MINUTES OF THE BOARD OF CHURCHILL COUNTY COMMISSIONERS

155 N. Taylor St., Fallon, NV 89406
March 26, 2021

Call to Order:

The special meeting of the Board of County Commissioners was called to order at 9:00 AM on March 26, 2021, which was conducted in-person and via Zoom meeting.

PRESENT:	Chairman H. Peter Olsen, Jr., via Zoom
	Commissioner Justin Heath, Vice-Chairman
	Commissioner Gregory Koenig
	County Manager Jim R. Barbee
	Comptroller Sherry Wideman
	Chief Civil Deputy DA Benjamin Shawcroft
	Deputy Clerk to the Board Pamela D. Moore
ABSENT:	Clerk/Treasurer Linda Rothery

Pledge of Allegiance:

The Pledge of Allegiance was recited by the board and public.

Public Comment:

Vice-Chairman Koenig ran the meeting since he was in the room and Chairman Olsen was attending via Zoom. He asked if there was any public comment but there was none.

Verification of the Posting of the Agenda:

It was verified by Pamela D. Moore, Deputy Clerk to the Board, that the Agenda for this meeting was posted on the 22nd day of March, 2021, between the hours of 9:30 and 11:00 AM at all of the locations listed on the Agenda, in accordance with NRS 241 and the Governor's Emergency Declaration related to posting during the Pandemic.

Consideration and possible action re: Approval of Agenda as submitted or revised:

Commissioner Justin Heath made a motion to approve the Agenda as submitted. Commissioner Pete Olsen seconded the motion, which carried by unanimous vote.

Appointments:

9:00 AM - Consideration and possible action re: Presentation and discussion on the proposed Budget for Fiscal Year 2021-22 and possible input and direction from the Board of County Commissioners to the Comptroller regarding changes to departmental budget requests since the budget hearings held on February 19 and 22, 2021

Comptroller Wideman will make a presentation on the proposed Budget for Fiscal Year 2021-22 and request input and direction from the Board of County Commissioners regarding changes to

departmental budget requests since the budget hearings held on February 19 and 22, 2021.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT: N/A
FUNDING SOURCE: N/A
ACTION REQUESTED: None; Informational Only

Comptroller Wideman introduced Jamie Davis, who has been promoted to the Accountant I position. She has been with the county for three years in the Comptroller's Office and she will be working on the budget going forward, so I wanted you to be able to put a face with the name. She has been a very good part of the Comptroller's staff and she has great skill with our software so, hopefully, we will get a little more automated with time. Earlier this week, I sent out the PDFs that show our projected revenues and expenditures, as well as a combination report that combined those so that you could see how each fund is working with the revenues and expenditures. I wanted her to be able to see how this process works. I have a PowerPoint presentation as follows:

////

////

////

////

////

////

What changed from previous budget workshop?

- **General Adjustment was reduced -.25% down from 2.5% to 2.25%**
  - This reduced Retirement (PERS), Workers' Comp (PACT), Medicare, and Compensated Absences
- **Retirement (PERS) was increased for the new rates**
  - For Regular Members from 29.25% to 29.75%
  - For Police/Fire from 42.5% to 44%
- **Health insurance was reduced -3% from 10%**
  - From $12,000 to $11,640 for each eligible employee
- **Sheriff's Office**
  - Change 2 part-time Bailiffs to 1 full-time Bailiff
  - Remove 1 full-time Deputy
  - Remove services and supplies additional requests
  - Remove Sand Mountain repeater
- **Parks and Recreation – Civic Center**
  - Made new department for the Civic Center 306
  - Added $20,000 for Marketing and $5,000 for Travel and Subsistence
- **Closing Funds**
  - 398 Fairgrounds Sale Proceeds - Remove $130,000 budget to be used in 2021
  - 250 Cemetery Beautification - $6,000 expense moved to Cemetery
- **Total decrease -$381,700**

Comptroller Wideman said the health insurance is still being negotiated and it appears it will be lower than what was budgeted. We reduced it to 7% but it will be lower than that but they were still negotiating at the time the Tentative Budget was prepared.

