

Agenda Item 7

2020 NACO Budget - Draft

BEGINNING NET POSITION \$ 952,292

REVENUES

Membership Dues	\$368,788
Public Lands Assessment Dues	\$136,250
Associate Membership	\$22,000
Conference Revenue	\$88,000
IAFAdministration Contract	\$70,000
Interest & Investment Income	\$15,000
National Programs	\$6,978

Projected Total Revenues \$707,016

Total Available Resources \$1,659,308

EXPENSES

Staff Salaries	\$321,765
Benefits	
PERS	\$94,921
Health/Dental/Vision/Life Insurance	\$39,366
Workers Comp/FICA	\$6,000
Audit	\$11,625
Board Meetings	\$10,000
Building Capital Projects	\$8,000
Building Operating Expenses & Repairs	\$19,000
Conference Expenses	\$45,000
County Leadership Institute	\$3,200
Donations/Sponsorships	\$1,500
Equipment Lease & Maintenance	\$4,500
Equipment Purchases	\$4,500
IT Support	\$2,500
Internet Service	\$4,788
Legislative Expenses	\$7,000
Liability & Auto Insurance	\$5,500
Member Services	\$3,000
Office Supplies	\$3,500
PEHB Liability	\$1,700
Postage	\$500
Printing	\$500
Professional Services	\$15,500
Publications/Dues/Registration Fees	\$3,660
Representative Travel	\$17,000
Special Studies & Litigation	\$15,000
Staff Travel	\$20,000
Telephone	\$6,000
Vehicle Registration Maintenance	\$3,000
Video-Conferencing Hosting	\$0
Web-based Hosting & Subscription Software	\$5,000
WIR Dues	\$9,991

Projected Total Expenses \$693,516

Net Income (Loss) \$13,500

Estimated Net Position \$965,792

2019 BUDGET DESCRIPTION (approved xx/xx/20)

NACO REVENUES

MEMBERSHIP DUES: The 2020 NACO membership dues for all counties are calculated to be a total of \$368,788. The 2019 membership dues were \$361,491. The NACO Dues Schedule was developed to recognize the various unique characteristics of each county, while at the same time providing a systematic method of assessment that considers the changes occurring yearly in our member county revenues. As such, the 2020 dues are based upon the FY 18 audited S-1 revenues for each county and the 2018 certified population figures. The majority of counties saw only a 1% or less increase to their membership dues.

PUBLIC LANDS ASSESSMENT DUES: This revenue calculation is based on the equivalent of a percentage, as determined by the Board, of up to .5%, of the most recent federal Payment in Lieu of Taxes (PILT) payment made to each county. The proposed Assessment for 2020 is based on 0.5% and is a total of \$136,250. This assessment pays for the expense of expanded NACO support for counties on natural resources-related issues. This assessment increased by less than 1%.

ASSOCIATE MEMBERSHIPS: \$22,000 is anticipated as revenue from Associate Memberships in 2020. The 2019 actual is \$21,750, an increase of over 30% since 2017.

CONFERENCE REVENUE: Conference revenue for 2020 is projected to be \$88,000, approximately the same as 2018 actuals. 2019 actuals were reduced due to an abbreviated conference.

INDIGENT ACCIDENT FUND (IAF) ADMINISTRATION: \$70,000 is budgeted by NACO for administration and support of IAF activities and the IAF Board of Directors. The current contract to provide administrative services to the IAF Board and Fund extends through June 2021.

INTEREST & INVESTMENT INCOME: \$15,000 has been budgeted for investments that are managed by Raymond James Financial Advisors, which is the same amount as 2019. Income for 2019 is projected to be just over \$15,000; however, because this revenue can fluctuate, it is projected at \$15,000 for 2020.

