

# EUREKA COUNTY BOARD OF COMMISSIONERS

March 4, 2015

STATE OF NEVADA )  
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COUNTY OF EUREKA )

## CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on March 4, 2015, for a budget meeting. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Beutel; and Executive Assistant, Jackie Berg. The meeting was called to order at 2:10 p.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 Sharkozy motioned to approve the March 4<sup>th</sup> agenda; Commissioner Etchegaray seconded the motion; motion carried 3-0.

## PUBLIC COMMENT

Chairman Goicoechea opened the floor for public comments; there were none.

## FISCAL YEAR 15-16 TENTATIVE BUDGET

Revenue Projections: Budget Director, Michael Mears, began by thanking Clerk & Treasurer, Bev Conley, for her assistance with the revenue projections, and Deputy Recorder & Auditor, Tina Hubbard, for her assistance with wage and salary estimates.

Revenue projections have been amended to \$15.3 million for Fiscal Year 2015-2016, which is higher than the original projection of \$10.5 million. This estimate primarily reflects revenues from property tax and consolidated tax. It does not include fees for services, court fees, grants, etc. that are collected by the County throughout the year.

County Fees: At an earlier meeting, the Board indicated they would like to examine the various fees received by the County for services, facility rentals, and utilities. Mr. Mears recommended that the Board do this at a later date. He felt a change in fees wouldn't have a substantial impact on revenues for this budget cycle and felt additional time was needed to conduct the proper analysis. The Board agreed that fees can be amended at a later date.

Salaries & Wages: Estimated salaries, wages, and benefits for the upcoming fiscal year are \$9.5 million. This does not take into account cost of living adjustments or merit increases. It does include an estimated 12.5% increase for insurance premiums. This leaves roughly \$5.8 million for operating revenues once wages and benefits are deducted from the projected \$15.3 million. Referencing the recently completed audit, Mr. Mears stated operating expenses for Fiscal Year 2013-2014 were \$7.7 million. If the revenue forecast is accurate, Eureka County will have a nearly \$2 million shortfall for the upcoming year. To balance the budget, operating expenses need to be cut by 20-25%.

Mr. Mears informed the Board that there is a proposed bill before the legislature to give elected officials an 8% salary increase for the initial year, followed by 3% increases for three subsequent years. Elected officials in the state have not had a salary increase since the last legislatively approved raise in 2007. If the current bill is successful, Mr. Mears calculated that it would cost the County an additional \$49,000.00 in salaries. After some discussion, it was agreed that the County Lobbyist would be notified that Eureka County is in favor of an opt-out provision in the bill so that salary increases are not mandatory.

Cost of Living Allowance: The mention of salaries led to a lengthy discussion on cost of living allowances and merit increases. The Board contemplated all options: a COLA with no merit increase, a merit with no COLA, neither a merit nor COLA, or both a merit and COLA. Chairman Goicoechea pointed out that a 2% COLA calculates out to an additional \$125,000.00. He also pointed out that Eureka County, inclusive of all funds - even reserves and investments, only has enough capital to support the current wages and salaries for four years. Several department heads spoke as well. Everyone felt the employees deserved a raise, but agreed they would rather freeze wages than have to contemplate layoffs in the near future.

Commissioner Etchegaray motioned to freeze all wages and salaries, specifying that there will be no merit increases or cost of living adjustment for Fiscal Year 2015-2016; Commissioner Sharkozy seconded the motion; motion carried 3-0.

## DEPARTMENTAL BUDGETS

Direction to Reduce Budgets: Before hearing department presentations, the Board discussed the 25% reduction needed to write a balanced budget. Department heads will need to take a harder look at their budgets. Those who already submitted a proposed budget will have to make additional cuts to get closer to the 20-25% overall reduction. Public Works Director,

Ron Damele, noted there are fixed costs, such as electricity and heating fuel, that can't be reduced without closing buildings for one or two days per week. Most of the offices must remain open five days a week since hours for the constitutional offices (Assessor, Clerk/Treasurer, Recorder/Auditor) are set by statute, and the Senior Centers receive grant awards that require them to remain open five days per week.

Commissioner Sharkozy motioned to direct department heads to reduce their budgets 20-25% from those approved the previous year; Commissioner Etchegaray seconded the motion; motion carried 3-0. It was clarified that department heads should use the worksheets provided by the Budget Director as their base budgets, since the worksheets reflect what was actually budgeted for Fiscal Year 2014-2015.

Sheriff Keith Logan voiced concerns over the unfunded mandates currently before the Nevada Legislature and asked how those would be handled within a tighter budget. Chairman Goicoechea suggested that the County might consider a resolution limiting the amount of funds that could be spent on certain unbudgeted expenses.