Commissioner Koenig said, with regard to the two Bailiff positions, I thought that there were two courts being conducted at the exact same time, so one full-time Bailiff would not work. County Manager Barbee replied that, in the meeting I had with the Sheriff per your directive, the Sheriff said that, in his mind, he could do a better job if he had just the single Bailiff that he could use to off-set either court and then, when they do have courts in session that overlap, he would pull a Deputy off of patrol to come in and fill the gap. He acknowledged that he would have responsibility for both courts.

Comptroller Wideman said we decided to create a new department for the Civic Center due to the tax implications of the tax-free bonds associated with it. We need to track revenues and expenditures to make sure that we do not make a lot of money off of it, which is probably not going to happen but we need to be able to prove that we are not making more than $9M net off of the building, so we moved that into another fund. Per your request, Jorge Guerrero came up with some numbers for marketing, which he added at $20,000 and $5,000 for travel and subsistence.

We had two funds for the Fairgrounds Sales and Proceeds and the Cemetery Beautification, both of which were dollars put into the funds that have been spent down, so there is no money left in there so I am going to close those funds and get them off the general ledger so they will not be seen anymore.

////

Churchill County 2021/2022 Total Tentative Budget Analysis
Executive Summary Expenditures

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2022 Budget
* TOTAL EXPENDITURES	$ 46,535,722	$ 51,121,348	$ 36,164,877	$ 32,953,463	$ 41,370,827	$ 51,782,837
% Change from Prior Year		9.9%	-29.3%	-8.9%	25.5%	25.2%
EXPENDITURE BREAKDOWN:						
TOTAL PERSONNEL COSTS	17,287,879	17,388,331	18,999,461	18,887,264	20,628,305	23,468,732
% Change from Prior Year		0.6%	9.3%	-0.6%	9.2%	13.8%
% of Total Expenditures	37.1%	34.0%	52.5%	57.3%	49.9%	45.3%
CAPITAL OUTLAY	13,228,559	7,611,690	2,690,956	2,412,038	8,596,606	10,747,802
% Change from Prior Year		-42.5%	-64.6%	-10.4%	256.4%	25.0%
% of Total Expenditures	28.4%	14.9%	7.4%	7.3%	20.8%	20.8%
SERVICES AND SUPPLIES	12,714,284	22,647,398	13,124,460	11,653,561	12,145,906	17,566,308
% Change from Prior Year		78.1%	-42.0%	-11.2%	4.2%	44.6%
% of Total Expenditures	27.3%	44.3%	36.3%	35.4%	29.4%	33.9%
Not included in total expenditures						
TRANSFERS AND OTHER	3,305,000	3,473,937	1,350,000	1,804,972	1,650,000	1,650,000
% Change from Prior Year		5.1%	-61.1%	33.7%	-8.6%	0.0%

Comptroller Wideman noted for the record that 2021 and 2022 are estimated, which are typically estimated high. What we have done in the past is to budget expenditures high and revenues low. Typically, capital outlay items are done 16% higher and services and supplies about 8% higher. Those two numbers for 2021 and 2022 are probably higher than we will come in at. The other years are actual numbers.

Churchill County
Wage & Benefit Data
Fiscal Years 2015-2022

Table of Variables	2022	2021	2020	2019	2018	2017	2016	2015
PERS	29.75%	29.25%	29.25%	28.00%	28.00%	28.00%	28.00%	25.75%
Social Security	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
Worker's Comp	5.00%	2.15%	2.15%	2.15%	2.85%	2.85%	2.85%	2.85%
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Health Insurance	$ 11,640	$ 11,300	$ 10,120	$ 9,300	$ 9,100	$ 9,100	$ 8,280	$8,698
Compensated Absence	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%
General Adjustment	2.5%	2.5%	2.625%	2.50%	0.00%	1.00%	1.000%	0.00%
Employee PERS Increase match	-.25%	0%	-.625%	0%	0%	0%	0%	-1.125%

Our PERS is going up, so that is increasing our numbers for wages and benefits. Worker's compensation has been increased because it should have been increasing a little bit more each year, so it looks a little high this year. As stated, our health insurance costs have increased.

Typically, this estimate is a little bit higher than what it comes in at.

County Manager Barbee said what percentage is the health insurance cost increasing? Comptroller Wideman said it was at 10% and we reduced it to 7%. County Manager Barbee said I think we may even be able to do better than that. Comptroller Wideman said I think we are going down to 5.5%, which was affirmed by HR Director Stark in the audience.

