather: The weather has kept crews busy shoveling snow. A major pump in the HVAC (heating, ventilating, and air conditioning) system at the Opera House had to be replaced. There have been other heat related issues, but they have all been handled.

Water Rate Study: The water rate study continues with the component of considering a County-wide water system. With the decision earlier in the day to dissolve the Devil's Gate GID, and with recent availability of data from the Fiscal Year 2014-2105 audit, work on the study will now intensify in order to provide necessary information to the Board for timely budget decisions. Mr. Damele requested authorization to obtain assistance from an existing employee to work on completing the water rate study, which may take up to 45 days. Commissioner Sharkozy authorized Public Works to utilize the services of an existing employee for up to 45 days to intensify work on the County-wide water rate study; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Resignation of Fair Board Secretary: Anne Kniefel submitted a letter of resignation as Fair Board Secretary, noting that she will assist with the transition and will continue as a member on the Eureka County Fair Board. Commissioner Etchegaray motioned to accept the resignation of Anne Kniefel as Fair Board Secretary and motioned that the job vacancy be posted internally to try to fill the position with an existing Fair Board member; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Janitorial Services: Mr. Damele explained that the County has three separate contracts for janitorial services: (1) County Courthouse, (2) Annex/Administration Building, and (3) a combined contract for the Library and the Justice Facility. The contracts expire in March and he sought approval to advertise for bids from independent contractors and further recommended that the contracts include renewal clauses. Commissioner Etchegaray motioned to authorize Public Works to advertise for bids from independent contractors to perform janitorial services at the Courthouse, Annex/Administration Building, Eureka Library, and Eureka County Justice Facility for a period of two years, renewable in two year increments for up to an additional four years. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

CLERK & TREASURER

Treasurer's Report: The Treasurer's Report for December was submitted by Clerk & Treasurer, Beverly Conley. Ending General Fund balance was \$13,927,093.62. Overall ending balance, including encumbered funds was \$61,608,020.09.

COUNTY ASSESSOR

Deputy Assessor I / DMV Technician Job Description: Assessor, Michael Mears, explained that the shared position between his office and the Recorder's office has recently become vacant. He proposed replacing that position with a new casual position assigned to his office - essentially replacing a full-time position with a casual position. This will be a deputized person with the ability to cover the other constitutional offices.

Chairman Goicoechea inquired whether this would create a need in the Recorder's office for another employee. Mr. Mears responded that he spoke with Recorder, Sara Simmons, and this position can adequately cover emergency times when the two employees in the Recorder's office are not available. This person would also be available to assist in the Comptroller's office.

Mr. Mears gave a detailed description of the duties and functions in his office as required by statute. In addition to those, his office provides DMV (Department of Motor Vehicles) services.

Commissioner Etchegaray motioned to approve the Deputy Assessor I / DMV Technician job description; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Position Advertisement / Job Posting: Commissioner Etchegaray motioned to authorize the Assessor to advertise to fill the Deputy Assessor I / DMV Technician casual position, first by posting the job internally and if not successful, by advertising the job publicly; Commissioner Sharkozy seconded the motion; motion carried 3-0.

COUNTY FACILITIES & ECONOMIC DEVELOPMENT

Update Report: Cultural, Tourism, & Economic Development Director, Andrea Rossman, reported on activities for the Opera House, Sentinel Museum, and Economic Development. Richard Elloyan, cowboy poet/singer/songwriter, will return on February 5th for a performance at the Opera House. The Economic Development Program Board held their meeting on January 7th and Lisa Wolf was elected Chairperson for calendar year 2016. Ms. Rossman participated by phone in the Great Basin Regional Development Authority meeting held in Goldfield on January 11th. Museum Director, Ree Taylor, submitted a written report detailing recent activities at the Sentinel Museum.

CDBG Applications: Two applications for Community Development Block Grants were submitted on behalf of Eureka County. Ms. Rossman informed the Board that, unfortunately, they were denied because Eureka County does not meet the low to moderate income level threshold.

LOCAL EMERGENCY PLANNING COMMITTEE

Letter of Promulgation: The annual Letter of Promulgation was presented by LEPC Chair, Sheriff Keith Logan. Commissioner Etchegaray motioned to approve signing the Letter of Promulgation for inclusion in the Eureka County Hazardous Materials Response Plan; Commissioner Sharkozy seconded the motion; motion carried 3-0.

