

EUREKA COUNTY BOARD OF COMMISSIONERS

April 1, 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 April 1, 2015, for a budget meeting. Present were Chairman J.J. Goicoechea; Commissioner Fred Etchegaray; District Attorney, Ted Beutel; and Executive Assistant, Jackie Berg. Vice Chairman Michael Sharkozy joined the meeting in progress from the Crescent Valley site. The meeting was called to order at 9:05 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; Chairman Goicoechea seconded the motion; motion carried 2-0.

PUBLIC COMMENT

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

APPROVAL OF MINUTES

March 4, 2015: Commissioner Etchegaray motioned to approve the minutes of the March 4, 2015, budget meeting; Chairman Goicoechea seconded the motion; motion carried 2-0.

COMMISSIONERS

Eureka Activities Coordinator: Commissioner Etchegaray motioned to accept the job description for Casual Eureka Activities Coordinator; Chairman Goicoechea seconded the motion; motion carried 2-0. This is not creating a new position, but is revising the job description for an existing position (formerly Economic Development Department Assistant).

Deputy Clerk Treasurer/Commissioner Clerk: Commissioner Etchegaray motioned to accept the job description for Deputy Clerk Treasurer/Commissioner Clerk; Chairman Goicoechea seconded the motion; motion carried 2-0. This is not creating a new position, but is revising the job description for an existing position (formerly Executive Assistant to Board of County Commissioners).

EUREKA COUNTY SHERIFF

Vehicle Purchase: Sheriff Keith Logan provided estimates from Champion Chevrolet under State of Nevada Bid #8255 for a patrol vehicle. This will replace a vehicle that was a total loss due to a rollover accident on November 1, 2014. An insurance check in the amount of \$23,783.00 will supplement this purchase. Total purchase amount of \$39,788.18 includes after-market lighting, striping, and cage installation. This amount may be reduced by over \$4,000.00 if legislation requiring in-car cameras is not successful. Commissioner Etchegaray motioned to approve a replacement capital outlay purchase of a 2015 Chevrolet Silverado pickup, not to exceed \$40,000.00; Chairman Goicoechea seconded the motion; motion carried 2-0.

PUBLIC WORKS

Electrical Cable Installation at Eureka Canyon Subdivision: Public Works Director, Ron Damele, explained that Mt. Wheeler Power does not install primary cable until it is requested by a customer. Mr. Damele worked with Mt. Wheeler to receive authorization from their Executive

Director for installation of 8,600 linear feet of primary cable to service lots 23 through 69 at the Eureka Canyon Subdivision. Mr. Damele confirmed that the current budget supports this installation. This does not include pad mount transformers and four or five will eventually be needed, so monies will be included in the upcoming budget. Commissioner Etchegaray motioned to approve a contribution in aid in the amount of \$74,006.00 for Mt. Wheeler Power to install primary underground cable and terminations on Canyon Street in the Eureka Canyon Subdivision to serve lots 23 through 69; Chairman Goicoechea seconded the motion; motion carried 2-0.

HEALTH INSURANCE COMMITTEE

Insurance Recommendations: Kim Todd, Chair of the Health Insurance Committee, and Toni Wright, Vice Chair, were in attendance to provide Committee recommendations related to insurance coverage and premiums for the upcoming fiscal year. The broker, with Benefit Intelligence, solicited quotes from several carriers and none were lower than the current medical carrier, Prominence Health Plan. Quotes from Prominence came back 19.8% higher than the current premiums for the same plans and deductible rates of \$1,000.00, \$1,500.00, and \$3,000.00. Four percent of the increase is due to extending the contract term from 12 months to 18 months to allow coverage to coincide with the calendar year rather than the fiscal year. So the net increase is 15.8%. Raising deductibles to \$1,500.00, \$2,500.00, and \$4,000.00, would reduce the increase to 12.6%. The inflation in health care premiums is due, in part, to mandatory changes set forth in the Affordable Care Act.

