

**EUREKA COUNTY BOARD OF COMMISSIONERS
Budget & Tax Rate Hearing - May 16, 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 May 16, 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 1:00 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 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; there were none.

PUBLIC HEARING – FISCAL YEAR 2016-2017 BUDGET & TAX RATES

Notice of Public Hearing: Notice was given that the Eureka County Board of Commissioners would hold a public hearing on May 16, 2016, at 1:00 p.m., to finalize the budget and adopt tax rates for the fiscal year beginning July 1, 2016. The purpose of the hearing was receive opinions and comments from members of the public on the proposed Fiscal Year 2016-2017 budget and tax rates before final action was taken. The Tentative Budget has been available to the public at the offices of the County Comptroller, County Clerk, and County Commissioners.

Proposed Tax Rates: Following is a list of the proposed tax rates for the various political subdivisions in Eureka County:

<u>TAX RATES</u>	<u>FY 2015-2016 (CURRENT)</u>	<u>FY 2016-2017 (PROPOSED)</u>
EUREKA (GENERAL COUNTY)	\$0.8458	\$0.9458
EUREKA COUNTY TV DIST	\$0.0085	\$0.0085
CRESCENT VALLEY TOWN	\$0.2153	\$0.2153
EUREKA TOWN	\$0.2153	\$0.2153
DIAMOND VLY WEED DIST	\$0.0781	\$0.0781
DIAMOND VLY RODENT DIST	\$0.0400	\$0.0400
STATE OF NEVADA	\$0.1700	\$0.1700
EUREKA CO SCHOOL DIST	\$0.7500	\$0.7500

Public Hearing: Chairman Goicoechea opened the public hearing and reviewed the proposed tax rates. He invited comments on the proposed rates and proposed budget for Fiscal Year 2016-2017. He noted that tax rates would be adopted at the close of the hearing and the budget is scheduled for adoption at the May 20th Commission meeting.

RODENT CONTROL DISTRICT: Lloyd Morrison, Diamond Valley farmer and member of the Rodent Control District Board, requested an increase to the Rodent District budget. \$10,000.00 was tentatively budgeted for the upcoming fiscal year. The Rodent District has a current fund balance in excess of \$200,000.00 and will raise \$8,000.00 in property taxes in the next fiscal year. In addition, they also receive other tax allocations.

Mr. Morrison explained that he is working with Sam Sanders (Humboldt Wildlife, LLC) to eradicate ground squirrels. Mr. Sanders is licensed and certified in the State of Nevada for rodent and other wildlife control. He utilizes pesticides and a PERC (pressurized exhaust rodent control) machine, which uses carbon monoxide gas. Mr. Sanders charges a residential rate of \$65.00/hour, but the agricultural rate is lower and he estimates he can exterminate an infested pivot for around \$6,000.00. The Rodent Control District is interested in putting together a program to assist landowners, and believes Mr. Sanders can be one component of an equitable program.

Rodent Control District Board members, Sandy Green and Bob Burnham, were also in attendance, as well as Rodent Control Officer, Jim Gallagher. Although they felt the majority of property owners would welcome assistance, there was a brief discussion on how a program might work with absentee owners or owners who weren't effectively managing their rodent control plans. District Attorney, Ted Beutel, cautioned that the rights of property owners must be recognized and honored.

The Rodent Control District requested that \$100,000.00 of their fund balance be made available in the upcoming fiscal year, noting that they would continue being conservative with the monies and would only move forward with a program they felt would be timely and effective.

ECONOMIC DEVELOPMENT PROGRAM BOARD: Dr. Fred Steinmann, Assistant Research Professor for the University Center for Economic Development, addressed a letter to the Commissioners explaining a potential renewable energy development study for Diamond Valley.

Diane Wise, member of the Eureka County Economic Development Program Board, explained that Dr. Steinmann attended the last meeting of the ECEDP, by invitation, to present the possibility of a renewable energy development study. Dr. Steinmann estimated the study would cost around \$30,000.00, but felt most of the cost could be covered through federal, state, and regional partners, if the County would be willing to match up to \$5,000.00.