HEALTH INSURANCE COMMITTEE

Letter of Resignation: Kim Todd, Chair of the Health Insurance Committee, has represented the Annex/Administration Building employees on the Health Insurance Committee. With her recent appointment as Comptroller and move to the County Courthouse, she no longer qualifies for this category and therefore, submitted a letter of resignation. Commissioner Sharkozy motioned to accept Kim Todd's resignation from the Health Insurance Committee effective January 22nd; Commissioner Etchegaray seconded the motion; motion carried 3-0. This will allow Ms. Todd to serve as Chair for the January 21st Health Insurance Committee meeting until a new Chair can be elected.

Appointment to Health Insurance Committee: One letter of interest was received to fill the vacancy on the Committee. Commissioner Etchegaray motioned to appoint Joyce Jeppesen to the Health Insurance Committee representing Annex/Administration Building employees, with the appointment effective January 22nd; Commissioner Sharkozy seconded the motion; motion carried 3-0. This appointment is for the remainder of a two year term through December 2017.

MEDICAL CLINICS ADVISORY COMMITTEE

Recommendations Regarding NVHC Proposal: The Medical Clinics Advisory Committee met on January 19th to review Nevada Health Center's updated service delivery model, adjusted to supply three mid-level providers. MCAC Chair, Garney Damele, drafted a letter outlining the Committee's recommendations, as follows: (a) continue with verbal agreement to operate under the latest contract through the end of the fiscal year, June 30, 2016; (b) enter into two contracts beginning July 1, 2016, for 18 months - one for the Eureka Clinic with two mid-level providers and one for the Crescent Valley Clinic with one mid-level provider to be supplied from a source other than the Eureka Clinic; (c) continue to include the Performance Audit and penalty phase in the new contracts, adjusted to reflect the new number and level of providers; and (d) reduce the current contract amount of \$778,500.00 by \$178,733.00 to reflect removal of a physician.

NEVADA HEALTH CENTERS, INC.

Proposed Service Delivery Model: At the January 6th meeting, the Board reviewed the first proposal from Nevada Health Centers, which offered reduced staffing and a reduced

contract amount. Based on concerns over provider coverage, the Board asked NVHC to adjust the proposal to reflect three mid-level providers. The adjusted model was received on January 8th and offered an annual contract amount of \$638,780.00 (a savings of \$139,720.00 over the existing annual consideration of \$778,500.00) for three mid-level providers to cover both clinics within Eureka County.

Letter to NVHC: The adjusted proposal was reviewed by the Medical Clinics Advisory Committee and resulted in the recommendations (outlined above) from the Committee. Commissioner Sharkozy motioned to accept the recommendations of the Medical Clinics Advisory Committee, to forward the recommendations in a letter to Nevada Health Centers, and authorized the Chairman to sign the letter outside of the meeting; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Continue Under Existing Agreement: Commissioner Sharkozy motioned to reject Nevada Health Centers' latest proposal and to continue operating through June 30, 2016, the end of the fiscal year, under the verbal agreement between Eureka County and Nevada Health Centers to continue operating under the latest contract; Commissioner Etchegaray seconded the motion; motion carried 3-0.

NATURAL RESOURCES

Prospect Mountain Mine: Natural Resources Manager, Jake Tibbitts, introduced Ty Erickson and Ari Erickson, proprietors of the Prospect Mountain Mine (aka Diamond Mine) in Diamond Valley. Mr. Tibbitts has met with the gentlemen to discuss the mine's water rights and the County's questions and believes there will be a positive relationship moving forward. Ty Erickson agreed that they will work with the County to make sure any water rights acquisitions or changes have minimal impact on the County.

Ty Erickson explained that this is a family owned company. The Ericksons live in Salt Lake City where Ty (who was raised in Ely) is a physician and his son, Ari, is a nuclear engineer. Ty's father, Einar Erickson (a geologist), purchased the property, covering approximately 1800 acres, nearly 50 years ago. The Diamond Mine began with a multitude of small patented mining claims which were combined into Eureka Consolidated Mining in the late 1860s.