Ms. Todd explained that Prominence currently does not contract with a local provider for durable medical supplies (oxygen, diabetic supplies, etc.), but has guaranteed that they will resolve this. The broker informed Prominence that the County will not sign the insurance renewal until this contract is in place.

The Committee recommended continuing with Guardian Dental at a 1% decrease. This could equate to a 6% savings if the plan is changed from a \$2,000.00 per year to a \$1,500.00 per year benefit. Guardian allows a percentage of unused benefits to rollover from year to year and a review of County employees and dependents showed that a large percentage are not utilizing the full benefit and are eligible for this rollover. Rollover amounts are \$1,500.00 on the \$2,000.00 plan and \$1,250.00 on the \$1,500.00 plan.

The Committee recommended staying with VSP Vision at 0% increase. The Committee recommended switching from Standard Life to Guardian Life, as premiums came back the same for both companies (a 0% increase), but this would reduce the number of vendors that the County is contracted with.

The Committee recommended that elected officials and salaried employees begin paying 20% of dependent health insurance premiums effective July 1, 2015, for an 80/20 split. They had no recommendation related to the Board's request to review a 50/50 split on dependent health insurance premiums for employees hired after July 1, 2015. (The County currently shares the costs of dependent medical insurance premiums at a 70/30 split for employees hired prior to July 1, 2009, and a 60/40 split for those hired after July 1, 2009).

Medical Insurance: The Board was not in favor of raising deductibles for employees since no cost of living allowance or merit increases were budgeted for the upcoming fiscal year. Commissioner Etchegaray motioned to remain with Prominence Health Plan for Fiscal Year 2015-2016 with the current deductible plans (\$1,000.00, \$1,500.00, and \$3,000.00) for an 18-month renewal period at a premium increase of 19.8%, contingent upon Prominence contracting with a durable medical supplies company that services this area; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Dental Insurance: The Board agreed that with a number of employees not utilizing the full benefit, it made sense to adjust the dental plan. Commissioner Sharkozy motioned to continue with Guardian Dental for Fiscal Year 2015-2016, but to change to the \$1,500.00 annual benefit

with the \$1,250.00 rollover at a 6% decrease in premiums; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Life Insurance: Commissioner Etchegaray motioned to switch from Standard Life to Guardian Life for Fiscal Year 2015-2016 with a net zero increase in premiums and to send the required cancellation notice to Standard; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Vision Insurance: Commissioner Etchegaray motioned to continue with VSP Vision for Fiscal Year 2015-2016 with zero increase in premiums; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Sponsored Medical Plan: Based upon the Committee's recommendation, Commissioner Etchegaray motioned to designate Prominence Plan PPO Core 1 (\$1,000.00 deductible plan) as the sponsored plan for Fiscal Year 2015-2016; Commissioner Sharkozy seconded the motion; motion carried 3-0. Employees may select from the three health plans offered, but premiums paid by the County are calculated on the sponsored plan.

Insurance Premiums 07/01/2015 thru 12/31/2016											
Classification	\$1000 PPO Core	\$1500 Dental	Vision	Life	Total Premium	County	Employee 70/30**		County	Employee 60/40**	
Employee	982.30	38.56	7.26	12.00	1040.12	1040.12	0.00		1040.12	0.00	
Empl+Spouse	1797.57	74.62	11.62	12.76	1896.57	1639.64	256.94		1553.99	342.58	
Empl+Child(ren)	1738.63	101.50	11.86	12.76	1864.75	1617.36	247.39		1534.90	329.85	
Empl+Family	2367.30	137.55	19.13	12.76	2536.74	2087.75	448.99		1938.09	598.65	
Classification	\$1500 Beyond	\$1500 Dental	Vision	Life	Total Premium	County	Employee 70/30**		County	Employee 60/40**	
Employee	878.15	38.56	7.26	12.00	935.97	935.97	0.00		935.97	0.00	
Empl+Spouse	1606.98	74.62	11.62	12.76	1705.98	1639.64	66.34		1553.99	151.99	
Empl+Child(ren)	1554.30	101.50	11.86	12.76	1680.42	1617.35	63.07		1534.90	145.52	
Empl+Family	2116.32	137.55	19.13	12.76	2285.76	2087.75	198.01		1938.09	347.67	
Classification	HSA HD027	\$1500 Dental	Vision	Life	Total Premium	County	Employee 70/30**	HSA Match*	County	Employee 60/40**	HSA Match*
Employee	758.71	38.56	7.26	12.00	816.53	816.53	0.00	858.20	816.53	0.00	858.20
Empl+Spouse	1388.42	74.62	11.62	12.76	1487.42	1487.42	0.00	1529.09	1487.42	0.00	1529.09
Empl+Child(ren)	1342.90	101.50	11.86	12.76	1469.02	1469.02	0.00	1510.69	1469.02	0.00	1510.69
Empl+Family	1828.49	137.55	19.13	12.76	1997.93	1997.93	0.00	2039.60	1938.09	59.84	1979.76