WAGES & BENEFITS 13.8% INCREASE

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/20	ESTIMATED CURRENT YEAR ENDING 06/30/21	BUDGET YEAR ENDING 06/30/22	2022 INCREASE
General Government	45	47	49	2
Judicial	35	38	39	1
Public Safety	71	76	77	1
Public Works	14	15	15	-
Cemetery	3	3	3	-
Welfare	8	16	17	1
Culture and Recreation	24	26	28	2
Community Support	-			-
TOTAL GENERAL GOVERNMENT	200	221	228	7

We have also had an increase in personnel over the last few years. With moving some of the people to full-time status and additions within the current year for the different COVID-related matters, we have had a lot of hires and there is expected personnel for the new Civic Center, so that is another part of the puzzle that is increasing the wages and benefits.

CAPITAL OUTLAY 25% INCREASE

Civic Center	$5,410,000
Sheriff Office	$ 270,000
Fire Department	$ 210,000
Parks and Recreation	$ 245,000
Fire Truck*	$1,600,000

Typically, capital outlay is over-budgeted by about 16%. We have various funds, such as the Building Reserve and others, where we put in a set number just in case things come up that we need to purchase. What is making it increase this year is the Civic Center at about $5M, the Sheriff's Office purchases of new vehicles and the Fairview Repeater, Parks and Recreation has money to go into the Civic Center, and then the Fire Engine that was in last year's budget and is in there again. This fiscal year's budget will be lower because we are not buying the Fire Engine this year.

SERVICES & SUPPLIES 44.6% INCREASE

General Fund	$ 841,265
Road Department	$ 272,885
Road Impact	$ 521,000
Social Services	$ 2,547,230
Debt Service	$ 720,406

We budget the services and supplies budget about 8% higher than we usually spend. The big ticket items are listed here. The Road Department Fund has been increased due to the diesel tax revenues that will be coming in so there will be additional expenditures. The Road Impact went up to cover the costs associated with Miner's Road. Social Services went up quite a bit to cover all of the COVID-related matters and the lab. Our Debt Service is going up, as well. That number is bigger than what we expect because the debt we approved is going to be $500,000 instead of the $720,406 but I did not change that number until we get final figures. I expect that to be over-estimated, which is a good thing.

