MINUTES OF THE BOARD OF CHURCHILL COUNTY COMMISSIONERS

155 N. Taylor St., Fallon, NV 89406
March 30, 2023

Call to Order:

The special workshop of the Board of County Commissioners was called to order at 5:15 PM on March 30, 2023.

PRESENT:	Commissioner Harry Scharmann Commissioner Justin Heath Commissioner Myles Getto County Manager Jim R. Barbee Comptroller Sherry Wideman Deputy District Attorney Joseph Sanford 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:

Chairman Scharmann 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 24th day of March, 2023, between the hours of 8:00 and 10:00 AM at all of the locations listed on the Agenda, in accordance with NRS 241.

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

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

Appointments:

4:30 PM A- Consideration and possible action re: Presentation and discussion on the Tentative Budget for Fiscal Year 2023-2024 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 23, 2023.

Comptroller Wideman will make a presentation on the proposed Budget for Fiscal Year 2023-2024 and request input and direction from the Board of County Commissioners regarding changes to departmental budget requests since the budget hearings held on February 23, 2023.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT: N/A

FUNDING SOURCE: N/A
ACTION REQUESTED: Accept

Comptroller Wideman had a PowerPoint presentation as follows:

What changed from previous budget workshop?

- **Community Support –** Remove Cantaloupe Festival funding -$10,000
- **Cemetery–** Reduced backhoe from new to used -$40,000
- **Health Inspections –** Increase for County portion of Health District +$113,000
- **Museum –** Reduce Computers & Printers to be purchased over two years -$11,000
- **Parks and Recreation – Public Parks –** Remove new mower -$20,000
- **Parks and Recreation – Fairgrounds –** Remove new gator -$14,000
  – Reduce Trailer from new to used -$4,000
- **Parks and Recreation – Civic Center –** Reduce Capital Improvements -$12,000
- **Sheriff's Office –** Remove one vehicle from capital outlay decrease –$62,500

Total Decrease - $60,500

Churchill County 2023/2024 Total Tentative Budget Analysis
Executive Summary Expenditures

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2024 Budget
• TOTAL EXPENDITURE								
	45,379,341	36,732,544	33,178,303	34,067,806	39,719,005	51,126,669	53,681,931	69,895,200
% Change fr Prior Year		-18.4%	-9.3%	2.6%	16.4%	28.7%	5.0%	30.2%
EXPENDITURE BREAKDOWN:								
PERSONNEL COSTS	17,287,879	17,388,331	17,675,836	18,887,572	20,065,838	22,656,449	26,694,507	30,090,115
% Change from Prior Year		0.6%	1.7%	6.9%	6.2%	12.9%	17.8%	12.7%
% of Total Expenditures	38.1%	47.0%	52.6%	54.8%	50.0%	44.3%	49.7%	43.1%
CAPITAL OUTLAY	17,225,476	8,014,308	2,903,258	2,582,898	6,503,755	13,839,131	7,753,814	18,584,349
% Change from Prior Year		-53.5%	-63.8%	-11.0%	151.8%	112.8%	-44.0%	139.7%
% of Total Expenditures	37.9%	21.6%	8.6%	7.5%	16.2%	27.1%	14.4%	26.6%
SERVICES AND SUPPLIES	10,865,985	11,329,905	12,599,209	12,597,335	13,149,412	15,908,031	20,514,053	22,501,507
% Change from Prior Year		6.8%	11.9%	-0.1%	4.2%	21.0%	29.0%	9.7%
% of Total Expenditures	24.0%	31.4%	38.7%	37.7%	33.8%	31.1%	38.2%	32.2%
Not included in total expenditures								
PRINCIPAL & INT	17,980	13,599,451	706,804	706,804	706,804	1,276,942	1,280,443	1,280,771
TRANSFERS	3,305,000	3,473,938	2,610,100	1,804,972	1,777,521	10,785,827	1,930,000	1,739,000

