

**THE HONORABLE CITY COUNCIL OF THE CITY OF LOVELOCK MET IN SPECIAL SESSION ON DECEMBER 13, 2023 AT THE LOVELOCK CITY HALL AT 12:00 P.M.**

Present: Mayor Michael Giles  
Council members Jonathan Reynolds  
Bonnie Skoglie  
City Clerk Jordan McKinney  
Terri Wilcox

Visitors: Teri Gage (Eide Bailly).

**PUBLIC COMMENT-PERSONAL COMMUNICATION-CORRESPONDENCE:**

There was no public comment.

Mayor Giles thanked Teri Gage for being at the meeting.

**BUSINESS IMPACT DETERMINATION:**

After review and consideration of the probable effect that the agenda item for this meeting could have on a “business” as defined by statute, Council member Skoglie moved to make a finding that no item on this meeting agenda appears to impose a direct and significant economic burden on a business or directly restrict the formation, operation, or expansion of a business.

Motion carried unanimously.

**FISCAL YEAR 2022-2023 AUDIT / BUDGET FUNDS-ACCOUNTS-FINANCIAL OPERATIONS:**

Teri Gage, Eide Bailly, presented the independent auditor’s report of the city for fiscal year 2022-2023. An unmodified opinion was issued for the financial statements, which is the highest level of assurance for government auditing standards.

The net position, which is similar to a balance sheet, indicates net assets of cash and investments went up about \$322K compared to the previous fiscal year. A majority of the increase is due to the ARPA funds. There were about \$587K in capital asset purchases from ARPA funds. Liabilities for PERS (active employees retirement contributions) and OPEB (retired employees benefits) are both increasing.

The general fund ending fund balance was \$769K with an ending fund balance of 43.9% of budget. The business licenses revenue typically runs about \$26,000 per year. Gage said there is need to look at revenue because the city is not collecting all the revenue which is potentially collectible. The street and road fund (gas tax) ended the year with \$195K. The city financial information was fairly stated in all material respects and there were no statutory violations.

The utility fund ended the year with a loss of about \$136K which means the rate payors are not paying for all the costs of operating the utilities. \$386K of the cost is depreciation, which is reported, but not typically funded by most local government organizations.

Mayor Giles reported that there will be a \$2.50 rate increase going into effect January 2024.

Gage noted the city is about the same as other entities of similar size working with a budget: the 5 year capital improvement plan and PERS increases are going to be problematic. The question is where the city will be financially in 3 to 5 years.

Council member McKinney moved to accept as presented the Eide Bailly 2022-2023 audit report.

Motion carried unanimously.

**PUBLIC COMMENT:**

There was no public comment.

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Michael R. Giles, Mayor

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Terri Wilcox, City Clerk