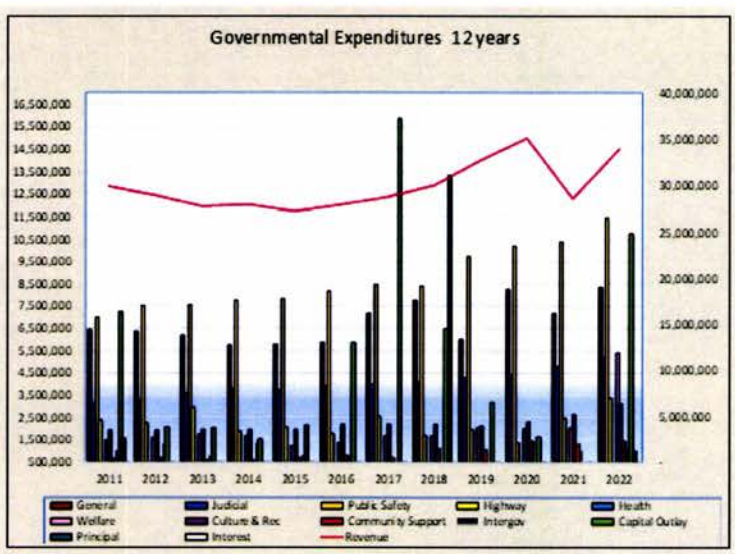
////

////

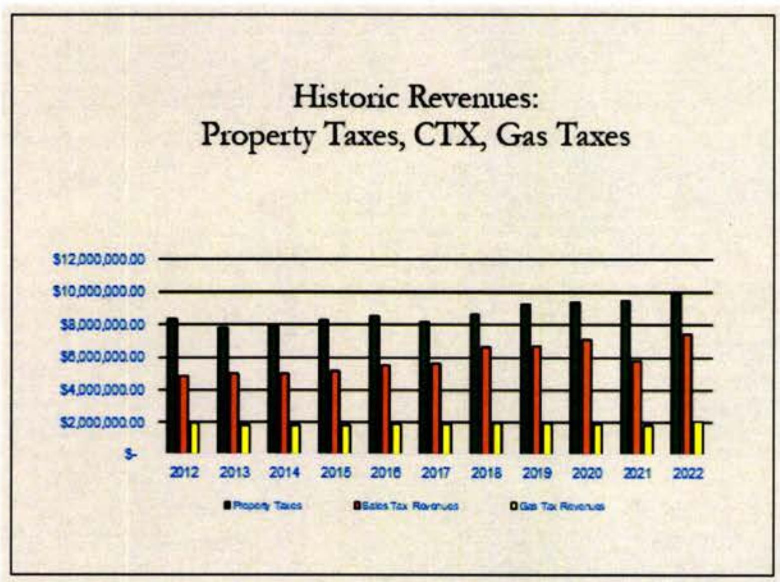
////

////

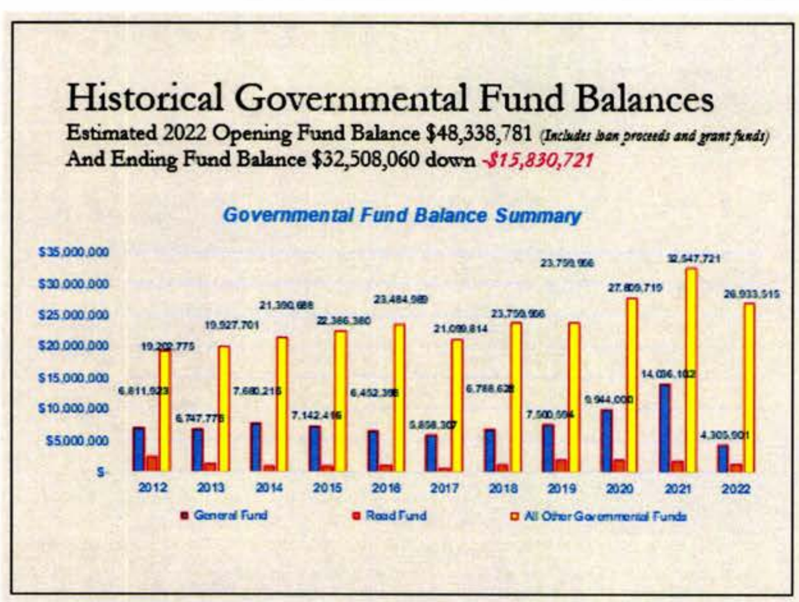
////



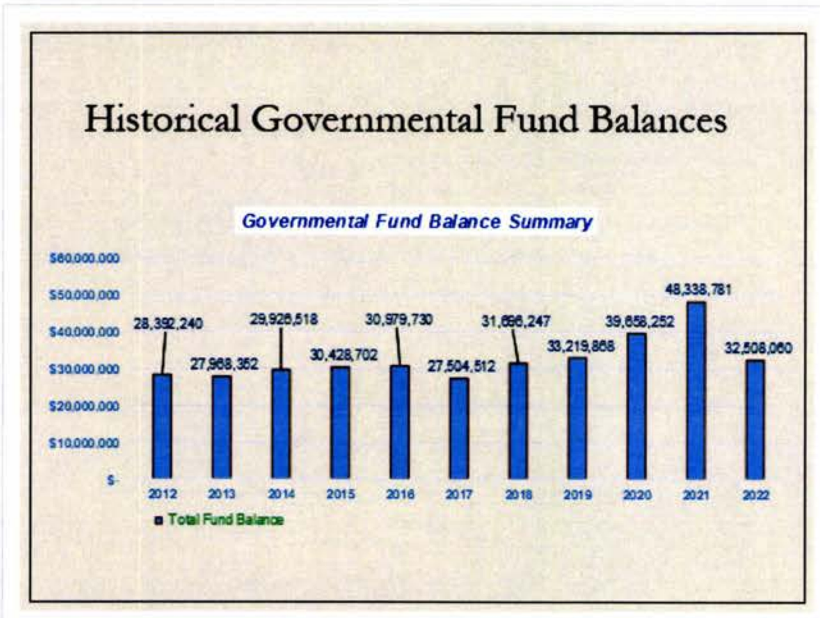
With this graph that covers 12 years, the red line represents our revenues. The things that changed from 2021 to 2022 are mostly due to public safety. Capital outlay has also increased due to the Civic Center. You can see how our spending has increased. You can see that, in some years, we have a really high green line because of our capital projects.



