

Monday, December 5, 2011

The regular meeting of the Humboldt County Board of Commissioners was called to order on Monday, December 5, 2011 at 10:00 a.m. in the regular place of meeting at the Courthouse, Winnemucca, Nevada. Those present were Chairman Garley Amos Jr., Commissioners Mike Bell, Dan Cassinelli, Tom Fransway and Jim French, District Attorney Michael Macdonald, Administrator Bill Deist and Clerk of the Board Tami Rae Spero.

PUBLIC COMMENTS: Chairman Amos asked for public comments. Commissioner Fransway noted for clarification that at the November 15th meeting the Board voted to retain the services of Dr. Lee for comment and submission of a report to NDEP relative to Jungo's permit and while he doesn't exactly know how the Board intends to proceed, he knows that legal counsel has been asked to review the report but there is a time constraint so his question is how does the Board intend to get a report to the District Attorney for review and have a special meeting in order to adopt the findings of that report as Humboldt County's official comments to NDEP by at least December 15, 2011. District Attorney Macdonald responded that he has not received the report yet but Dr. Lee has indicated that the report will be submitted, then it will be provided to outside counsel as well as to the Commissioners; that discussion has occurred regarding scheduling a public meeting next week to accomplish what is being discussed and that meeting would need to be posted later this week. Commissioner Fransway questioned if the document would be received by the District Attorney. Administrator Deist indicated that the report would be received either by the District Attorney or himself and then it would be forwarded to outside counsel so they may review it. Commissioner Fransway asked when the Commissioners would receive a copy of the document. Administrator Deist stated that would occur after review by outside counsel. Commissioner Fransway questioned how staff received a copy of the document but the Commissioners would not. Commissioner French suggested given the tight time frame that it would be prudent for everyone to see it at the same time and so everyone can be up to speed on the report as it compares to NDEP's proposal in time for the public meeting which will occur. Commissioner Fransway concurred. Commissioner French continued and stated that if anyone involved is going to have an issue with the time frame and if there could be a problem meeting the input requirements by the 16th then the Board needs to know that this week so an extension can be requested. Commissioner Fransway noted the need for everyone to understand that this report was funded with taxpayer dollars and it needs to have afforded the utmost transparency. District Attorney Macdonald stated that it would and that discussion with outside counsel indicated that there were no foreseeable problems from the standpoint of time to review and the ability to

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have a public meeting next week prior to the end of the comment period. Commissioner French stated that the sooner the Commissioners receive their copy of the document the better and commented on the importance of that. Commissioner Fransway stated that if staff is privy to the report and its contents then the Commissioners should also have access otherwise it should go directly to legal counsel. Commissioner French concurred. Commissioner Cassinelli stated his belief that staff would not look at the report but would pass it on to legal. Commissioner Bell noted that his only concern would be, given the lawsuit, if it would not be prudent for the Commissioners to see until after it had been reviewed. Commissioner French noted the need for the Commissioners to have the same opportunity for review that legal counsel has. Commissioner Bell agreed. Commissioner Fransway pointed out that nowhere in the motion was the document made confidential or secret. After the conclusion of the discussion Chairman Amos asked for further public comment. None offered.

DISCUSSION & ACTION ON CORRECTION/APPROVAL OF MINUTES - OCTOBER 17, 2011, NOVEMBER 7, 2011, NOVEMBER 15, 2011 AND NOVEMBER 21, 2011:

Administrator Deist noted that only the October 17, 2011 meeting minutes were being provided for approval as the Clerk has not provided the others but they would hopefully be presented at the next meeting. The following motion was made by Commissioner Fransway and passed unanimously:

To approve.

ADMINISTRATIVE REPORT:

CONSENT AGENDA: Administrator Deist stated that he had nothing to present for this item.

SOLID WASTE MATTERS: Administrator Deist stated that he had nothing on this item.

PUBLIC LANDS PLANNING MATTERS & FORMULATION OF COUNTY POSITION ON BLM, FOREST SERVICE AND THE FEDERAL FISH AND WILDLIFE SERVICE PROPOSED

ACTIONS: Administrator Deist stated that he had nothing on this item.

MISCELLANEOUS REPORTS AND CORRESPONDENCE:

OTHER INFORMATION AND UPCOMING MEETINGS: Administrator Deist commented that at a prior meeting the Board had discussed the broadcast of Commission meetings by Cal Neva Broadband and at the time concerns were expressed over the possible cost to the County but subsequently he had met with Mason Dufield of Cal Neva Broadband and he stated his belief that there would be no cost to the County as a sponsor for the program would be obtained. Administrator Deist noted that he had said he would pass the information along to the Board but that the Commission would want input as to the sponsor so as not to create a conflict. Upcoming meetings and dates of importance were noted.