*The Commissioners have agreed to an employee match of up to \$500 per year on the HSA HD027 Plan.
 Employees need to contribute \$41.67 per month into the HSA account in order to receive the County match.
 **Employees hired before July 1, 2009, are eligible for the 70/30 split on dependent premiums; employees hired after July 1, 2009, are eligible for the 60/40 split on dependent premiums; employees hired after July 1, 2015, are eligible for a 50/50 split for dependent insurance premiums (50/50 not shown on chart).

Retiree Insurance Rates 07/01/2015 thru 12/31/2016						
Employees & < 65 Retiree	\$1000 PPO Core	\$1500 Beyond	HSA HD027	\$1500 Dental	VSP Vision	Life
Employee	982.30	878.15	758.71	38.56	7.26	12.00
Empl+Spouse	1797.57	1606.98	1388.42	74.62	11.62	12.76
Empl+Child(ren)	1738.63	1554.30	1342.90	101.50	11.86	12.76
Empl+Family	2367.30	2116.32	1828.49	137.55	19.13	12.76
Retiree with Medicare A&B	\$1000 PPO Core	\$1500 Beyond 4	\$3000 HSA HD027	Guardian Dental	VSP Vision	Standard Life
Retiree	762.77	685.51	N/A	38.56	7.26	12.00
Retiree+Spouse (one with)	1566.73	1404.40	N/A	74.62	11.62	12.76
Retiree+Spouse (both with)	1350.54	1214.70	N/A	74.62	11.62	12.76
Retiree+Child(ren)	1349.22	1212.60	N/A	101.50	11.86	12.76
Retiree+Family (one with)	2045.78	1834.19	N/A	137.55	19.13	12.76
Retiree+Family (both with)	1750.96	1575.46	N/A	137.55	19.13	12.76

Subsidy Rates for Benefited Employees: After some discussion the Board agreed that the County would share the cost of dependent health insurance coverage at a 50/50 split for employees hired after July 1st. Commissioner Etchegaray motioned that health insurance

premiums for dependent coverage for employees hired on or after July 1, 2015, would be a 50/50 cost share; Commissioner Sharkozy seconded the motion; motion carried 3-0. Subsidy rates for existing benefited employees will remain the same: a 70/30 split for employees hired prior to July 1, 2009, and a 60/40 split for those hired after July 1, 2009.

Amendments to personnel policy must be made by resolution at a public hearing, so these steps - outlined in Eureka County Code - will be taken during future meetings to effect the change of a 50/50 split in dependent health insurance premiums for employees hired after July 1, 2015.