This graph depicts our historical revenues. For 2021 and 2022, again, I want to point out that these figures are estimated. We typically estimate about 17% lower than we actually get for revenues just to be safe. Our main revenues are property tax, sales tax, and gas revenues. We are hopeful that our revenues will increase with the increased values of homes and home sales affecting our property tax revenue. Our sales tax revenues have been high, so we hope that the revenues will look similar to this graph.



Now, we look at a graph for our fund balances. Even though it appears that we are spending $15.8M more in our expenditures over our revenues, I want to point out that our opening fund balance that we are estimating includes the loan proceeds and the grant funds, so this is all going to be sitting at the end of 2021 ready to be paid out in 2022. That $15M decrease is not all fund balance.



This graph depicts what our total fund balances look like since 2012. With this budget, we are projecting a Governmental Fund balance of about $32M, which is back to the level from 2018 where we had $31.6M, so it is $1M higher than 2018. I think we will still have a strong balance. We are spending down for capital projects. This appears to be a reasonable budget and we should be able to cover it.

Chairman Olsen said, with regard to this slide, you have $48M showing there for 2021, so how much of that is funding from other sources, such as CARES funding and our borrowing? Comptroller Wideman replied that $9M of that would be borrowing. About $1M is estimated in Social Services' grants that are coming. We still have the CARES money, which was about $2M. Perhaps about $15M, although I am not good at adding in my head. Chairman Olsen said did you budget the most recent $1.9T that Congress just passed, which is supposed to give us about $4.8M across the two budget years. Comptroller Wideman said that is not included in this Tentative Budget. Chairman Olsen said is the $2.9M in there? Comptroller Wideman said the original CARES money that we received part of in 2020 and part in 2021 is in the $48M. The first CARES money is included but not the second Biden bill. County Manager Barbee said plus the almost $1M from the City of Fallon. Comptroller Wideman said it does include the $800,000+ from the City of Fallon that has not been spent down. Chairman Olsen said the $4.8M will have more added, so that opening fund balance for 2022 could potentially be $37M. Comptroller Wideman said we will get half of that amount, so perhaps like $35M. I heard that we will get half of that amount in this fiscal year. County Manager Barbee said we should get $2.4M in the next 15 days or something like that and then, twelve months later, which would be March 2022, we should get the remainder of another $2.4M. Comptroller Wideman said then the total amount would be there in this upcoming fiscal year.

County Manager Barbee said, as a point of clarification, we need to recognize that we have a large conservation easement that we have had in the budget for the last couple of years, which would be flow through funding from the Navy and NRCS to the tune of about $5M-$6M. That will probably not be paid out in this fiscal year. When you take that into consideration and the Fire Engine into consideration, you are down around $33.7M before anybody comes in under budget on the FY21 actual spending, just to give you clarity. That $6M and the $1.6M is, again, built into the budget for FY22, which makes the expenditures look inflated, recognizing that, if that expenditure happens, that money comes in from the Navy and NRCS. The money that would be spent for the Fire Engine is part of that 525 Fund, which can only be spent towards those kinds of activities, which was re-established in the last election.

Chairman Olsen said I took a look at the very end of the packets that Comptroller Wideman sent out and, in FY19, we spent $36M, in FY20 we spent $36M, and we have not finished this year but our budgets were $43M, $48M, and $45M for those three years, including this year, and this proposed budget is $56M. If you wheel back what County Manager Barbee just said, it starts to look a little more normal. I have less concerns about the budget based on those things but we have a lot of moving pieces here. Our government accounting does not really let you look at things without doing the math yourself to come out with where you think you are going to be. We do have some budgets that have increased significantly or are proposed to increase significantly. I think we just have to keep a close eye on things because there are so many moving parts and we have allowed for some departments to have some increases.

Comptroller Wideman said our next steps would be for me to send the Tentative Budget to the state by April 15th and they will review it to make sure that our revenues are okay according to their calculations and we have enough fund balance. It will then come back as a Final Budget and you can determine if you want any changes to the Final Budget. You would also need to approve the tax rate.