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REPORTS FROM COMMISSIONERS REGARDING OTHER BOARDS AND COMMITTEES

THEY SERVE ON: Commissioner Fransway reported on the Nevada Association of Counties Board of Directors meeting he had attended including information on the new NACO building, the Board's retention of legal counsel to assist with determining NACO's standing as to potential litigation related to the Wild Horse & Burro Act, that NACO may be pursuing litigation related to the State's continued sweeping of the Counties Indigent Accident Fund (IAF) and that County staff will be contacted regarding how the County was damaged by that action and that the Counties have been asked individually to come up with a list of pending federal legislation that is important to the County and refer it to NACO so that they can put it on the list of things which need to be addressed and he asked staff to agendaize the issue for the next meeting so formal action could be taken and he asked the Commissioners to offer their input.

CLAIMS FOR EXPENDITURES OF COUNTY FUNDS: The following motion was made by Commissioner French and passed unanimously:

To approve the expenditures.

REQUEST FROM THE HUMBOLDT COUNTY HIGH SCHOOL RODEO CLUB FOR A

GRANT FOR THIS YEAR'S HIGH SCHOOL RODEO: Humboldt County High School Rodeo Club Secretary Deanna Pasquale, Treasurer Bobby Hoenck, Sergeant at Arms Savannah Montero and club member Cole Hatcher appeared before the Board. Ms. Pasquale spoke in support of the request for a cash donation of \$6,000.00 plus the waiver of fees associated with stalls and camping at the fairgrounds; she noted that the donation of \$5,000.00 from prior years was not sufficient to cover the costs and discussed what the funds were for including that any funds left after the event are used to help the national qualifiers get to the national rodeo. Administrator Deist noted that the Board's policy has been not to waive fees at the complex but to provide grants to cover costs. Chairman Amos concurred that a grant is what is provided to cover those costs and stated his support for the \$6,000.00. Discussion occurred regarding what other entities had been approached for assistance, the costs associated with the rodeo and that the facility costs are the same as the past year. The following motion was made by Commissioner Fransway:

To grant the request for funding for the High School Rodeo in the same amount as last year, \$5,000.00.

Chairman Amos stated his support for the increase to \$6,000.00. Commissioner Cassinelli noted that costs had not increased at the facility. Commissioner Fransway stated his motion would stand as made. Chairman Amos called Commissioner Fransway's motion to a vote and it passed unanimously.

APPROVAL OF 2012 COMMISSION CALENDAR: A copy of the proposed calendar was provided

to the Board for review. Discussion occurred regarding the November meeting dates being on the second and fourth Mondays due to the General Election and the Board agreed to a single meeting date in July due to the National NACo conference that month. The following motion was made by Commissioner Fransway and passed unanimously:

To approve the 2012 calendar with the change of one meeting in July on the 9th.

REQUEST FROM THE MCDERMITT FIRE DISTRICT FOR TRANSFER OF PROPERTY FROM HUMBOLDT COUNTY TO THE MCDERMITT FIRE DISTRICT, AUTHORIZE THE CHAIRMAN TO SIGN THE DEED, AND REQUEST FOR ADDITIONAL COUNTY FUNDING FOR THE FIRE HALL EXPANSION PROJECT:

Fire Board members Gary Wilson and Jack Crittenden and Fire District legal counsel Bill Macdonald appeared before the Board. Mr. Macdonald explained that the Fire District is seeking authorization from the Commission for the Chairman to sign the deed for the return of the fire station land to the Fire District so that they will be able to execute the necessary papers in order to secure the loan with the USDA. Administrator Deist noted that the Board had previously authorized the return of the property but the deed was just received so today authorization for the Chairman to sign was needed. Mr. Macdonald suggested that the authorization be for when the legal description is obtained from Desert Mountain Surveying. Discussion occurred regarding the ability to covert the three parcels into a single parcel. Barbara Allen of the USDA appeared before the Board. Discussion continued regarding the ability to combine the parcels. After discussion the following motion was made by Commissioner French and passed unanimously:

To approve the request from the McDermitt Fire District to transfer property from Humboldt County to the McDermitt Fire District and authorize the Chairman to sign the deed.

Mr. Macdonald discussed the additional requirements which had not been included when the original budget for the project had been discussed and the potential shortfall. Ms. Allen reviewed the original approved budget and the amount still identified as contingency funds; she noted that the project could proceed as it stands now but if construction costs rise additional funds could be needed. Mr. Wilson discussed the project as originally proposed and the reduction in building size which had been approved which would result in some cost savings. Administrator Deist noted action taken by the Commission previously to allow for interim financing which would be paid back by the District and suggested that if assistance is needed once an amount is determined that the matter could be brought back before the Commission. The Board concurred. Discussion occurred regarding the space which would be

available in the new building and how it would be utilized.

ROAD MATTERS: Road Superintendent Ben Garrett appeared before the Board.

REPORT OF PENDING ROAD DEPARTMENT PROJECTS: Superintendent Garrett updated the Board on road grading, crack sealing and cattle guard replacement.

MISCELLANEOUS ROAD RELATED MATTERS: Discussion occurred regarding the status of the bookmobile repairs.