NATIONAL PROGRAMS: Through agreements entered into by the Board, the Association receives revenue from the National Association of Counties (NACo) for marketing Nationwide Retirement Services (deferred compensation) and the Caremark Discount Prescription Card Program. The Association also receives royalties based on county participation in Nationwide Retirement Services as well as constituent use of the Caremark Discount Prescription Card. In prior years NACO has also received revenue for participating and promoting the U.S. Communities Program, a cooperative purchasing program; however, because that program has been discontinued (sold by the National Association of Counties and rebranded), NACO will no longer receive U.S. Communities revenue. This means an approximately 58% decrease in revenue from national programs. Revenue received in 2019 is projected to be \$17,000 and for 2020 is projected to be \$6,978. NACO can generate additional revenue as well as savings for counties by increasing the use of the national programs.

NACO EXPENSES

STAFF SALARIES AND BENEFITS: The 2020 budget calls for continuing with a full-time NACO staff of four: Executive Director, Deputy Director, Office Manager and Natural Resources Manager. Salaries for NACO employees are \$321,765 which includes a 2.5% cost of living increase (COLA) for all employees and a 5% salary increase to reflect increased duties and responsibilities for the NACO Deputy Director. Salary adjustments will be effective January 1, 2020. The total cost of staff salaries is still within \$2,000 of the budgeted amount for 2017, due to staff turnover; and all projected staff salaries for 2020 are within the salary ranges for those positions. All employees are members of the employer funded Public Employees Retirement System. The PERS contribution rate is currently 29.25%. NACO employees are also provided life insurance, health, dental and vision insurance. The 2020 budget reflects no additional increases in health insurance costs as the budgeted amount for health insurance in 2018 included a significant increase which was not realized.

WORKER'S COMP/FICA: The Workers' Compensation is provided under the Public Agency Insurance Pool. The 2020 budget amount is \$6,000. The budgeted amount for 2019 was \$6,000, and actual is projected to be \$5,500.

AUDIT: \$8,500 is budgeted for our independent auditor, Michael Bertrand, to conduct the 2018 NACO Audit. The actual amount for 2017 was \$7,225 and for 2018 was \$8,125. In addition, to meet the requirement to report NACO's pension liability (required under GASB), NACO has to contract for an audit of that liability, at a cost of \$3,500, for a total budgeted amount of \$11,625.

BOARD MEETINGS: \$10,000 is allocated for expenses related to 2020 Board meetings, which includes expenses for staff to travel for two meetings in Clark County, as well as costs for 1-2 annual Board gatherings. This amount is equivalent to what was budgeted in 2018 when the NACO Board met twice in Clark County.

BUILDING CAPITAL IMPROVEMENT PROGRAM: \$8,000 is budgeted for minor improvements and repairs to the historic NACO office building. \$26,000 was budgeted in this category in 2019, to allow for a roof replacement, which was completed.

BUILDING OPERATING EXPENSES: \$19,000 is budgeted for taxes, utilities, landscaping/snow removal, janitorial services, and minor maintenance and repairs. This is only a small increase (.3%) over what was budgeted in this category in 2017 and 2018.

CONFERENCE EXPENSE: \$45,000 is allocated for the 2020 NACO Annual Conference which will be in Churchill County. The amount allocated in 2018 was \$45,000 and in 2019 was \$35,000 due to NACO hosting an abbreviated Conference with lower expenses.

COUNTY LEADERSHIP INSTITUTE: \$3,200 is allocated in 2020 to support attendance for one participant in the National Association of Counties Leadership Institute training program. Due to increases in travel costs and lodging in Washington D.C. This is a 45% increase over what was requested for this expense in 2019 and 2018.

DONATIONS/SPONSORSHIPS: \$1,500 is being proposed for donations during 2020 to support other groups affiliated with the mission of NACO. This is the same as last year.

EQUIPMENT LEASES & MAINTENANCE: \$4,500 is allocated for office equipment leases and maintenance. This figure represents the lease of a copier, scanner and fax machine, as well as maintenance costs for equipment. This budget item has been decreased from \$8,500 in 2019 to \$4,500 in 2020 as IT support has been removed from this item and now has its own budget line. The total 2019 projection for expenses in this category, not including IT support is \$4,000.