WAGES & BENEFITS 12.7% INCREASE

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL ENDING 06/30/20	ACTUAL ENDING 06/30/21	ACTUAL ENDING 06/30/22	ESTIMATED CURRENT YEAR ENDING 06/30/23	BUDGET YEAR ENDING 06/30/24	2024 Increase
General Government	45	47	49	49	52	3
Judicial	35	38	39	41	42	1
Public Safety	73	71	74	83	84	1
Public Works	13	13	15	15	16	1
Cemetery/Health	3	3	3	3	8	5
Welfare	8	12	28	28	23	(5)
Culture and Recreation	24	24	29	29	32	3
Community Support	-	-	11	11	12	1
TOTAL GOVERNMENTAL	201	208	248	259	269	10

What should be noted here is that we have not completed our bargaining agreements with the Sheriff's Department, so that will increase these numbers once that is finalized, although I am not aware of what their requests will be. A 5% increase would increase these numbers about $300,000. Also, the Health District is in that 12.7% increase and their benefits and payroll is about $1.2M.

CAPITAL OUTLAY 140% INCREASE
Between 2023 and 2024 budget

Mainly due to the following increases:

Data Processing	$ 760,000
District Court Software	$ 100,000*
CART Building	$1,715,446
Medical Building	$1,600,000
Court House	$5,500,000
Sheriff Body Scanner	$ 200,000
Fire Truck*	$2,068,000

Comptroller Sherry Wideman said I wanted to point out that we have a fund called AB 65, which takes fees from District Court and it can be used on specific items, like software or the building. We may want to propose spending that out of a different fund rather than out of the General Fund. In 2014, those fees were started and that fund has a balance of $885,000 in it. Commissioner Scharmann asked what building? Comptroller Wideman said AB 65 is a fund balance that we have that we were putting all the fees in and it can only be used for District Court and legal things. Let me know if I am saying anything wrong regarding those fees. Deputy District Attorney Joseph Sanford said that was exactly right. I think he just asked which specific building. It is the District Court only. We have another fund that is assessments that we use for Justice Court fees and what we have done for a long time is applied those fees to the Building Reserve Fund to pay for the remodel of the Justice Court. That is something that we may want to think about, just to put a little bug in your ear, that maybe we want to use these fees for the courthouse and for possibly the software in this budget.

With regard to the fire trucks, we have given them a down payment of $720,000 already and I am proposing to just leave it at that. I will reduce expenditures this year so the fund will balance just in case we are not sure exactly when we are going to pay for the trucks. Chairman Scharmann said what is the city's share on the fire trucks? Comptroller Wideman said nothing. What we do is we have the tax that goes into that fund. It is 3% above its property tax that the voters paid into to buy equipment and that all goes into that fund and none of it goes to the city, so when we buy big things like the trucks, it is paid for by those funds.

SERVICES & SUPPLIES 9.7% INCREASE
Between 2023 and 2024 budget

Mainly due to these increases:

General Fund	$ 1,003,436	+15%
Social Services	$ 443,055	+24%
Health District	$ 373,812	

Comptroller Wideman said the Services and Supplies increase was mainly due to software. Indigent Defense is up $200,000, liability insurance is up $100,000 and Social Services is up $443,000. A lot of that has to do with some grants. I may have to do some adjusting with the grants to reduce expenditures, which can be augmented when the grant funds come in just to get it to balance. Then we have the services and supplies for the health district.

Department of Taxation Rules

During the fiscal year budgets can only be augmented if there are under-budgeted grants, greater than anticipated revenue, or greater than budgeted opening fund balance.

Therefore, revenues are budgeted as low as possible, and expenses are budgeted higher than expected, while meeting the required minimum fund balances.

In addition, revenues must be at or below the Department of Taxation's forecasted revenues which were distributed March 27th.

Per NRS 354.470

During the fiscal year, budgets can only be augmented if there are under-budgeted grants, greater than anticipated revenue, or greater than budgeted opening fund balance. Revenues are budgeted as low as possible and expenses are budgeted higher than expected, while meeting the required minimum fund balances. We have to have about $4M left in the General Fund to do that. Revenues must be at or below the Department of Taxation's forecasted revenues, which were distributed March 27th. It is kind of a balancing act.