REQUEST FROM THE ASSESSOR'S OFFICE FOR A WAIVER TO THE ATTRITION POLICY FOR AN APPRAISER POSITION WHICH IS VACANT: Assessor Jeff Johnson and Deputy Assessor Rhona Lecumberry appeared before the Board. Assessor Johnson explained that Armando Ruiz is leaving his office and that he would like to fill the position; he discussed the current staffing levels in the office. The following motion was made by Commissioner Cassinelli and passed unanimously:

To waive the attrition policy.

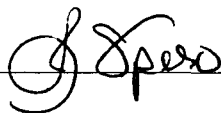
PRESENTATION OF THE AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2011 AND ACCEPTANCE OF SAID AUDIT: The Humboldt County Audit Report for fiscal year ending June 30, 2011 and a copy of comparison graphs related to fund balances, expenditures and revenues were provided to the Board for review. Andree Rose and Tara Stoker appeared before the Board on behalf of the County's independent auditors, Kafoury, Armstrong Co. Ms. Rose addressed the Board and reviewed the Independent Auditor's Report stating that again it is an unqualified clean opinion. Ms. Stoker reviewed the comparison graphs for the Board. Ms. Rose continued reviewing the compliance notes and stating that there were no over expenditures this year so there are no non-compliance items reported within the compliance notes; she reviewed certain deficiencies which were detailed on page 109 of the report and explained the findings. Ms. Rose referred the Board to the required communication between Kafoury and the County and reviewed the letter presented (see attached). After discussion the following motion was made by Commissioner French and passed unanimously:

To accept the audit as presented.

PUBLIC COMMENTS: Chairman Amos asked for public comments. None were offered.

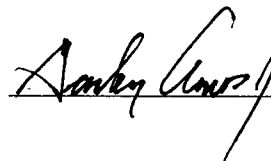
ADJOURNMENT: Chairman Amos adjourned the meeting at 12:01 p.m.

ATTESTED:



Clerk

APPROVED:



Chairman

MEMORANDUM

TO: COUNTY COMMISSIONERS
FROM: COUNTY ADMINISTRATOR
DATE: November 29, 2011
SUBJECT: OTHER INFORMATION AND UPCOMING MEETINGS

OTHER INFORMATION:

1. Broad cast of Commission Meetings: This topic was discussed at your first meeting in November. One of the concerns at that time was the possible cost to the County of doing this activity. Since that time I met with Mason Dufield of Calneva broadband regarding cost. Mr. Dufield did not believe there would be a cost to the County. They would obtain a sponsor for the program. I told him that I would pass this along to the Commission, however we would want to make sure whom ever the sponsor was did not create a conflict.

UPCOMING MEETINGS:

1. December 7, 2011 HR Training
2. December 8, 2011 Management Team
3. December 14, 2011 Humboldt Development Authority
4. December 16, 2011 POOL/PACT HR Oversight Committee
5. December 19, 2011 Commission



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
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November 28, 2011

To the Honorable Board of County Commissioners
of Humboldt County, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Humboldt County, Nevada for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 8, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Humboldt County are described in Note 1 to the financial statements. As discussed in Note 13 to the financial statements, in 2011 the County implemented Statement of Governmental Accounting Standards (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, relating to ending fund balance classification for governmental funds. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation of property and equipment is based on estimated useful lives as set by industry standards. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

ELKO

FALLON

LAS VEGAS

RENO

WINNEMUCCA

YERINGTON

Management's estimates of other postemployment benefits are based on information calculated by an actuary. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The following material misstatements detected as a result of audit procedures were corrected by management: an adjustment to record in fiscal year 2010-2011 room tax revenue incorrectly recorded in the 2011-2012 fiscal year, an adjustment to record fixed assets purchased in the 2011-2012 fiscal year that had been incorrectly recorded in the 2010-2011 fiscal year, and an adjustment to record non-cash donations received. These misstatements were the result of a weakness in controls, which we believe to be a significant deficiency, the details of which can be found in the financial statements under the heading "Findings Relating to the Financial Statements Reported in Accordance with Generally Accepted Government Auditing Standards (GAGAS)" in the Schedule of Findings and Questioned Costs.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 28, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of County Commissioners of Humboldt County and management of Humboldt County and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Client: **Humboldt County**
 Engagement: **Humboldt County**
 Period Ending: **06/30/11**
 Workpaper: **Passed Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Passed Journal Entries JE # 8		4002		
NV Energy meter reading cut-off.				
100-000-20102-000	ACCOUNTS PAYABLE		2,156.99	
212-000-52033-053	ELECTRICITY		3,492.64	
100-009-52033-053	ELECTRICITY			2,156.99
212-000-20102-000	ACCOUNTS PAYABLE			3,492.64
Total			5,649.63	5,649.63
Passed Journal Entries JE # 17				
To record difference in accrued salaries above 5% TM, below 15%.				
100-001-51001-000	SALARIES		9,868.00	
100-000-20103-000	ACCRUED SALARY & BENEFIT			9,868.00
Total			9,868.00	9,868.00
Passed Journal Entries JE # 19				
Accrued medicare on accrued compensated absences.				
100-001-51106-000	MEDICARE		9,468.40	
100-000-20103-000	ACCRUED SALARY & BENEFIT			9,468.40
Total			9,468.40	9,468.40

