

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS IN AND FOR THE COUNTY OF LINCOLN,
STATE OF NEVADA

April 4, 2008

#1-CALL TO ORDER/ROLL CALL/INVOCATION/PLEDGE OF ALLEGIANCE

The Board met in special session with Chairwoman Ronda Hornbeck calling the meeting to order at 9:27. Clerk Lisa Lloyd called the roll with Commissioners Tommy Rowe, Paul Mathews, Ronda Hornbeck, Wade Poulsen and Bill Lloyd being present. There is a quorum present and the agenda was posted on 3-29-08 to comply with the open meeting law. The Invocation is offered by Paul and Wade led the Pledge of Allegiance. County Manager John Lovelady is present.

#2-FY 2008-2009 BUDGET HEARING

Dan McArthur is present for this item. The reimbursement fund for LCLA needs to be discussed. If there are funds that come in through development agreements how are they to be dealt with? They will need to come into a reimbursement fund and could be used for various positions, including Planning, Clerk's office, etc. If it is put into one fund then it can be transferred out as needed. It is unknown when those funds will start coming in. These are development fees. Dan agreed that a fund needs to be set up for this. Right now, Fund 105 is being used and Dan stated that this is the correct fund. The Board agreed that this will be the fund used for development fees. There is some discussion about making a full time custodial maintenance position. John is suggesting that this position be countywide, not just Pioche. This position will be considered, but as of right now no concrete decision has been made. Steve Chouquer reviewed the **Road Department**. \$375,000 will remain in their beginning fund balance and won't be transferred this year. Steve is asking that \$100,000 remain in capital and would be used for things like engines or buying pickups if one goes down. Steve stated that this allows for them to purchase things if needed and it would allow for the purchase of fuel at the end of the year if they go over. Monies under capital outlay can't be used as a slush fund. Nothing is left in capital outlay. RD has taken in \$77,948 from FEMA, which will go into their budget and become part of the ending fund balance. There is another \$40,000 that will be received from FEMA for the Carp project. This will help out with the year end balance. Caliente City receives \$100,000 per year under a gentleman's agreement, but they are double dipping with the state on this as they receive it from the county and the state. Steve asked that the \$100,000 be left in the RD budget. Ronda asked John to look into this; he will. It is unknown when this gentleman's agreement was put in place. Ronda stated that it needs to be made certain that there isn't a law saying that the county has to give them this money. Steve said that Caliente already gets their \$100,000 from fuel tax money. Dan advised that there is a formula for Caliente to receive this money and it needs to be double checked to make certain that statute isn't in place here. Steve stated that if they are able to keep the \$100,000 in the RD budget they will be more than happy to help Caliente with their roads. This will be investigated. About 68% of the RD budget is wages and benefits and Steve suggested that this be looked at prior to giving raises or anything else. Salaries are over \$1.8 million. Steve advised that the people who had decided to retire have changed their minds, with the exception of the secretary. The Board decides that the \$100,000 will be put into a contingency fund and if the RD has a need, such as a truck going down, it will have to come before the Board. This money can't be used for general services/supplies. Right now in the special capital fund, Fund 28, there are expenditures of \$420,000 this year that will result in the fund going into the negative by \$226,732. Steve advised that capital outlay will not be spent this year. Dan will take capital outlay, Fund 28, to \$55,000 for a backhoe replacement for next year. Fund 28 is for equipment only. All leases are paid off and there are no lease payments for next year. \$250,000 on the debt service will be taken to zero; \$55,000 will be left in capital outlay. This will zero out the total ending fund balance. Denice Brown is present to discuss **Senior Nutrition**. Denice presented costs for reducing to four days per week. This will save about \$55,000. Monday through Thursday will be the days that the program runs. Denice stated that all figures are guesses and prices continue to increase. Denice stated that they are right about \$210,000 in funding. Denice has been advised that there will not be cuts in grants, but there will be no increases either. If each of the towns would pay utility costs this program would be able to make up the current deficit. Ronda advised John that he needs to get this letter sent out making the requests of the town as soon as possible. Bill stated that he is opposed to cutting days out of this program. Ronda asked how continuing status quo with the program would be funded; which position in the county would be cut to fund the program? Bill suggested that a deputy from the Sheriff's office be cut. No decision is made and discussion continues. Ronda advised that this program doesn't provide for Mt. Wilson, Eagle Valley, Rose Valley or Rachel. Ronda's mother was homebound for six months and not once was anything ever delivered to her. Ronda stated that there is a whole county that isn't being serviced by this. It is a long way for the seniors to come into town to get things. Will anyone starve to death, who lives within a town, if delivery is cut by one day? Yes, Bill stated, Mrs. McCain in Pioche will. Ronda argued that this issue isn't based solely on what is fair because the program itself isn't fair since it doesn't service all of the outlying areas. The issue at hand is that the program continues to run in the red. There is some discussion about making the program run under a non-profit organization with a board of