Proposed changes:

Remove the following grant expenditures to be augmented to actual:

CART Building	**-$1,715,446**
Medical Infusion Bldg.	**-$1,600,000**
Budget Changes:	
General fund -	
No transfer to Bldg. Reserve Fund	**-$200,000**
Reduce Data Processing Capital Outlay	**-$250,000**
Remove Cemetery Backhoe (2023 Emergency)	**-$ 85,000**
Remove Planning Truck (2023 Emergency)	**-$ 53,743**
Parks & Recreation-	
Remove Boom Lift (2023 Emergency)	**-$ 70,000**
Remove Flatbed Trailer (2023 Emergency)	**-$ 4,000**
Building Reserve -	
Increase CAPs Building (placeholder)	**$800,000**
Road Equipment Replacement-	
Remove Ford F550 (2023 Emergency)	**-$ 160,000**
	-$3,338,189

Current Revenue vs Current Expense

Tentative Total Revenue:	$ 43,531,194
Proposed Revenue Increase:	$ 1,500,000
Tentative Total Expense:	-$ 72,914,971
Proposed Expense Decrease:	$ 3,338,189
Expending Fund Balance	-$ 24,545,588

Capital Outlay - $15.4 million

City Projects RTC - $2.5 million

Depreciation - $1.1 million **-$5.4 remaining**

Last time, I said that CC Communications revenue decreased by $2M. I don't know where I got that number. It is actually decreasing by $845,000; it is the transfer part that we are not getting. Chairman Scharmann said you said $5.4M is what will be left in the General Fund? Comptroller Wideman said no. What I was saying is that is what we are going to be spending of our fund balance overall. You asked me to see if we could spend less, like looking at the personnel requests and if we have enough money to cover everybody's requests. With Parks and Recreation, in this budget we have put before you, we are putting in $1.4M, which includes part of the sales tax and federal payment-in-lieu of taxes and they get the $300,000 from CC Communications. That is what we are funding right now for Parks and Recreation, but that is still not going to be enough to cover the budget, so we are going to probably have to look at either giving them more money or possibly decreasing some of their expenditures or maybe their payroll for their additional employees.

Chairman Scharmann said, with this budget, you mentioned that we are trying to reserve $4M in the General Fund. Are we going to be able to do that? Comptroller Wideman said because of what was spent in the General Fund with the Civic Center, we are probably going to have to transfer some money to true up the expenditures for the Civic Center of about $4M and that would come before you in a budget augmentation in the current fiscal year. That would bring our General Fund balance up to $4M. Did we want to change anything else in the budget? County Manager Jim Barbee said when I went back after that last budget meeting and I looked at revenue that is coming in as a difference from the previous year, because we have not quite had one year with the Civic Center building itself, we do see an increase in revenue on that side, which I am not sure is captured yet in the budget or at what level. Comptroller Wideman said I had requested estimates from Parks and Recreation and I got some estimates. For the Services and Supplies, they gave me estimates of about $337,000, so far, and that could be higher. If we get greater than anticipated revenues, we can augment the budget and do it that way. Chairman Scharmann said what you are saying is, even with all these expenses, these added personnel costs and everything, we will still retain $4M in the General Fund? Comptroller Wideman said yes. It will have to be moved from another fund, so I am guessing it would have to come out of some of the money that we put aside for the courthouse. We took all the COVID money and put it in the courthouse fund, which will be funding the courthouse. That is in there because that is what we had submitted with the grants and what we were using the money for. Chairman Scharmann said we are supposed to get the $20M from the Navy sometime in 2023. Comptroller Wideman said that has already been received. That could be the funding source if the board chooses or whatever you choose to fund. Chairman Scharmann said I am concerned about flood mitigation. We need to have that balance in the General Fund in case we have any major expenses regarding flood mitigation, we can still afford it. Comptroller Wideman said that is correct and that is going to have to come out of something. It is going to have to be funded probably from that revenue for now until we get some sort of funding mechanism from the grants or something, which is usually delayed from the expenditures. Chairman Scharmann said delayed a lot. County Manager Barbee said the flood mitigation expenditures that we are currently looking at, are going to be around, I think with the updated version of the weir as of this morning, I think the weir is going to be about $3.5M and then we are probably going to have another $1M spread out in there, so we are going to be around that $4.5M to $5M in terms of cost on that. Obviously, we are going to chase the reimbursement through FEMA but we are actually going to try to pursue on the front side, a push with the BOR stepping up with some of the $8B they got in infrastructure money out of this last round of budgets in the current year now to basically go toward the mitigation efforts that we are doing that would basically grant to the county. We are in those conversations as we speak. Neither one of those are guaranteed, to be very, very clear, but we are trying to mitigate the costs of the flood mitigation. Comptroller Wideman said we also are authorized for $500,000 to come from the Stabilization Fund, which will go into the General Fund to cover that. Commissioner Heath said, with the proposed changes here, then we would be okay with the current budget that is proposed if we put these changes in? Comptroller Wideman said yes, we have $20M. I don't think I am an advocate of spending that money on current expenditures. Long term expenditures, yes, that is what I would think it would be spent on.