EQUIPMENT PURCHASES: \$4,500 is allocated for computer and other office equipment including non-subscription software. This is the same amount that was budgeted for in 2017 - 2019.

IT SUPPORT: This is a new budget category. Previously the contract for Information Technology Services was included under the Professional Services category. This service includes a contract with an IT expert who assists NACO with hardware and software issues including internet service and routers, NACO file server, and staff computers. The amount budgeted for this service is \$2,500, which is approximately \$500 more than was spent on this services in 2018.

INTERNET SERVICE: The cost for internet service for the NACO offices and NACO Conference room in 2020 is projected to be \$4,788. This is the same as the budget amount for 2019, and just above projected costs through the end of 2019.

LEGISLATIVE EXPENSES: \$7,000 is requested for legislative expenses during 2020 to support active dialogue with members of the legislature and lobbying team efforts on behalf of the membership. For 2019 the amount that was budgeted was \$5,000 and expenses are projected to exceed that amount by \$500. The proposed increase reflects rising costs for both the joint NACO and League of Cities Legislative Reception, as well as travel to conduct outreach to legislators, and expenses incurred during the Nevada Legislative Session including lobbyist registration and bill-tracking services.

LIABILITY AND AUTO INSURANCE: NACO is a member of the Nevada Public Agency Insurance Pool. \$5,500 is allocated for general liability for the office and NACO vehicle, which is the same amount that was budgeted for 2019.

MEMBER SERVICES: This is a new budget category to cover expenses incurred for meetings and events hosted by NACO, and for NACO members, outside of regular Board meetings. These meetings include one for members while they travel annually to Washington D.C., as well as miscellaneous meetings hosted at the NACO offices that may include meals. The amount projected for this expense for 2020 is \$3,000. In 2019 approximately \$2,000 was spent on member services.

OFFICE SUPPLIES: \$3,500 is allocated for office supplies. The same amount budgeted for 2017 – 2019.

PEHB LIABILITY: \$1,700 has been budgeted for the prorated subsidy for a former NACO employee who has retired from the State and is currently receiving Public Employee's Health Benefits. This is an increase from \$1,552 from last year.

POSTAGE: \$500 is allocated for postage, which is the same amount budgeted for 2019 and less than the approved budget amount for 2017.

PRINTING: \$500 is allocated for general printing, a 25% decrease from 2019.

PROFESSIONAL SERVICES: \$15,500 has been allocated to pay for professional services in 2020. This includes payroll processing and bookkeeping services. The amount budgeted in 2019 was \$18,388, and has been reduced.

PUBLICATIONS/DUES/REGISTRATION FEES: \$3,660 is allocated for newspapers and magazine subscriptions, membership dues in other organizations and registration fees to outside conferences and meetings. This is \$4,083 less than was budgeted in 2019 as subscriptions for software and web based services have increased and have been given their own budget category.

REPRESENTATIVE TRAVEL: \$17,000 is allocated for the NACO President, NACo and WIR Board members and other NACO Board members for travel pursuant to NACO's travel policy. This is the same amount as 2019.

SPECIAL STUDIES AND LITIGATION: \$15,000 is allocated for special studies including but not limited to technical studies related to legislative issues and legal research and litigation.

STAFF TRAVEL: \$20,000 is allocated for NACO staff travel for 2020, this amount has not increased since 2017. This includes travel to the NACo Legislative Conference, the NACo Annual Conference, the annual NCCAE meeting, and any other travel that may be required of the NACO staff in the course of carrying out the mission of NACO, including visiting and serving our membership in Nevada.

TELEPHONE: \$6,000 is allocated for telephone expenses including office phones, NACO conference line and cell phones for NACO staff. Due to savings from reductions in the price of contracts and equipment, this amount is \$1,000 less than was budgeted in 2019.

VEHICLE REGISTRATION MAINTENANCE: \$3,000 is budgeted for 2020, the same as 2017 - 2019.

VIDEO-CONFERENCE HOSTING: NACO will no longer have a video conferencing system and therefore no longer needs a contract for hosting. The previous system is end of life and no longer functions properly. Zero dollars are budgeted for this item in 2020, a reduction of \$6,649 from 2019.