directors. There is also discussion as to where the money would go when received: directly to the program or through the county, who would grant it to the non-profit organizations. Nye County's program is discussed as an example. Denice stated that she talked to Holly Gatzke regarding 501(c)3. It is anticipated that it can take a couple of years to get it and Holly is willing to aid Denice in getting this exemption. John stated that in the past it has taken about one month to do this. Dan believes that they could become a corporation within one week. The necessary form is on the Secretary of State's website and then they would get a federal tax i.d. number and be in business. The two year wait that Denice is considering would be the application from the IRS. Dan stated that she still fills out the form and continues the program while waiting for the exemption. Wade suggested that the seniors might want to create their own non-profit as opposed to the LCAT. The funding could continue flowing through the county until such time that the state gives the money directly to the program. Wade stated that the seniors need to be approached to see if they would like to form a board and go this route. This would also give the seniors a more vested interest. The county would give the program so much money every year and tell the seniors that they have to make it work. The money will be run through the grant fund. Ronda stated that if the seniors go this direction and the funds go to them they will have to live within these funds; the county won't give them any. However, the seniors will be able to receive private donations. Denice stated that there would still be a program director to make certain that inspections are done, menus are made, etc. This person would be an employee of the program. Ideally you want to move to where the entire program is run by the board. Once this is set up, the county would donate their funds, approximately \$209,000 (given month by month) to run the program, Ronda said. Ronda then asked, once the county gives them the money and they set up their books, but is the county responsible if the program fails because they don't have enough money? The whole key is the initial board of directors and finding someone who is willing to step up and run the program. The county will still be responsible as they are receiving the grant monies and then sub granting it to the program until such time as they are established enough to receive the money directly from the state. Leslie advised that every pay period this fund runs in the hole. The minute that the money comes in, Leslie will write one check with the money and she won't be responsible for paying bills/salaries. This board doesn't have to be made up of seniors. If this entity isn't solvent and they run into a situation this committee can't run in the negative like the county does. No matter what, this entity will have to stay within the money given, but what they can do is go out and get contributions to run the program. There will be no budget augmentations. Phyllis advised that it is still possible to get ESP and CSBG monies that the county can then pass through to the program. Phyllis stated that this will be similar to June Taylor's example where she asks for money to run lifeline; the county can give money to the program. Denice is a county employee and she works for social services. If Denice does work for the program, it would be possible to keep some of the state monies to pay her salary. This program will operate as is until the end of this fiscal year. Paul said that this option needs to be turned over to the seniors for decision; do they want to go out on their own or figure out how to work with the monies that the county gives them? Denice feels that 501(c)3 would be a very good idea but it needs to be done slowly. The county might have to help in the beginning to offer direction. Denice suggested that it will take at least a year to get this program running on its own once it's turned over. \$93,289 is the total amount of taxes that the county gives to the program. A non-profit organization would have the same fiscal year as the granting agencies, which would result in a completely different cash flow. \$219,000 is the revenue and expenses are \$271,607, which means that this program is currently upside down by approximately \$52,000. Wade suggested that this program run status quo and use the upcoming year to work on the 501(c)3. Any county equipment that is involved would be donated to the program, including vehicles. \$93,289 for property taxes, \$103,707 for grants, meals at \$25,000, \$2,000 other sources are the amounts coming in. This is a total of \$223,396 for revenues and expenses will be changed to match this number. Denice agreed that they will have to live within this number and she will work on 501C3. Ronda said that the Board isn't saying "down with the seniors" they are just trying to figure out how to make the budget work. Ronda disagrees with the seniors in the townships saying that the county isn't taking care of them properly as there are so many seniors in desperate need that live in outlying areas that are receiving no care from this program whatsoever; the Board is trying to make the budget work and understands how important the seniors are. There are more seniors in LC, percentage wise, than any other county in NV. **Wade made a motion to move in the direction of helping to change Senior Nutrition to a 501(c)3; seconded by Paul.** This issue will be addressed on the next Commission agenda. **All in favor.** Ronda offered to aid Paul in presenting these concerns/ideas at the senior centers. **Transportation** is now discussed. Transportation is anticipated to have a negative ending fund balance of \$19,154. Dan advised that some of the programs have put transportation under the senior programs. Denice advised that this program isn't solely for the seniors; it services the entire county. Dan projects a negative carry forward from this fiscal year of about \$12,000. About \$6,000-12,000 is being lost in the fund every year. Denice advised that she would have to look at what she put in for a budget last year in order to be able to explain this. This issue will be addressed at a later time. **Flood Control** is discussed and Dan questions where the \$8,000 should be funded from. **Wade made a motion to fund Flood Control with General County funds in the amount of \$8,000; seconded by Paul. All in favor.** **LC Water Planning** has a negative balance of \$66,000 the way that the budget was done. The issue with this fund is revenue funding. **Panaca Town** is reviewed. There are three funds within Panaca Town, General, building and capital projects. Based on their requests,

