

CARLIN CITY COUNCIL
CITY OF CARLIN, STATE OF NEVADA
SPECIAL MEETING
CARLIN CITY HALL
101 SOUTH EIGHTH STREET
CARLIN, NEVADA
December 15, 2010, 3:00 p.m.

Call to Order and Roll Call:

Mayor Cliff Eklund called the meeting of the City Council to order at 3:00 p.m.

1. Council Members Present: Mayor Cliff Eklund
Vice Mayor Donnetta Skinner
Councilperson Lee Griswold
Councilperson Lincoln Litchfield
Absent: Councilperson David Trujillo
3. Administrative Staff: City Manager Glenn Trust, City Clerk LaDawn Lawson.
4. Public Present: Jerry Norton, Jeff Williams

Pledge of Allegiance

I. Presentation, review and possible approval of the City of Carlin's Annual Audit for Fiscal Year July 1, 2010 to June 30, 2010 by Kafoury, Armstrong and Co, and all related matters. (Action Item)

1. Jeri Norton reported the Auditor's Opinion was "clean" and noted liabilities for 2010 were \$867,000 and \$625,000 in 2009, a \$250,000 difference which is due to the energy grant not meeting the criteria of being recognized as revenue for the Fiscal Year, but instead as deferred revenue. She explained it is not shown as revenue until it is spent. She noted they paid down the long-term debt and explained the new actuarial report for retiree benefits. She stated that state law currently does not allow charging retirees a higher premium than the current employees, therefore the City pays more for the insurance than they would if the retirees were not on the City's plan. She stated there is also a policy that she hopes they will change or eliminate that allows city employees who worked for a specific term and retired would have their utilities waived, which costs the City \$600-\$800 currently, but it could grow to a substantial sum if more people retired.
2. City Manager Glenn Trust stated the actuarial study shows the City's possible liability and possible risk for years into the future for claims experience. He stated the City's liability is actually only the City's cost of their insurance although the actuarial claims liability of \$40,000 will continue to grow year to year. It will continue to show as a growing liability on the City's balance sheet every year unless the City funds the liability in a set-aside trust fund. He stated he does not agree with setting this amount aside because they cannot touch that money once it is set aside to fund the liability. He stated this is an issue has to be fixed by the legislature or the Governmental Accounting Standards Board.
3. Jeri Norton stated another entity has set up a special revenue fund to offset the liability. She noted there are notes included in the report on Pages 38-41 concerning this liability. She stated if there is more than 100 participants, the Actuarial Study has to be done every other year and smaller would be every three (3) years and if the state makes significant changes, it will affect future numbers.
4. City Manager Glenn Trust stated the concept is flawed.
5. Jeri Norton reported this is good information to have. She reported the total revenues are down from last year and in 2010 they actually got more from grants, but the consolidated tax dropped \$250,000. She reported total program expenses dropped \$900,000. She stated the Utility and Employment Funds had no significant changes.

6. Discussion was held on the expenses for the Utility Funds.
7. City Manager Glenn Trust stated the largest portion is for salaries in Public Works. He stated the revenues were \$200,000 more than expenses.
8. Mayor Cliff Eklund stated the old water and sewer lines were considered in past budgets.
9. Jeri Norton pointed out the Governmental Fund include Parks & Recreation and Grants Fund. She noted Consolidated Tax dropped \$100,000 in revenue, total revenues dropped \$280,000 and expenses dropped \$100,000. She discussed the Park & Recreation Fund was "steady" in 2010. She stated the Fixed Asset problems were corrected. She noted the Accounts Receivable have had "big improvements". She stated passwords have now been implemented in the Information Technology. She stated Financial Statement Reporting for 2010 is noted as a deficiency and would expect improvement each year. She stated more rules have been added and more requirements are being issued.
10. Vice Mayor Donnetta Skinner stated the City is more protected than it has ever been.
11. Jeri Norton agreed. She reported the Journal Entry Review has a deficiency notice because they are not regularly reviewed and that will change with the City Manager reviewing and documenting and by signing off. She stated they would receive a letter on compliance, because there are four (4) funds that more was expended than budgeted.
12. City Manager Glenn Trust stated they did not receive funds from Newmont for the mosquito spraying. He explained the augmentations and noncompliance features.
13. Councilperson Lincoln Litchfield noted the Agenda Item should be changed to July 1, 2009 instead of 2010.
14. **Councilperson Lincoln Litchfield moved for approval of the City of Carlin's Annual Audit for Fiscal Year July 1, 2009 to June 30, 2010 by Kafoury, Armstrong and Co, and all related matters. Vice Mayor Donnetta Skinner seconded the motion. The motion carried.**

II. Comments by the General Public: Pursuant to NRS 241.020(2C) this time is devoted to comments by the general public and discussion to those comments. No action may be taken upon a matter raised under this item until the matter has been included on a successive agenda and identified as an action item. (Non-Action Item)

1. None.

III. Adjournment. (Action Item)
Councilperson Lincoln Litchfield moved for adjournment with Vice Mayor Donnetta Skinner seconding the motion. The motion carried. The meeting was adjourned at 3:48 p.m.

APPROVED:

CLIFF EKLUND, MAYOR

ATTEST:

LADAWN LAWSON, CITY CLERK