

EUREKA COUNTY BOARD OF COMMISSIONERS
Budget Meeting – April 13, 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 April 13, 2016, for a budget meeting. 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 10:00 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 Sharkozy motioned to approve the agenda as written; Commissioner Etchegaray seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Goicoechea opened the floor for public comments. Assessor and current Budget Director, Michael Mears, commended Comptroller, Tina Hubbard, and Payroll Specialist, Kim Todd, for their hard work on completing the Fiscal Year 2016-2017 Tentative Budget.

Sheriff Keith Logan noted that April 10th-16th is National Telecommunicators Week. In light of that, he wanted to recognize the phenomenal job done by his communications (dispatch) staff, which consists of Sandy Eastwood, Louise Wright, Sue Orr, and Clara Bundy.

EUREKA COUNTY SHERIFF

Patrol Vehicle Purchase: Sheriff Logan presented a vehicle quote from Michael Hohl Motor Company in the amount of \$30,081.85. In addition, the patrol vehicle will be outfitted (striping/decals, lighting, radio equipment, etc.) for a cost not to exceed \$15,000.00.

Commissioner Etchegaray motioned to authorize a capital outlay purchase in the current fiscal year of a 2016 Chevy Silverado pickup from Michael Hohl Motor Company and authorized complete outfitting for a combined total not to exceed \$45,081.85; Commissioner Sharkozy seconded the motion; motion carried 3-0.

BUDGET PREPARATIONS

Fiscal Year 2016-2017 Revenue Projections: Comptroller, Tina Hubbard, and Payroll Specialist, Kim Todd, discussed budget preparations with the Board. There were minimal changes made to revenue projections reported during previous meetings. Overall estimated revenue is \$15.4 million, and approximately \$8 million of this is ad valorem (property) tax. This figure was attained by calculating the current County tax rate plus the proposed \$0.10 increase and incorporating the reduction of over \$450,000.00 in taxes that will not be realized by the County due to applicable tax abatements. *Note: Proposed changes to the tax rate cannot be adopted until they are considered at a public hearing scheduled for May 16, 2016, at 1:00 p.m.*

Allocation of County Tax Rate: During earlier meetings, the Board worked with the Comptroller's office to allocate the proposed County tax rate among various funds and to review estimated ad valorem revenue generated by each fund. The Board agreed that no further adjustments were needed.

Notice to Taxpayers: The Board discussed mailing a notice to taxpayers describing reasons in support of the minimal increase to the County tax rate, identifying funds intended to

benefit from the increase, and explaining the necessity for supporting these specific funds. Additional revenues will be concentrated towards funds supporting infrastructure, roads, and protection of natural resources. The Chairman agreed to work with staff on preparation of a flyer and the April 20th agenda will include an item to finalize and approve mailing the notice.

DEPARTMENTAL & FUND BUDGETS

Budgets: Ms. Todd briefly reviewed the budgets included in the overall Tentative Budget. No further adjustments to any departments or funds were needed.

Depreciation: The Comptroller's office received a letter from the Nevada Department of Taxation that the operating funds for the three water systems (Eureka, Crescent Valley, and Devil's Gate GID) were over-expended in the last budget year due to depreciation. Chairman Goicoechea reiterated that the shortfalls occurred due to the requirement to account for depreciation in enterprise funds and not because there were actual costs or expenditures that exceeded what was budgeted.

Ms. Todd explained that in order to prevent this from occurring in the upcoming fiscal year, she budgeted \$970,000.00 to cover depreciation for the three water system accounts. Once final depreciation amounts are determined, this amount (or the portion needed) will be granted, in the form of a budget augmentation, from the General Fund to the water systems. Augmentations for Fiscal Year 2016-2017 will be done around May 2017.

It was suggested that consideration should be given in the future to allocating a portion of the tax rate to cover depreciation. User fees don't even support water system operating costs, much less cover depreciation.

Deficit Budget: Ms. Todd explained that the Tentative Budget is \$4.9 million in the deficit. This is due to several variables. On the revenue side, projected numbers are conservative and do not include net proceeds of minerals. On the expenditure side, several items were budgeted for contingency and other items must be included to satisfy the auditors and/or the Department of Taxation, but many of these will never actually be expended.

As an example, the most recent annual audit (Fiscal Year 2014-2015) showed the County retained a positive ending budget balance of \$1.4 million although a \$5 million deficit budget was filed. If County officials and staff continue to manage their departmental budgets conservatively, it is quite possible that the upcoming budget year can result in a positive outcome as well.

