

**EUREKA COUNTY BOARD OF COMMISSIONERS
BUDGET MEETING
January 4, 2010**

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 4, 2010. Present were Chairman Jim Ithurralde, Vice Chair Leonard Fiorenzi, Member Mike Page, District Attorney Theodore Beutel, and Deputy Clerk & Treasurer Sara Simmons. The meeting was called to order at 1:03 p.m. and began with the Pledge of Allegiance. The interactive video conference system was connected and utilized between Crescent Valley and Eureka during the entire meeting.

APPROVAL OF AGENDA

Commissioner Fiorenzi moved to approve the agenda as posted. Commissioner Page seconded the motion. Motion carried 3-0.

PUBLIC COMMENT

The Chairman called for public comments; there were none.

EUREKA COUNTY PERSONNEL POLICY

Review Proposed Revisions: Jerry Larson, Human Resources Analyst, provided the Board with a revised draft of the County Personnel Policy. Mr. Larson explained that the recommendations made by the Wage and Salary Committee were incorporated in the revisions, such as abolishing the current range and step system and implementation of merit increases based upon performance. Discussion was had on guidelines for correcting and addressing less than acceptable performance. Commissioner Fiorenzi noted that the Commissioners also approved an insurance subsidy for retired employees or a retirement buy-out option that should be included in the Personnel Policy. Ted Beutel, District Attorney, explained that the County Commissioners chose to pre-fund an insurance subsidy account for retiring employees, but newly hired employees are not eligible.

Mr. Larson described the proposed changes to the Personnel Policy and the Board discussed some of these changes, which included: agreement to follow the Personnel Policy by employees, elected officials, and department heads; organizational chart; Human Resource's role in recruitment and hiring; employee file locations and access; internal employment candidate applications and requirements; three and six month new employee evaluations; references and background checks; physical examinations for emergency service volunteers; employment application pool; possibility of mandatory examinations for certain positions; budget considerations for promotions; establishing meal periods; time sheet requirements; job description changes; salary increase schedule; leave accrual and leave notice; bereavement leave; prohibited conduct; no solicitation policy; management training; non-employee access to County property; employee furloughs and layoffs; awards program for safety sensitive departments; and a defensive driving course for employees. Mr. Larson explained that the proposed changes would be presented to the employees at focus meetings for review.

Direction to Staff: No action was taken on this agenda item.

FISCAL YEAR 2008-2009 AUDIT AND COMPREHENSIVE ANNUAL FISCAL REPORT

Audit and Comprehensive Annual Fiscal Report: Commissioner Fiorenzi made a motion to accept Eureka County's Audit and Comprehensive Annual Fiscal Report for Fiscal Year 2008-2009. Commissioner Page seconded the motion. Motion carried 3-0.

FISCAL YEAR 2010-2011 BUDGET

Review and Planning Session: Mike Rebaleati, Recorder and Auditor, was not available for the meeting, but provided the Board with information via email. Mr. Rebaleati recommended that the County freeze hiring and not increase casual labor hours unless a department's operation is being heavily impacted. Mr. Beutel noted that there are several large projects planned by the County which need to be carried through with the appropriate funds set aside for these specific purposes.

FISCAL YEAR 2010-2011 TAX RATE

Eureka County School District's School Bond: The Board was provided with information regarding the Eureka County School District's repayment of their general obligation bond in order to determine when the real property tax rate for repayment should be rescinded. Sara Simmons, Deputy Clerk & Treasurer, reported that the County receives a monthly financial report from the School District. Chairman Ithurrealde provided Ben Zunino, Eureka County School District Superintendent, with a draft resolution that the Commissioners may propose regarding the repayment of the bond and termination of the associated tax rate. Mr. Zunino noted that the auditors found that the School District has insufficient expertise to apply general accounting principles, but that it is also difficult in rural communities to find that expertise. The auditors indicated that the School District management does not have the ability to prepare financial reports. Discussion was had on the School District's ability to hire a person with the knowledge to properly prepare the District's financial reports. Chairman Ithurrealde requested the minutes of the School Board meeting where the auditors indicated that it is difficult to hire individuals who have the capability to prepare financial reports in rural communities.

Chairman Ithurrealde relayed to Mr. Zunino that the Board has become aware that the School District has collected sufficient funds to pay off the balance of the School's bond, making it appropriate to address the accompanying tax rate. Currently, there is a 16.25 cent property tax rate set for the purpose of collecting funds to pay toward the School's bond. Mr. Zunino indicated that the School District is following the Department of Taxation's guidelines and has contacted Penny Hampton, Budget Analyst with the Department of Taxation. Discussion was had on the current net proceeds of mines payments (for production year 2008) and prepayment of net proceeds (for production year 2009) that have been made to the School District. Mr. Zunino noted that the School District did not want to pay the bond off with prepaid net proceeds funds in the case that a portion of the net proceeds are recalled. Commissioner Ithurrealde asked if the tax rate should be taken off the tax roll because sufficient funds have been generated to pay off the bond. Mr. Zunino indicated that the tax rate was left on the tax roll last fiscal year upon the recommendation from Ms. Hampton, but that the School District is also anxious to remove the tax rate.

Commissioner Fiorenzi noted that the School District's balance sheet indicates there are sufficient funds to pay the bond off without including funds generated through the tax rate or prepaid net proceeds. Chairman Ithurrealde requested that Mr. Zunino ask the Department of Taxation if prepaid net proceeds will have to be returned if the tax rate is amended for the 2010-2011 fiscal year. A joint School District and Board of County Commissioners' meeting was scheduled for January 14, 2010, at 5:30 p.m. The Commissioners agreed to address the

proposed resolution regarding the School bond and associated tax rate after the meeting on January 14th.

DATE AND TIME OF NEXT BUDGET MEETING

The next budget meeting was tentatively scheduled for January 14, 2010, at 1:00 p.m.

PUBLIC COMMENT

Chairman Ithurralde opened the floor to public comments; there were none.

ADJOURNMENT

At 4:12 p.m., Commissioner Fiorenzi made a motion to adjourn the meeting. Commissioner Page seconded the motion. Motion carried 3-0.

Approved this 20th day of January, 2010.

/s/ Leonard Fiorenzi
Leonard Fiorenzi, Chairman

Attest: /s/ Jackie Berg
Jackie Berg, Clerk