Subsidy Rates for Elected Officials & Salaried Employees: After some debate, the Board was not in favor of what would equate to a pay cut for elected officials and salaried employees and agreed to leave benefit coverage the same for these classes of employees. Commissioner Etchegaray motioned that subsidy rates for dependent coverage for elected officials and salaried employees will remain at 100%; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Subsidy Rates for Retirees: The Board reviewed the chart of current retiree health insurance subsidies. A lengthy discussion ensued which raised questions on eligibility, how the rates were established and changed over the years, and other related issues. It was determined that the subject should be researched and a full and fair discussion should be held during long-term budget planning. Commissioner Etchegaray motioned to leave the health insurance subsidy rates for retirees at the current level for the upcoming insurance term, which will commence on July 1, 2015, and continue for 18 months; Commissioner Sharkozy seconded the motion; motion carried 3-0.

EUREKA COUNTY RETIREE - County Health Insurance Premium Plan Subsidy Effective July 1, 2015 through December 31, 2016		
Retired on/after July 1, 2004	(\$469.58 BASE RATE)	
Years of Service		
5	\$117.40	25.00%
6	\$152.61	32.50%
7	\$187.83	40.00%
8	\$223.05	47.50%
9	\$258.27	55.00%
10	\$293.49	62.50%
11	\$328.71	70.00%
12	\$363.92	77.50%
13	\$399.14	85.00%
14	\$434.36	92.50%
15	\$469.58	100.00%
16	\$504.80	107.50%
17	\$540.02	115.00%
18	\$575.24	122.50%
19	\$610.45	130.00%
20	\$645.67	137.50%

The 2015-2016 current premium for the County plan is more than the current premium for the PEBP plan. The proposed formula will be as follows: The County will contribute for the retiree's enrolled in the County plan as follows: 100% of the amount that was established by the State of Nevada for Non-State Retirees participating in PEBP. The minimum subsidy base of \$150 per month applies to retirees who retired from Eureka County on or before July 1, 2004. Any employee who retires after July 1, 2004, and enrolls in the County plan will receive a health care subsidy listed in the above chart up to the health care premium. If the premium is less than the health insurance premium subsidy, there will be no cash payments for the difference. Only Eureka County service credit will be used to calculate this subsidy for County plan participants. When there is a rate change, the County will consider a modification of the base rate and percentage, but will not reduce the subsidy on this chart unless, because of financial circumstances, the County eliminates a subsidy for County plan participants. Only direct Eureka County retirees hired before July 1, 2009, are eligible for this subsidy.

Roth IRAs through New York Life: New York Life representative, Jim Sundquist, approached the Health Insurance Committee about offering Roth IRAs to County employees with a payroll deduction plan through Oppenheimer Funds. Payroll deduction will allow for

waiver of the annual fee and the \$500.00 minimum to open an account. Commissioner Sharkozy motioned to authorize New York Life to offer Roth IRAs to County employees through Oppenheimer Funds during the next open enrollment period covering benefits beginning July 1, 2015; Commissioner Etchegaray seconded the motion; motion carried 3-0. Ms. Todd noted that open enrollment is scheduled for May 11th and 12th.

FISCAL YEAR 2015-2016 TENTATIVE BUDGET

Revenue Update: Budget Director, Michael Mears, noted that revenues in the current fiscal year continue to trend lower than originally projected by the Department of Taxation. Net proceeds continue to be reconciled against the credit owed by the County.

In mid-March, the Department provided updated projections for the upcoming fiscal year. Most major revenues received by the County are mining based, so there were some minor adjustments, but the forecast continues to be bleak.

Departmental Budgets – Agricultural Extension: The Agricultural Extension budget covers three positions: the currently vacant Extension Educator, an administrative position, and a 4H coordinator. The remainder of the budget is primarily services and supplies. Mr. Mears explained that the budget includes two large projects. The water studies in Diamond Valley and the biochar studies, conducted in conjunction with Desert Research Institute, will continue in the upcoming year. A question was raised whether the County should be charging rental for office space, similar to what is being charged other State agencies (Nevada Department of Wildlife and Nevada High Patrol). The Board felt it was late in the process to consider this for the immediate year, but agreed to include it in the long-term budget conversations.

