

**EUREKA COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
March 5, 2009**

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 5, 2009 for a special meeting with the County employees to discuss benefits and wages. Present were Chairman Jim Ithurralde, Vice Chair Leonard Fiorenzi, Member Mike Page, Clerk & Treasurer Jackie Berg, as well as various County board members and public. The meeting was called to order at 5:01 p.m. and began with the Pledge of Allegiance. The interactive video conference system was connected and utilized between Crescent Valley and Eureka for 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

Chairman Ithurralde called for public comments. There were none.

EMPLOYEE WAGES AND BENEFITS

Chairman Ithurralde stated his position on employee benefits and relayed that he does not wish to adjust current employee benefits at this time. Eureka County has been isolated from the country's economic downturn due to the mining industry and price of gold; however, gold is a non-renewable resource. Chairman Ithurralde added that gold is a resource that is traded on the world market and the net proceeds from gold mines cannot be guaranteed. The Chairman explained that the wage steps and increases for Eureka County employees need to be evaluated, because it has not been done in many years. The Chairman's suggestions included: a possible substantial one step merit increase in each wage bracket; a possible 1.5 year buyout or an insurance subsidy for retirees, but not both; decreased insurance package subsidies for employees hired after July 1, 2009; and an evaluation of the ratio of employee salaries/benefits to revenue.

Commissioner Fiorenzi explained that he feels that Eureka County has one of the best employee benefit packages in the State, but is also one of the most expensive. Compared to the average starting wage of the four surrounding counties, however, Eureka is below that average. Twelve Eureka County employees are at the top end of their wage bracket and cannot move up the wage scale; therefore, a different longevity schedule may need to be considered. Commissioner Fiorenzi relayed that he wishes to preserve the current benefits of employees and suggested that employees have an option of receiving an insurance subsidy or a buy-out at retirement, and the County should establish a firm benefit package for current employees until retirement. Mr. Fiorenzi explained his suggestions for new employee (employees hired after July 1, 2009) benefits which included: not receiving the \$500 retiree insurance subsidy; the County would promote a 401K retirement plan with a possible match; dependent insurance coverage at a 50/50 cost share; and single employees and employees who refuse insurance coverage would be eligible for a cash stipend per month.

Commissioner Fiorenzi reported that he evaluated seven different employee wage step classifications and averaged the comparable steps with the four surrounding counties. The figures showed that some positions in the County are paid below average compared to the four surrounding counties. The Commissioner suggested that the wage imbalance among County employees be evaluated and rectified. This would result in various raises for employees throughout different County departments, allowing for a more competitive salary. Commissioner Fiorenzi asked the employees gathered at the meeting if they thought it was fair if the Commissioners received a 4% raise for the next three years. The employees expressed disagreement with a cost of living increase for the Commissioners if the employees didn't receive the same.

Commissioner Page stated that he agreed with Commissioner Fiorenzi, with the exception of the approach being taken for the \$500 subsidy for retiree insurance subsidies.

Chairman Ithurralde explained that Eureka County is the only County in Nevada that has a 30 year longevity plan. County employees begin receiving longevity wage increases after three years of employment. The Chairman recommended that the County appoint a committee to evaluate the wage steps and compare the current wage system with surrounding counties. The last wage system evaluation occurred approximately eighteen years ago. Comparing Eureka to the surrounding counties, rather than counties with similar populations, will allow Eureka County to compete with the neighboring job market. Those volunteering for a committee to evaluate the current wage system included: Sandy Mariluch, Sara Simmons, Diane Podbourny, Cindy Garcia, Kim Todd, Toni Wright, Joyce Jeppesen, Adriane Tibbitts, and Kathy Kinkade. The committee will be officially appointed at a future Board meeting when action can be taken. The County auditors will be asked to evaluate the committee's analysis.

The Board discussed employees who have reached the top tier in their wage division, merit increases, longevity pay, and cost of living allowances (percentage verse dollar amount). Sheriff Ken Jones expressed concerns with losing trained employees to a higher paying county because they have reached the top of their wage bracket in Eureka County. Sheriff Jones also explained that the Sheriff's Department promotes the County's excellent benefit package as a recruiting tool. If the benefits for new hires are reduced, then the Sheriff's Department may have difficulty attracting qualified individuals.

The employees attending the meeting brought up several points concerning: recruiting qualified individuals for new positions and to replace personnel that will be retiring; gold mining life expectancy for local mines; alternative means of economic diversification; exploring geothermal, hydro, wind, solar, and nuclear development and railroads in the County; housing availability and housing prices; wage steps; costs of commuting out of town for groceries, fuel, and other items; extra duties taken on by employees; required training for certain employees; and fair and balanced wages among the different County departments.

Garney Damele, as a member of the Health Insurance Committee, asked for clarification on each Commissioner's opinion on employee health insurance coverage. Commissioner Page relayed that he feels that all employees should receive 100% individual insurance coverage. Currently, only employees who have chosen the insurance plan that the County sponsors have a 100% covered premium. Every year the Health Insurance Committee researches the insurance plans and premiums available to County employees and offers that information to the Board. The Board uses this information to vote on a plan that the County pays 100% of the premium. The employee has the option of enrolling in the 'sponsored' plan which is funded at 100%, or selecting one of the alternate plans. Commissioner Fiorenzi explained that one of his suggestions would give employees the option to opt out of County insurance and accept a stipend in return, with the ability to enroll in County insurance at a later time should their personal circumstances change. Chairman Ithurralde suggested that new

employees would have 50/50 dependent insurance coverage instead of the current 70/30 premium coverage. The Chairman asked the Health Insurance Committee to distribute a questionnaire among County employees to obtain opinions on health insurance options.

Chairman Ithurralde thanked the employees for their attendance and participation in the wage and benefit discussion. The Board will vote later on the official members of the wage committee and direct those members accordingly. The Chairman relayed that the Board will further discuss covering 100% of the health insurance premiums for all employees, as well as wage adjustments.

PUBLIC COMMENT

Chairman Ithurralde opened the floor to public comments. There were none.

ADJOURNMENT

At 6:16 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 March, 2009.

/s/ J.P. Ithurralde

J.P. Ithurralde, Chairman

Attest: /s/ Jackie Berg
Jackie Berg, Clerk