Clerk/Treasurer, District Court, Elections, Public Guardian/Administrator: Clerk & Treasurer, Beverly Conley, presented proposed budgets for the departments she manages. Ms. Conley noted that the **Clerk/Treasurer** budget reflected an extra casual employee that will be removed. Her existing casuals are used minimally, but should be budgeted sufficiently to cover a special election or an extensive court case. Services and supplies were increased by \$1,000.00 in anticipation of legislation that would require mailing of two separate tax bills. An investment consultant fee of \$5,000.00 was included, but likely won't be used. She continues working with Nevada State Bank and the bank fees are lower than they've ever been.

There are several bills before the Nevada Legislature that could affect the **Elections** budget. If electronic registrations are required, the software will cost \$11,000.00 and there may be some hardware requirements as well. Sample ballots may have to be distributed electronically. A fraud examiner or a CPA may have to certify results within 30 days of an election.

Ms. Conley visited with Judge Steve Dobrescu regarding the **District Court** budget and they trimmed where they could. The Jefferson Audio Video System (JAVS) is outdated and no longer has technical support. There are no immediate plans to replace it, but \$20,000.00 was proposed for replacement should it fail. Ms. Conley will eliminate the hard cover Nevada Revised Statutes, except those in the Judges' office, as the statutes are available online. The Public Defender fees, Seventh Judicial District Court agreement, and Administrative Office of the Courts audit are paid from the District Court budget. This budget must also plan for unforeseen costs related to a trial or multiple trials.

The **Public Guardian/Administrator** budget is funded entirely by the hospital indigent tax rate. Some mandatory travel and training is required for the upcoming year, so Ms. Conley asked that the budget remain status quo.

Independent Auditors: There were questions related to what amount should be budgeted for the independent auditors, whether this fee is negotiated, and term of the current contract. Concerns were voiced that the current audit amount can no longer be justified in light of the monetary shortfalls. Staff will research the contract and Mr. Mears will speak with Teri Gage of Eide Bailly, who was lead auditor for the last annual audit, regarding what is anticipated for the next fiscal year.

Legal advertising will be included in this budget (in the past it was absorbed by the Recorder/Auditor's budget), but no monies will be added as \$1,000.00 will be moved from travel/training.

Sheriff's Office: Sheriff Keith Logan proposed removing one position from the jail. Two patrol positions are currently vacant, one in Eureka and one in Crescent Valley. He proposed leaving the patrol positions in the budget, but not filling them. Background checks, physicals, and uniform allowances that would correlate with filling these three positions can be reduced. The line item for shooting range supplies can be reduced due to supply on hand. Areas that should remain status quo are vehicle maintenance and fuel, as they are necessary and the costs are hard to predict.

Capital outlay items included an evidence vault, but this can be postponed a year if some items can be removed from evidence storage. The emergency batteries that serve as backup to the jail and communications system are well beyond their five-year life so \$15,000.00 should be budgeted for replacement. If body cameras are mandated through legislation, the cost will be about \$45,000.00. Typically, two vehicles are replaced each year, but none are being requested in the next fiscal year.

Another capital outlay request was taser replacement. There are currently nine tasers in need of replacement. The models are outdated and parts are no longer available. Sheriff Logan obtained a proposal for an initial \$9,500.00 purchase to replace nine tasers. It includes a service contract of \$1,700.00 per year for full replacement at the end of five years.

The Commissioners recommended removing the \$45,000.00 for body cameras and finding funds elsewhere should legislation be adopted. They agreed that the taser purchase

should be made this year if the current budget supports it and asked Sheriff Logan to bring a proposal forward later this fiscal year.

Maintenance for the mechanical doors in the Detention Facility has been moved from the Public Works budget to the Sheriff's budget. Annual maintenance is \$10,000.00 and an additional \$5,000.00 would cover unforeseen repair costs, so \$15,000.00 was proposed. Another new item in the budget is \$1,600.00 to cover workers' compensation premiums for the Search & Rescue volunteers. This is currently being paid from the miscellaneous category since it was not previously accounted for.

Opera House, Sentinel Museum, Economic Development: Cultural, Tourism, & Economic Development Director, Andrea Rossman, submitted proposed budgets for the departments she manages. The reductions proposed were in addition to those presented on February 20<sup>th</sup> totaling \$13,750.00. She began with the **Opera House** budget where she cut \$4,000.00 from cultural programs, \$4,000.00 from marketing, \$500.00 from postage, and \$500.00 from travel/training. Chairman Goicoechea noted that cultural programs had been cut nearly 50% in previous years; since it draws people to the community he preferred to leave that line item intact.

The **Economic Development** budget was reduced \$500.00 for travel/training. Funds allocated to special projects and events were moved into a new category for **Eureka Activities**. This will incorporate the Car Show, Harvest Festival, Christmas Tree Lighting, etc. This budget was reduced by \$1,000.00 for marketing, \$3,000.00 for overall events, and \$400.00 for travel/training, leaving a budget allocation of \$19,000.00 for activities.

Ms. Rossman stated that no reductions were made to the **Sentinel Museum** budget, as it is already operating at a minimum.