WEB-BASED HOSTING & SUBSCRIPTION SOFTWARE: \$5,000 has been budgeted for software subscriptions such as Microsoft Office, cybersecurity software, PayPal, website hosting and domain registration, and the NACO digital newsletter platform. Some of these costs are new and/or increasing.

W.I.R. DUES: \$9,991 is budgeted for WIR annual dues for 2020. In 2019 total WIR dues were \$8,032; however, those may increase in 2020.

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2020 NACO Dues Schedule With 0.5% PL ASSESSMENT

County	Revenue Component		Population Component ⁽²⁾			Public Lands Component		2020 Dues ⁽³⁾	2019 Dues	Change
	FY 18 ⁽¹⁾ Audited Revenues	Base Assessment	2018 Certified Population	Per Capita Assessment	Population Assessment	2019 County PILT Payment	Public Lands Assessment (0.5%).			
Carson City	\$103,864,334	\$21,500	56,057	0.06	\$3,363	\$113,856	\$569	\$25,433	\$25,406	\$27
Churchill	\$29,999,593	\$13,000	25,628	0.08	\$2,050	\$2,346,920	\$11,735	\$26,785	\$26,525	\$260
Clark	\$3,332,896,559	\$24,500	2,251,175	0.03	\$67,535	\$3,632,785	\$18,164	\$110,199	\$108,487	\$1,712
Douglas	\$87,704,556	\$21,500	49,070	0.08	\$3,926	\$701,548	\$3,508	\$28,933	\$28,835	\$98
Elko	\$56,513,334	\$18,000	54,326	0.06	\$3,260	\$3,609,102	\$18,046	\$39,305	\$38,863	\$442
Esmeralda	\$6,875,728	\$6,500	969	0.15	\$145	\$158,455	\$792	\$7,438	\$7,366	\$72
Eureka	\$20,779,738	\$13,000	1,951	0.15	\$293	\$365,565	\$1,828	\$15,120	\$15,037	\$83
Humboldt	\$31,851,345	\$13,000	16,989	0.1	\$1,699	\$1,843,261	\$9,216	\$23,915	\$23,711	\$204
Lander	\$46,749,866	\$15,500	6,065	0.12	\$728	\$1,047,460	\$5,237	\$21,465	\$21,366	\$99
Lincoln	\$13,155,847	\$8,500	5,255	0.12	\$631	\$932,088	\$4,660	\$13,791	\$13,678	\$113
Lyon	\$50,799,740	\$18,000	55,551	0.06	\$3,333	\$2,248,437	\$11,242	\$32,575	\$30,348	\$2,227
Mineral	\$9,652,858	\$6,500	4,690	0.12	\$563	\$754,684	\$3,773	\$10,836	\$11,106	-\$270
Nye	\$61,495,325	\$18,000	47,856	0.08	\$3,828	\$3,331,286	\$16,656	\$38,485	\$38,345	\$140
Pershing	\$13,190,473	\$8,500	6,858	0.12	\$823	\$1,137,480	\$5,687	\$15,010	\$14,871	\$139
Storey	\$29,762,839	\$13,000	4,227	0.15	\$634	\$40,040	\$200	\$13,834	\$11,308	\$2,526
Washoe	\$500,927,717	\$24,500	460,237	0.04	\$18,409	\$3,682,568	\$18,413	\$61,322	\$60,726	\$596
White Pine	\$23,967,848	\$13,000	10,678	0.1	\$1,068	\$1,304,503	\$6,523	\$20,590	\$20,449	\$141
Total	\$4,420,187,700	\$256,500	3,057,583		\$112,288	\$27,250,038	\$136,250	\$505,038	\$496,427	\$8,611

(1) From Audited S-1 Revenues

(2) Certified by Governor; provided by the State of Nevada Demographer

(3) 2019 Dues = Base Assessment + (2017 Population X Per Capita Assessment) + (2018 County PILT Payment X PILT Assessment)