every fund is negative. \$31,000 is the amount that they started the year with and they are spending all revenues and beginning fund balance based on their budget requests. **Wade made a motion to cut their services/supplies to bring the whole budget to a zero balance; seconded by Paul. All voted in favor. Wade rescinds the motion; Paul rescinds the second in order to resume discussion.** There is some discussion about Panaca raising their tax rates. Until the budget is finalized the rates can be changed. Panaca could raise their rate to the cap and when the abatement comes through they could get the increase, similar to Alamo. However, this is up to the town boards to make the recommendations. **Wade made a motion to take the deficit amounts for Panaca Town out of services/supplies for general fund/building fund and to bring the deficit out of capital projects/capital outlay fund, to bring the ending fund balances to zero; seconded by Paul. All voted in favor.** To build up a surplus, they will have to not spend. **Pioche Town** has a negative balance of \$558 in Pioche Town Grant Capital Projects. **Wade made a motion to take the negative amount out of Pioche Town Grant Capital Projects fund to zero out the balance; seconded by Paul. All voted in favor.**

Tommy joins the meeting at this time.

Ronda addressed the Water Land Act accounts. When these accounts were set up it was specified how the monies would be spent. Some of these funds are in the red now based on spending and Ronda suggested that all of the land act accounts be reviewed for spending and how augmentations will happen to those that are in the red. It is possible to take interest monies only and put them back into those with negative balances. The remaining funds, with positive balances, need to be reviewed and if they generate interest it needs to be locked in that the only thing that can be spent for the year is the interest. Fund 96 (LC Land Act Grant Match) is negative by \$1,299.95. The monies for these funds are not reoccurring; once they're gone, they're gone. **LC Water Planning** has a negative budget of \$66,083 as the budget sits now. \$87,500 is removed from this budget for 6-30-08 and roll forward into the New Year to make a zero balance. **Wade made a motion to take the \$150,000, or total interest, from LC Land Act Special Use Fund and the interest from LC Water Special Use Fund, in the amount of \$15,000, and distribute it according to percentage as has been identified through the ordinance; seconded by Paul. All voted in favor.** There has been interest earned over the last four years. **Wade made a motion to transfer \$1,500 from prior interest earned from the LC Land Act Special Use Fund and put it into the LC Land Act Grant Match Fund this year (2007-2008); seconded by Paul. All voted in favor. LC Water Special Projects** is discussed. Right now there is about \$106,000 in this fund. Dan believes we will end this year at \$38,000. No more money can be spent from Water Special Projects or Water Planning. Current expenses in Water Special Projects are now reduced to \$96,085. **LC Emergency Disaster Fund** is now addressed. All expense will be removed for 2008, which will make the fund balance. \$61,250 will be left in for 2009 tentative. **LC Water Grant Match** is now reviewed. \$61,250 for the current year is removed and \$61,250 will be rolled forward. **LC Land Act General** is addressed. This fund needs at least \$70,000 to fund the Rebel Communications contract. **Wade made a motion to fund the Rebel Communications contract out of General County, miscellaneous overhead, for 2008-2009; seconded by Tommy. All voted in favor. Capital Outlay** is assessed. Currently, the requests total over \$2 million. \$18,730 is removed from Treasurer as it is for ADS. \$20,000 is removed from Recorder for ADS. Color copier, \$6,000, for DA is removed. \$100,000 for Road Fund is removed and put in contingency. The county will have to spend \$150,000 to get the roof of the old courthouse done, which will be a match to the monies from Reid. The \$300,000 is for everything, including the glazing of the windows. Museum is taken to \$150,000 total. The Library is asking \$20,000 to upgrade from DOS to windows and Phyllis has been working on getting some grants for this. Some computers are being received from the Gates Foundation, Phyllis advised. \$20,000 for Library is completely removed. It is agreed that LCSO citation book purchases can't be done with AA fees; this item is removed from capital outlay. Dan will address Alamo's budget in light of this as well. Housing Authority generates their own money and they will have enough to cover their capital outlay requests; these are left as is. \$50,000 is included in LC Water General for the development of the water plan. Tri-County has \$550,000 for capital outlay, and, assuming that they have enough revenue to cover this, they will also show a profit at the end of the year. Brandon Vaught now has the authority to sign contracts as he is the administrator. The total amount for TCW is left. Dan has contacted the state concerning the \$2,000 request for MVJC. **Wade made a motion to take \$2,000 out of court facility fees and move it to Administrative Assessment fees; seconded by Tommy. All voted in favor.** \$6,300 is left in Planning for capital outlay, but this doesn't include a map cabinet, lateral file cabinets and digital camera since Clint had previously advised that he will remove these items from his requests. Currently, it is unknown what the increase will be for the Detention Center since Kerry is renegotiating contracts and increasing inmates. \$106,146 is the amount being discussed for capital outlay for the DC. Dan is changing this number from "funded" to "unfunded" in capital outlay until it is known exactly how much money the county has. Once the county gets closer to the May deadline these items for the DC will be readdressed. \$65,000 for capital projects is removed. Ambulance Capital projects fund will remain at \$100,000 since they have the money in the fund. \$28,000 for Assessor's vehicle will be moved to Vehicle Capital Projects fund. Three year lease/purchase for the Assessor's vehicle will be \$10,000 per year; so Vehicle Capital Projects will increase to \$114,000.