The Ericksons are currently in the permitting process with the BLM. The timeline is contingent upon this process, but they hope to have a permit in place by the end of the year. They have contracted with SRK Mining Consultants and Small Mine Development (SMD) for analysis and development work. Once permitted, they will proceed with underground exploration, but based on preliminary data, believe there are between 700,000 to 800,000 ounces of gold equivalent and a substantial amount of silver to be mined from underground sources, and between four and six million ounces to be mined as they develop into an open pit operation in about five years.

Ty Erickson stated that his goal is to pour and deliver a dore bar to his father. He noted that he will continue to work with Mr. Tibbitts on water related issues and added, "*we want to make sure we do things right and we're glad to be part of the community.*"

The Board thanked the Ericksons for their presentation and noted their appreciation for their willingness to work with the County.

Report on Upcoming Meetings & Activities: Natural Resources Manager, Jake Tibbitts, gave a brief update on upcoming events and current issues. The presentation, given by Mr. Tibbitts and Chairman Goicoechea on January 14th in Elko to the Society for Range Management, clarified and emphasized the County's perspective on recent decisions concerning sage grouse.

Mr. Tibbitts will participate in a rangeland tour scheduled in conjunction with the National Association of Conservation Districts' meeting in Reno the first week of February. These

national conservation meetings generally have more than 1,000 attendees and over 85 participants have signed up for the tour, so it will be a good opportunity to highlight many western issues.

Sage Grouse Issues: The Sagebrush Ecosystem Program is accepting letters of interest for projects that will generate sage grouse habitat credits. The Nevada State Legislature designated \$2 million in funding (\$1 million this fiscal year, and \$1 million next fiscal year) to move forward with the concept of the Conservation Credit System. Commissioner Etchegaray motioned to authorize Mr. Tibbitts, as the County's representative on the Eureka Conservation District, to submit a letter on behalf of the Conservation District and local landowners notifying the Sagebrush Ecosystem Program of potential qualifying projects in Eureka County. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

As reported at the last meeting, the Federal District Judge has outlined the briefing schedule following the sage grouse hearing in US District Court in Reno last November, and all matters - opening briefs and answers - will be heard by the end of June.

MOU with BLM for Gold Bar Mine Project EIS: Redline changes were provided to the Battle Mountain District BLM on the draft Memorandum of Understanding to establish Eureka County as a Cooperating Agency for the McEwen Mining Gold Bar Project EIS. The BLM responded with a copy that didn't include the changes, so Mr. Tibbitts has been trying to follow-up with Field Manager, Jon Sherve, to make sure the changes are incorporated.

Gold Bar Mine Project Administrative Draft EIS: Although the MOU is not yet established, the County is participating in the conference calls with the BLM and McEwen Mining for the Gold Bar Mine Project Administrative Draft Environmental Impact Statement. Chapters 1 and 2 outline the project background and the proposed action. Mr. Tibbitts will provide some minor corrections and ask for clarification, but nothing formal is needed at this time. The Board provided consensus for Mr. Tibbitts to continue working on the County's comments for the Gold Bar Mine Project ADEIS.

Certification of SRS Funds: For several years, Eureka County has received annual payments through the Secure Rural Schools and Community Self-Determination Act. This legislation provides tax payments to counties to replace lost revenues from forest lands. Eureka County uses Title III funds primarily for the Firewise Communities Program. A report of expenditures is due by February 1st each year. A total of \$11,853.77 was used for calendar year 2015.

Commissioner Sharkozy motioned to approve the certification of expenditures of Secure Rural Schools and Community Self-Determination Act Title III funds for calendar year 2015; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Yearly Coordination Notices: Eureka County Code, Title 9, Chapter 40, Section .030, and Eureka County Master Plan Element 6, Natural Resources and Federal & State Land-Use Element, direct that Eureka County will send yearly coordination notices to federal land management agencies performing management duties within Eureka County. Mr. Tibbitts prepared notices for the three BLM offices (Battle Mountain District, Ely District, and Elko District), the US Forest Service, and the US Fish & Wildlife Service.