County Manager Barbee said if you Commissioners want to take a high-level walk through a few of the specific budgets, now would be the time. I do not want you to be hesitant to ask what is going on with individual budgets, as now is the time for you to do that.

Comptroller Wideman added that there is Legislation going on, so there is a possibility that we might get hit with unfunded mandates that could possibly change the Final Budget.

Chairman Olsen said I have a couple of things to walk through. I looked at Social Services' budget, which is a huge increase but we have the Public Health Nurse that we are standing up for $2.1M and then the CDBG grant for the HVAC at the Civic Center that will flow through that budget for $615,000. That is most of the increase. As much as I could pick out, I think the rest is just extraordinary costs due to COVID.

Chairman Olsen said, with regard to the Library's budget, I wanted to ask you about. My memory is a little fuzzy but, if I remember correctly, we were spending down the balance on that budget and now, in order to make them float, we have to put a little more back in that budget. Is that correct? Comptroller Wideman said that budget is getting really low. We could give them more tax rate or we can do some sort of transfer. I want to see how then end up in FY21 but that budget has been spent down and it needs to be boosted back up. I wanted to wait and see how it turns out. We can always transfer in FY22 and increase their tax rate in FY23. That was my game plan, unless you direct me otherwise. Chairman Olsen said maybe you could just email me what exactly is going on there, if you would not mind, which she agreed to do.

With regard to Parks and Recreation, Chairman Olsen said we are seeing a pretty big jump but most of that is related to the Civic Center. I did see a lot of little things all the way throughout that budget where they have bumped here and there. The swimming pool showed a big jump but I did not know what that was about. Comptroller Wideman said I need to look at that. I plan on giving them more sales tax in FY22 and probably this year, as well. I also plan to give them more of the federal PILT and CC Communications' PILT, depending upon how much we get from CC Communications. This budget needs to be lifted up. Chairman Olsen said I was wondering about the expense side what caused the increase. Comptroller Wideman said let me look at that budget. County Manager Barbee said I texted Jorge Guerrero and he said he was not aware of any increase in the budget related to the swimming pool. Chairman Olsen said maybe I did not look at it correctly. Parks and Recreation Director Guerrero said I did not ask for any increases for the swimming pool. We do not have any major projects and we are still at the same staffing level for guards and full-time staff that are there. I am not sure what increase there was. Chairman Olsen again said maybe I did not look at that correctly. Comptroller Wideman said the increase that I am showing for the swimming pool is not that much, it is only like $1,000 and I am guessing that would just be for the increases in wages. Chairman Olsen said I must have looked at it wrong. My notes reflect a bigger number than that. Mr. Guerrero said the only increase was for the two full-time positions. As for the guard pay, we are still low at minimum wage, so there was no adjustment there. In the Parks and Recreation budget, there was some increase for the minimum wage.

Chairman Olsen said the last thing I wanted to comment about was for the Sheriff's Office and the support we have given. We show that we spent $2.67M, although that is not the total but it is for the wages. I think we are up to $3.37M in the proposed budget. There have been significant increases. In the overall budget, I looked at that too and it is up from $6.5M that we actually spent and the proposed is $8.27M. In four years, that is a 27% increase. That is significantly higher than the rate of inflation. I just want to make the point that we are supporting the Sheriff's Office in a significant way. We also have a new jail facility to operate at a higher expense than the old jail, so there is that to take into account.

There was no further discussion or additional questions.

Commissioner H. Peter Olsen, Jr. made a motion to approve the Tentative Budget for FY22 and to direct the Comptroller to provide it to the Department of Taxation as outlined in statutes. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

<u>Consider Future Agenda Items:</u>

There were no future Agenda items suggested.

Public Comment:

Vice-Chairman Koenig asked if there was any public comment but there was none.

Adjournment:

The meeting was adjourned at 9:31 AM.

Approved: ______________________
H. Peter Olsen, Jr., Chairman

Approved: ______________________
Greg Koenig, Vice-Chairman

Approved: ______________________
Justin Heath, Commissioner

ATTEST:
Linda Rothery, Clerk/Treasurer

____
Pamela D. Moore, Deputy Clerk to the Board