PERSONNEL BUDGET

Unfunded Positions: During the April 6th meeting, the Board reviewed a list of positions and ultimately determined that 34 positions (most of which are currently vacant) would not be funded in the upcoming fiscal year, with an additional position funded only through the end of the fiscal year. Their action did not eliminate job descriptions, but simply removed funding for these positions for the determined period of time.

Reassignment of Oversight & Supervision: Cultural, Tourism, & Economic Development Director, Andrea Rossman, is resigning effective June 30, 2016. This is one of the positions that will not be filled or funded. Ms. Rossman currently supervises Facilities Director Assistant Manager, Patty Peek, and Museum Director, Ree Taylor.

Commissioner Sharkozy motioned to assign supervision of the Facilities Director Assistant Manager and the Museum Director to Public Works Director, Ron Damele, effective July 1, 2016; Commissioner Etchegaray seconded the motion; motion carried 3-0.

It was noted that some of Ms. Taylor's hours are budgeted in the Assessor's office where she occasionally assists with Department of Motor Vehicle tasks. Assessor, Michael Mears, will act as supervisor when Ms. Taylor is performing DMV duties.

Economic Development Program Board: The Commissioners serve as the Economic Development authority for Eureka County. The Economic Development Program Board By-Laws and Eureka County Code, Title 7, both identify the ECEDP as an advisory board to the Board of County Commissioners. The ECEDP's clerical duties (agendas and minutes) have been managed by the Cultural, Tourism, & Economic Development Director. With that position not being filled, the Commissioners decided to reassign clerical duties to the Clerk & Treasurer's office. Beginning July 1st, those duties will be performed by Commissioner Clerk, Jackie Berg, who is a Deputy in the Clerk & Treasurer's office.

Cooperative Extension: The County currently funds three University of Nevada Cooperative Extension positions: Department Assistant, 4H Assistant, and Weather Monitor. These positions are being transferred to the State effective July 1st and will no longer be funded by the County. It is up to the University whether these positions will continue. Due to County layoff policy, which provides pay and benefits for one month following layoff, the last day of work for these employees will be June 1st. Since the Extension Educator position (a State funded position) is currently vacant, the Cooperative Extension office may be unstaffed for the month of June.

Layoff Notices: Following the April 6th action, a letter was sent to all supervisors asking that they work with contract Human Resources to provide proper layoff notices to the affected employees. The Board was provided copies of two layoff notices that have been prepared. The notices included information regarding County layoff policy and benefits that the employee may or may not be eligible for including COBRA options, unemployment insurance benefits, and/or retirement options.

ADOPTION OF TENTATIVE BUDGET

Adopt Budget & Sign Top Sheets: Pursuant to NRS 354.596, the Board of County Commissioners must file a Tentative Budget for Fiscal Year 2016-2017 by April 15th for the following entities: Eureka County (overall County), Diamond Valley Weed District, Diamond Valley Rodent District, Eureka County Television District, Eureka Town, Crescent Valley Town, and Devil's Gate General Improvement District. The Final Budget is due by June 1st.

Commissioner Sharkozy motioned to approve adopting the Fiscal Year 2016-2017 Tentative Budget for all Eureka County entities and signing the departmental top sheets for filing with Nevada Department of Taxation; Commissioner Etchegaray seconded the motion; motion carried 3-0.

CORRESPONDENCE

Correspondence was received from: District Attorney, Ted Beutel; Payroll Specialist, Kim Todd; Eureka Activities; Economic Development Program Board; Natural Resources Advisory Commission; Television District; 4H Happenings flyer; Seventh Judicial District Court; Eureka Owl Club (2); Crescent Valley Town Advisory Board (2); White Pine County Commission; Allison, MacKenzie, Ltd.; Kelsey Deaver (UNR student); Michael Hohl Motor Company; Nevada Dept. of Taxation; Nevada Dept. of Transportation (2); Nevada Div. of Water Resources; Nevadans for Responsible Drug Policy; Nevada State Clearinghouse; Stewart Indian School Preservation Alliance; US Dept. of Interior, BLM (2); and Arizona Dept. of Transportation.

PUBLIC COMMENT

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

ADJOURNMENT

The meeting was adjourned at 11:53 a.m.

Approved by vote of the Board this 6th day of May, 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 April 13, 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