Library Contract: Representatives from the Elko-Lander-Eureka County Library System plan to present two possible budgets and an amended contract at the April 6th meeting in Crescent Valley. One proposal will entertain a 12% reduction and the other will entertain a 20% reduction over the current contract. The Board directed Mr. Mears to tentatively budget for the 12% reduction so that either proposal can be considered.

Budget Transfers & Augmentations: Mr. Mears provided an electronic file showing budget transfers for March, which were discussed and approved in previous meetings. The spreadsheet depicted augmentations to the Crescent Valley Activities Program, transfers to cover taser purchases for the Sheriff, and funds to cover travel and personnel/HR support for the Recorder/Auditor's office.

Ad Valorem Tax Rate: The Board reviewed a breakdown of the current Fiscal Year 2014-2015 tax rate and Mr. Mears requested direction on apportionment of the rate for the upcoming year. He advised reducing or eliminating allocations to funds that do not benefit the entire County, such as distributions for the landfill or retiree health benefits. He noted that certain funds have received a portion of the tax rate in some years and have been augmented with revenues from consolidated tax in other years.

The Board discussed the need for a fund to protect all natural resources and noted that the Water Planning Fund may be changed to a combination fund for this purpose. If the Board proceeds in this direction, appropriate steps will be taken, including drafting a resolution.

Following a detailed discussion, the Board gave direction for the following tentative tax rate breakdown: General Fund 0.5435; Future Reserve Fund 0.0100; Road Fund 0.1100; RTC Fund 0.0300; Agricultural Extension 0.0100; Ag District #15 (Fair Board) 0.0040; Building Maintenance & Reserve Fund 0.0300; Capital Improvement Fund 0.0500; Water Planning Fund 0.0300; State Indigent 0.0150; County Indigent 0.0033; Hospital Indigent 0.0100; Television District 0.0085; School District 0.7500; State of Nevada 0.1700; Eureka Town 0.2153; and Crescent Valley Town 0.2153. Final breakdown of rates will be considered at a tax hearing on May 18th.

NEXT BUDGET MEETING

Date & Time of Next Budget Meeting: The Commissioners agreed to schedule the next budget meeting at 9:00 a.m. on April 13th. Since Commissioner Sharkozy will not be available for that meeting, he will sign the budget top sheets during the April 6th meeting. The May 20th meeting will be rescheduled to May 18th in order to accommodate the statutory date to consider the final budget and tax rates.

CORRESPONDENCE

Correspondence was received from: District Attorney, Ted Beutel (2); Eureka County Sheriff, Keith Logan; Clerk & Treasurer, Beverly Conley (3); Executive Assistant, Jackie Berg; Eureka County Planning Commission; Health Insurance Committee; Crescent Valley Town Advisory Board (3); Mt. Wheeler Power; Nevada Assoc. of Counties; White Pine County Commission (3); Nevada Div. of Health; Nevada Div. of Water Resources; Nevada Dept. of Wildlife; Nevada Div. of Environmental Protection; Nevada POOL/PACT; Nevada State Innovation Model (SIM) Grant; Rural Nevada Health Services Network; BLM Nevada News (2); BLM Egan Field Office; and Return to Freedom Wild Horse Preservation & Sanctuary.

Chairman Goicoechea commented on the letter from Nevada Division of Water Resources notifying Little Paris Sheep Company of Ruling #6306 granting Application Nos. 83023 and 83024 to appropriate surface water from the Diamond Valley Hydrographic Basin. Not only are these two more certificated waters in Diamond Valley, but the ruling talks about no sign of cattle usage in September/October when a field study was conducted in the area. The Chairman noted he was “floored” that the State Engineer’s office now looks for signs of manure to determine use by cows. These waters are in an unfenced allotment, so there is now a possibility for cows exceeding a certain number to be trespassed because this water is certificated completely in the name of Little Paris Sheep Company.

PUBLIC COMMENT

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

ADJOURNMENT

The meeting was adjourned at 11:12 a.m.

Approved by vote of the Board this 6th day of May, 2015.

/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 April 1, 2015, 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