Ms. Wise noted that Jake Tibbitts, Natural Resources Manager, also attended the ECEDP meeting. Mr. Tibbitts explained the water situation in Diamond Valley, noting that in the future Diamond Valley will likely be faced with mandated restrictions from the State of Nevada (State Engineer) that may directly affect the number of pivots allowed to remain in production. This study could point the way to a means of economic preservation through alternative energy developments.

Based on this, the ECEDP requested that the Commissioners earmark \$5,000.00 in the upcoming budget as matching funds towards this study, which could take up to a year to complete.

The Commissioners agreed and felt that matching funds could be found in the Commissioner, Natural Resources Advisory Commission, or Natural Resources budgets, without adding additional monies to any of the proposed budgets for the upcoming fiscal year.

COMMENTS ON TAX RATE INCREASE: Lloyd Morrison noted his support of the tax rate increase, stating he was willing to pay additional taxes if it meant roads and infrastructure would be maintained. He commented that nobody likes to raise taxes or pay increased taxes, but he understood the necessity and appreciated the work the Commissioners are doing.

Jim Gallagher, Diamond Valley farmer, added his support for the tax increase, stating that he was willing to pay the extra amount each year to avoid a decline in the County's infrastructure.

Bob Burnham, Diamond Valley farmer, agreed with the reasons behind the tax increase. He noted the importance of paved roads, not just for transportation and industry, but for the safety of bussing school children who live in rural areas.

The farmers all recognized that the new tax rate could cost them several hundred dollars each year, but affirmed their willingness to pay it for the reasons behind the increase.

A letter was received from Eureka County resident and property owner, Mike Podborny, noting that he felt the current property tax rate is extremely low and this small increase is needed to maintain infrastructure and future road work for the residents of the County.

Cindy Adams, Eureka resident, appeared before the Board to voice her support in keeping the Swimming Pool open year-round. She felt the tax increase was worth it if it supported this facility that provides so many benefits and programs to the community, especially the youth.

Lisa Wolf, Crescent Valley resident, stated she has watched the Commissioners work carefully, consciously, and responsibly over the past few years to trim the budget, while being mindful of the citizens of the County as well as the County’s employees. Ms. Wolf stated “we’re all in this together” and she was happy to contribute additional taxes and supported the Board’s decision.

Art Miles, Eureka resident, heard that the physician at the Eureka Clinic may be leaving due to monetary constraints and he asked the Board whether this was true. Chairman Goicoechea responded that while it is true that the Commission continues looking for ways to reduce the costs of medical care in the County, it is ultimately Nevada Health Centers’ decision whether they retain the doctor. He noted that Walter Davis, CEO of NVHC, will attend the May 20th meeting to continue the discussion related to future clinic contracts.

Eureka resident, Stuart Bloyd, encouraged the Board to continue making budget cuts wherever possible. In researching County wages and benefits, he felt they were high in comparison to the private sector. He was against a tax increase that placed the burden on citizens, many who live on a fixed income, when there may still be areas to trim in local government.

Randy Rowley, Eureka resident, voiced concerns over a tax increase that placed additional burden on citizens who worked hard to earn their money and were already paying a fair amount.

Eureka resident, John Brown, agreed that the Commissioners needed to implement a slight tax increase to keep infrastructure and services at their current level.

Pine Valley rancher, Carl Slagowski, inquired what the tax increase would be used for, noting that he agreed with the citizens who voiced concerns over an increase when there may still be room to trim spending.

Chairman Goicoechea read the tax rates into the record, detailing how the general rate will be allocated to various funds for the upcoming fiscal year. He explained that the bulk of extra tax revenues will be assigned to road maintenance and continued support of natural resource issues.

Chairman Goicoechea concluded by assuring those present that the Board continues to look for ways to cut expenditures. The budget has been reduced by ~\$17 million in the last few years, but it is still a work in progress. He explained that in relation to net proceeds of minerals tax, the rate increase will result in a substantial benefit to the County. Counties only retain their respective general rate in net proceeds and the balance of the \$5.00 levy goes to the State. With the lowest tax rate in Nevada, Eureka County has relinquished tremendous revenue to the State of Nevada, while the non-renewable resources are being mined from within the County.