Commissioner Etchegaray motioned to send the yearly coordination notices to the land and resource management agencies outlining expectations for coordination and management consistent with County plans and policies, and authorized the Chairman to sign the notices outside of the meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Grazing Issues: Mr. Tibbitts brought a recent article to the Board's attention that printed some inaccurate statements. It was published in the *LA Times* titled, "*Tension between Ranchers and Federal Officials.*" The article quotes former BLM Battle Mountain District Manager, Jerry Smith, who claims tensions in this area are dangerously high, stating, "...all

these issues, none of them are worth dying over. I worry about that and so does Doug..." (referencing Doug Furtado, current District Manager).

Decisions on the Hage case (the late Wayne Hage of Pine Creek in Monitor Valley) issued by Judge Robert Jones in US District Court in Nevada were appealed to the 9th Circuit Court of Appeals. The Court of Appeals vacated certain issues and remanded them to the lower court to be heard by another judge. The Court of Appeals claimed that Judge Jones was biased in his rulings. This could essentially end the process unless the Hage family chooses to petition the Supreme Court.

Grazing Decisions: Several grazing decisions have been issued in the past week. Drought response actions were issued on the Potts Allotment in Monitor Valley and a portion of the Fish Creek Allotment. Another decision dealt with grazing closures due to fires in Squaw Valley, Dixie Valley, and Boulder Valley. The Natural Resources Advisory Commission discussed these in detail at their January 19th meeting and recommended that the County respond to the unwarranted use of drought restrictions and the unreasonable objectives imposed in the fire closures.

Commissioner Etchegaray motioned that Mr. Tibbitts prepare responses to the appropriate BLM Districts in relation to the recent grazing decisions affecting Eureka County, and authorized the Chairman to sign the letters outside of the meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

POTENTIAL BALLOT QUESTIONS

Matters Related to Public Finance & Efficient Administration of Government: Based on decisions earlier in the meeting, the Board determined that no ballot questions were required in addressing dissolution of the Devil's Gate GID or the decision to leave the Television District intact. The only other topic under consideration at this time was related to recent legislation allowing counties to raise certain motor vehicle fuel taxes. Nevada Association of Counties is evaluating this issue and potential impacts in order to provide a recommendation to counties.

RECESS FOR LUNCH

The Board recessed for lunch from 12:00 p.m. to 1:00 p.m.

CORRESPONDENCE

Correspondence was received from: Karen Bowser, Dawn Gann, & Eldon Brown; Anne Kniefel; Earl Overholser; Kim Todd; Joyce Jeppesen; District Attorney, Ted Beutel (2); Clerk & Treasurer, Beverly Conley; Public Works Director, Ron Damele; Cultural, Tourism & Economic Development Director, Andrea Rossman; Commissioner Clerk, Jackie Berg (2); Natural Resources Advisory Commission; Eureka County Fair Board; Health Insurance Committee; Medical Clinics Advisory Committee (2); Eureka Owl Club (2); Crescent Valley Town Advisory Board (3); Nevada Assoc. of Counties (2); Elko County Board of Commissioners; White Pine County Commission; White Pine County District Attorney, Michael Wheable; Nevada Health Centers, Inc.; Allison, MacKenzie, Ltd.; University of Nevada Cooperative Extension; Governor Brian Sandoval; Nevada Div. of Environmental Protection; Nevada Dept. of Taxation; Nevada Dept. of Transportation; Nevada Deferred Compensation Program; Supreme Court of Nevada; Western Counties Alliance (3); National Translator Association; and US Nuclear Waste Technical Review Board.

NEVADA DEPARTMENT OF HEALTH & HUMAN SERVICES

Division of Public & Behavioral Health, Rural & Community Health Services: Theresa Hartsman, Operations Manager for Public Health Programs, joined the meeting by telephone to discuss the Community Health Services Program and the upcoming contract renewal. In 2014, the Legislative Counsel Bureau determined that the program needed to be reassessed to better reflect true costs of services. The primary purpose of the program is to manage infectious

diseases as required in NRS 441A. Eureka County contracts with the State of Nevada for these services.