Senior Centers: Senior Center Site Directors, Millie Oram and Adell Panning, discussed their proposed budgets. Amounts for the grants from Nevada Aging & Disability Services Division will remain the same. Utilities (heating fuel, electricity, water), janitorial, and repairs/maintenance for both centers were moved to Public Works.

Housekeeping at the **Eureka Senior Center** is now done by Consumer Direct Personal Care, LLC, (dba Better@Home), so wages of \$4,000.00 and benefits of \$3,000.00 can be removed from that budget. Services/supplies was reduced by \$500.00, travel/training was reduced by \$200.00, and miscellaneous was reduced by \$100.00. Telephone/fax was increased for Eureka, but Ms. Oram is working with the Recorder & Auditor's office to see if those costs can be minimized. Mr. Mears added that an audit of telephone billings is being conducted County-wide to make sure overcharges aren't occurring.

Reductions for the **Fannie Komp Senior Center** included a \$600.00 reduction for services/supplies, a \$500.00 reduction for travel/training, and a \$150.00 reduction for raw food. A capital outlay of \$10,000.00 was tentatively budgeted as contingency for both centers. Chairman Goicoechea recommended deleting the \$10,000.00 contingency, noting that the budget can be augmented in event of a large equipment failure or breakdown.

Crescent Valley Activities Program: Ms. Panning went over the proposed budget for the Crescent Valley Activities Program. She requested \$9,000.00 for services/supplies (\$8,000.00 was budgeted the previous year with a later augmentation of \$1,700.00 for a total of \$9,700.00), and \$17,200.00 for wages (\$6,500.00 was budgeted the previous year with a later augmentation of \$3,200.00 for a total of \$9,700.00).

Chairman Goicoechea inquired about the wages. An allocation of \$17,200.00 represents the maximum hours of 1,039 for this casual employee, yet some hours are worked at the Senior Center and that number should be deducted from total hours. He asked that Ms. Panning take another look at the proposed amounts and present a reduced budget at the next budget meeting on March 12<sup>th</sup>.

## **BUDGET AUGMENTATION FOR FISCAL YEAR 2014-2015**

Transfers & Augmentations for Current Fiscal Year: Mr. Mears reviewed augmentations for the current fiscal year. The Board has approved \$4,900.00 to augment the Crescent Valley Activities Program from the General Fund; the Agricultural Extension will require an augment out of their reserves to cover expenses related to the biochar projects that weren't anticipated during the previous budget cycle; the Assessor's Tech Fund will be augmented to replace monies that were moved out of that fund; and a transfer may be needed from the General Fund into the Recorder/Auditor's budget because of shortfalls in travel/training and to cover Human Resources expenses that are now being paid from that budget.

Once the required advertising is done, Mr. Mears will bring the augmentation resolution forward for adoption.

## **NEXT BUDGET MEETING**

Set Date & Time: Commissioner Etchegaray motioned to schedule the next budget meetings for March 12<sup>th</sup> and March 19<sup>th</sup>, both to begin at 2:00 p.m.; Commissioner Sharkozy seconded the motion; motion carried 3-0.

**EUREKA COUNTY DISTRICT ATTORNEY**

Settlement Agreement & Mutual Release: District Attorney, Ted Beutel, explained that a settlement agreement was reached in an action filed in Federal District Court captioned, Robert Cutler, Plaintiff, vs. Eureka County and Kenneth Jones, Defendants, in which the Defendants deny any liability but Eureka County agrees to pay \$35,000.00 in return for dismissal of the civil action. Mr. Beutel recommended approval of this item. Commissioner Etchegaray motioned to authorize payment of \$35,000.00, as negotiated in the Settlement Agreement and Mutual Release on Case No. 3:14-cv-00376-LRH-WGC in Federal District Court, in return for dismissal of this civil action; Commissioner Sharkozy seconded the motion; motion carried 3-0.

**PUBLIC COMMENT**

Chairman Goicoechea called for public comments. The Chairman stated he will continue to try to make contact with Mark Walker, Dean/Director of University of Nevada Cooperative Extension, regarding the Agricultural District budget and the County's desire to move the salaries and benefits portion out of the local budget.

**ADJOURNMENT**

Commissioner Sharkozy motioned to adjourn the meeting; Commissioner Etchegaray seconded the motion; the meeting was adjourned at 4:17 p.m.

*Approved by vote of the Board this 1<sup>st</sup> day of April, 2015.*

/s/ J.J. Goicoechea  
J.J. Goicoechea, Chairman

*I, Jackie Berg, Executive Assistant to the Board of Eureka County Commissioners, attest that these are a true, correct, and duly approved minutes of the March 4, 2015, meeting of the Board of Eureka County Commissioners.*

/s/ Jackie Berg  
Jackie Berg, Executive Assistant

*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 Executive Assistant of the Board.*

/s/ Beverly Conley  
Beverly Conley, Clerk & Treasurer