Adoption of FY 2016-2017 Tax Rate: Commissioner Etchegaray motioned to adopt the tax rates for Fiscal Year 2016-2017, including allocation of the general rate, as read into the record (and outlined below); Commissioner Sharkozy seconded the motion; motion carried 3-0.

TAX RATES	FY 2015-2016 (CURRENT)	FY 2016-2017 (PROPOSED)
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BREAKDOWN OF GENERAL COUNTY RATE	FY 2015-2016 (CURRENT)	FY 2016-2017 (PROPOSED)
GENERAL FUND	\$0.5435	\$0.5775
FUTURE RESERVE FUND	\$0.0100	\$0.0100
ROAD FUND	\$0.1100	\$0.1000
RTC FUND (Regional Transportation Comm)	\$0.0300	\$0.0750
AGRICULTURAL EXTENSION FUND	\$0.0100	\$0.0100
AG DISTRICT #15 FUND (Fair Board)	\$0.0040	\$0.0000
BUILDING MAINT & RESERVE FUND	\$0.0300	\$0.0100
LANDFILL FUND	\$0.0000	\$0.0250
WATER PLANNING FUND	\$0.0050	\$0.0350
NAT RES MULTIPLE USE FUND	\$0.0250	\$0.0250

Direction on FY 2016-2017 Budget: Based on earlier discussions, the Board agreed to increase the budget for the Diamond Valley Rodent District to \$100,000.00 and noted that the \$5,000.00 requested by the Economic Development Program will not require a budget increase, but will be allocated from an existing budget when needed (probably Commissioners, Natural Resources, NRAC, or a combination therefrom).

Commissioner Etchegaray motioned to direct the Comptroller's office to complete preparation of the Fiscal Year 2016-2017 Final Budget as discussed, increasing the Rodent District to \$100,000.00; Commissioner Sharkozy seconded the motion; motion carried 3-0.

The Final Budget will be presented for adoption at the May 20th Commission meeting.

CORRESPONDENCE

Correspondence was received from: Mike Podborny; Chanlie Larsen & Dennis Bundy; Michael Caldwell; District Attorney, Ted Beutel; Clerk & Treasurer, Beverly Conley; Payroll Specialist, Kim Todd; Activities Coordinator, Cindy Beutel; Planning Commission; Natural Resources Advisory Commission; Medical Clinics Advisory Committee; Eureka Owl Club (2); Crescent Valley Town Advisory Board; Nevada Assoc. of Counties (2); White Pine County Commission; University Center for Economic Development, Dr. Fred Steinmann; Nevada Dept. of Transportation (2); Stanka Consulting, Ltd.; Nevada Rural Housing Authority; Nevada Deferred Compensation (2); Nevada Economic Development Conference; Nevada Dept. of Business & Industry; Stewart Indian School Preservation Alliance (2); Nevada State Clearinghouse (3); USDA Rural Development; USDA Forest Service, Humboldt-Toiyabe National Forest; Dr. Joe Heck for US Senate; Geothermal Energy Assoc.; Western Counties Alliance; Downwinders Advocate, Sherrie Hanna; and Arizona Dept. of Transportation (3).

PUBLIC COMMENT

Chairman Goicoechea opened the floor for public comments. Assessor, Michael Mears, announced that Dr. Joe Heck, candidate for US Senate, will host a Meet & Greet at 1:00 p.m. on May 27th at the Eureka Owl Club.

Eureka resident, Art Miles, asked about the repository to be constructed by the US Environmental Protection Agency along the south side of Ruby Hill Avenue in Eureka. He asked who determined the location and inquired about the method of containment. Chairman Goicoechea responded that it was a priority for the EPA to maintain the contaminated soils within the town's footprint. Several sites were considered, but this was the area recommended

to the Commissioners as the site best meeting EPA standards for a repository. The EPA developed well-engineered plans for the facility, which were presented publicly. Copies of the plans can be requested from the Commissioners' office.

ADJOURNMENT

The meeting was adjourned at 1:51 p.m.

Approved by vote of the Board this 6th day of June, 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 May 16, 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