Fair Board capital projects is left at \$30,260. Airport Capital Projects is left at \$10,932. Road Capital Projects are cut back to \$50,000 for the backhoe. Building Department Enterprise fund requests, \$5,000, are removed. Pioche Town capital outlay is budgeted at \$35,000. Pioche Public Utilities is now addressed. Phyllis stated that she will never be able to get PPU any grants unless they raise their rates. Wade said that they can't expand until they raise the rates. **Wade made a motion to remove all PPU capital outlay requests, in the amount of \$148,000, since there is no money to fund them and suggested that they raise their rates; seconded by Paul. All voted in favor.** All of Panaca Town's capital outlay requests have been removed as they don't have the money to fund them. Wade said that if Panaca Town wants more money they need to raise their taxes to the max. Panaca Capital Projects will be backed down to make it balance. Alamo Town has the money to fund their capital outlay requests, so theirs are left in for a total of \$14,047. Panaca Fire District has 2,000 acres that will be removed from the district as Caliente plans to annex this acreage. It is believed that the PFD taxes will decrease during the 2008-2009 budget. \$25,000 will be left in for PFD, but Harry needs to advise what it is. **Information Technology** is now addressed. The total amount requested is \$444,634. \$10,120 is the total amount budgeted for Clerks's ADS. There is some discussion concerning the website. **Wade made a motion to have John talk to Cathy LeFevre to see if she has the capability to handle the Recorder/Treasurer/Assessor needs, if she can't do it, then this item will be cut; seconded by Paul. All in favor.** Treasurer is left with \$5,000 for IT. \$13,800 is left in IT for the Auditor. \$3,350 is left in the budget for Recorder. \$12,730 is the total amount left in IT for Assessor, this doesn't include the Marshall & Swift Commercial Property Costing System for \$11,000 or web serving programs for \$12,000. IT request per system Administrator, \$304,000, is addressed. \$439,654 is the total amount for IT, which also equals the total amount of FILT received. Solid Waste Mgt. is increased to \$47,000. At this rate, this is the last year that the county will be able to fund this level of IT. The fund balance is decreasing. With this trend, the carryover for 2009 will be \$140,000. The amount for IT override has doubled since 2007. FIL is never guaranteed. \$127,764 is the amount for recurring costs for IT. The Board believes that anything over and above that number is "the wish list". It is estimated that bare bones reoccurring for next year will be over \$160,000. Ronda stated that the fancier you get, the more high-tech you get, costs will continue to soar. \$131,465 is the total amount that the Board agreed to leave in for IT Override. John advised that the county is strapped for bandwidth. \$63,936 is the amount that will be left in FILT, under contingency, if there is a need to augment. \$75,000 is the amount budgeted for ADS. GIS person will remain under Planning Department. Treasurer's tax rolls will be scanned under microfilming. Dan reiterated the Governor's talk on Monday. So far the schools have been told that they had to cut 5%, which was to cut a \$500 million deficit. Dan believes that many of the numbers that we've discussed today will be a lot worse than we saw today. Ronda received a notice that if you don't retire by October, and the county continues with Teamsters and then later goes with PERS, it could be more expensive. John is looking to see how much it will cost to return to PEBP; Ronda instructed him to put it on the next agenda. **Transportation** is reevaluated. The state is always running behind. The NDOT grant started, for this year, in October but she just received the funds. This coming budget Denice will have over \$37,000 from NDOT. \$77,453 is the total amount that Denice will receive in grants and estimated costs are approximately \$65,423.78. Currently, there is \$10,269 in this year's budget. Denice has started drawing funds from NDOT and believes that this fund will be fine. **Wade made a motion to approve the tentative budget to be sent to the state; seconded by Tommy. All voted in favor.**

#3-PUBLIC COMMENT

There is no public comment.

#4-ADJOURN

There being no further business for the Board to attend to, **Wade made a motion to adjourn the meeting at 3:38; seconded by Paul. All voted in favor.**

Attest: _____ Approve: _____