Ms. Hartsman explained that the contract rates are a percentage based upon population of rural and frontier communities in Nevada. Eureka County is 0.9% of this population and the tentative rate for Fiscal Year 2016-2017 is \$1,577.04, or \$131.42 per month. The final contract will be prepared and forwarded to Eureka County for approval for the upcoming fiscal year.

FISCAL YEAR 2016-2017 BUDGET PREPARATIONS

Revenue Projections: The Board discussed revenue projections for Fiscal Year 2016-2017 with Budget Director, Michael Mears. Ross Eardley, of McMullen McPhee & Company, was also in attendance for this discussion. The pro forma report, prepared by Clerk & Treasurer, Beverly Conley, provided real property revenue projections of \$13.2 million for the upcoming year (only a portion of this figure will be realized by the County as it is subject to apportionments to the School District and the State of Nevada). Revenues will be discussed in greater detail at future budget meetings when more refined figures are available. Mr. Eardley will contact the Department of Taxation to obtain a timeline of when they expect to have combined revenue projections prepared for the counties.

Mr. Mears explained there was a slight increase in assessed valuation this fiscal year as a result of Newmont Mining's Leeville Project. The upcoming year should see a minor addition as this project is completed. No other substantial construction is taking place in the County. Assessed valuations are expected to level out and begin decreasing due to depreciation. The mines aren't adding any new equipment, so the unsecured roll is diminishing in value. Other tax revenues, such as consolidated tax (primarily made up of sales tax), continue to decline as well.

Nothing will be budgeted for net proceeds. It is still unknown whether the County will be required to refund the remaining overpayment to the State or whether any payments will continue to be credited against what is owed.

Current Budgets: Mr. Mears explained that most budgets are tracking at 50% usage halfway through the fiscal year. This shows departments are working hard to stay within their budgets, but would face hardship if they had to cover unanticipated events. With repeated annual cuts of 15%, 20%, or more, the departmental services and supplies budgets have been reduced by an accumulated 50% or more over the past several years. Most budgets have reached the point where they cannot endure additional cuts without a change in the services they are expected to provide.

Option of a Tax Rate Increase: The time may be fast approaching when the Board has to consider raising Eureka County's tax rate, which is the lowest in the State. Mr. Mears explained that most property owners are protected by abatement, which would limit their annual increase to 3%. The few who don't qualify for the 3% abatement are protected by the 8% abatement, so the average taxpayer would not see a substantial increase. The deadline to notify the State of any intent to increase property taxes is February 20th.

Commitment to a Balanced Budget: The Board reminded everyone of their commitment to achieve a balanced budget by Fiscal Year 2017-2018 (the fiscal year beginning July 1, 2017). The budget being planned now, for Fiscal Year 2016-2017, must include steps to bridge the gap in attaining this goal.

Essential Services: As part of the budget balancing process, the Board requested minimum staffing reports from all departments last October. As a continuation of this exercise, the Board decided to schedule several budget meetings to discuss essential services with all County departments. The goal will be to identify services required by statute. In addition to required services, the Board will discuss non-essential services with each department, from the perspective of determining which services the County *will* and which services the County *will not* continue to fund in the upcoming budget year.

Following these initial meetings, each department will be directed to write their budget for the upcoming year based on the services determined necessary and the staffing level required to carry out those services. The Board agreed to schedule budget meetings for January 26th, February 1st, February 5th (following the regular meeting), and February 11th.

PUBLIC COMMENT

Chairman Goicoechea called for public comments; there were none.

ADJOURNMENT

Commissioner Etchegaray motioned to adjourn the meeting; Commissioner Sharkozy seconded the motion; the meeting was adjourned at 2:26 p.m.

Approved by vote of the Board this 5th day of February, 2016.

/s/ J.J. Goicoechea

J.J. Goicoechea, Chairman

I, Jackie Berg, Commissioner Clerk, attest that these are a true, correct, and duly approved minutes of the January 20, 2016, meeting of the Board of Eureka County Commissioners.

/s/ Jackie Berg

Jackie Berg, Commissioner Clerk

I, Beverly Conley, Clerk & Treasurer of Eureka County, acknowledge and accept the attached minutes as approved by the Board of Eureka County Commissioners and attested to by the Commissioner Clerk.

/s/ Beverly Conley

Beverly Conley, Clerk & Treasurer