Chairman Scharmann asked if there was any public comment but there was none.

Commissioner Myles Getto made a motion to approve the Tentative Budget for FY24 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.

Public Comment:

Chairman Scharmann asked if there was any public comment. County Manager Barbee said I will use public comment to update the board on where we are on some of those expenditures. The service truck that was in the 2024 budget that you saw was stricken, has been purchased.

They were able to locate one out of Phoenix. A lot of these are just a little bit over what the original budget cost was. I think that one was $175,000 but they were able to get ahold of a new one and it is like the only one that they have been able to find. These were all moved into this year's budget, that is part of that $500,000. I am pretty sure they have already put it to use because they already had one of TCID's bulldozers break down. They needed it the week before to work on another bulldozer and I am told I don't want to see the pictures of how they got that done. The forks were identified out of Utah. Those have been purchased and they have been moving sandbags for a week. I think we got it here on Sunday last week. They are apparently looking at a backhoe in Seattle. We are probably going to send Nick on a plane up there to take a look at it and make sure it is good before we make the purchase. The backhoe is probably going to come in a bit cheaper. They have identified a trailer to purchase. I didn't realize, up until now, or up until they get this trailer purchased, they have been utilizing either Jorge's or Jesse's personal trailer for hauling all the sandbags. That is probably less than ideal, so we are going to get that trailer out of Yerington.

Like I said, we are closing in on the weir V-line final design. They are going to have that ready for the public to be able to share on Tuesday the 5th or whatever that is next week.

The big berm build is well under way. I went out there two days ago and they have a big chunk of it done. The current timeline on both of these is somewhere between the first and the middle of May, in terms of completion and having it ready to roll. The berm will be a little bit quicker than that. Chairman Scharmann said is that berm on the west side or the east side? County Manager Barbee said it is on the east side of 95. They completed the work that they needed the bulldozer for so, per the emergency stuff, we are going to actually go ahead and trade that bulldozer in with Cashman and we will be able to get a brand new blade, which we have both blades currently in use at the berm, which will add another blade that we can use out on Casey for grading that foundation road. We did the cash transfer yesterday, I think it was, for the steel pylons driving outfit in California. Comptroller Wideman said it was done today. They will start rolling trucks this way I think tomorrow or Saturday. I know they are already getting their stuff set up to bring it over here. If we trade in the bulldozer, we will get a brand new blade. They are adding rollers and then the computer automatic pitch brain and everything into it, so it will basically cost the Road Department $6,000 as the difference of the swap. Gary felt pretty good about that, so if Gary feels good about it, I feel good about it. That is a quick update on where we are on those expenditures. Chairman Scharmann said we have the steel ordered? County Manager Barbee said yes, that is what I was talking about with the trucks that will be rolling. Those will be the ones that will be rolling out of California in the next few days. The transfer was done yesterday for the cost of the steel, which was like $2.8M, I believe, somewhere in there. We are still waiting for those final designs to figure out what the construction contract costs are going to be but we think that, based on cheapening that up because it is a little bit smaller that they originally predicted, that should bring us to a total of $4.5M or $5M right now is what we are guesstimating that cost at. Chairman Scharmann said so we are waiting for BOR to complete the design? County Manager Barbee said we are waiting. They basically will have put a full design on this weir in about 8 days when it is all said and done, which is pretty fast.

Adjournment:

The meeting was adjourned at 5:44 PM.

Approved: ______________________
Harry "Bus" Scharmann, Chairman

Approved: ______________________
Justin Heath, Vice-Chairman

Approved: ______________________
Myles Getto, Commissioner

ATTEST:
Linda Rothery, Clerk/Treasurer

Renae Paholke

Renae Paholke, Deputy Clerk