

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

May 8, 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 9:32. Clerk Lisa Lloyd called the roll with Commissioners Ronda Hornbeck, Wade Poulsen and Bill Lloyd being present. Commissioners Tommy Rowe and Paul Mathews are absent at this time. There is a quorum present and the agenda was posted on 4-29-08 to comply with the open meeting law. The Ronda led the Pledge of Allegiance. County Manager John Lovelady is present.

#3-PUBLIC COMMENT

Phyllis was notified that the extra \$334,000 for Alamo Rodeo ground was approved by SNPLMA. Wade said the he will never endorse Leslie and Associates again. Kathy asked if a person has to be deputized in order to sit in the Treasurer's office if both she and Judy have to be gone. The Board agreed that they don't believe that the person has to be deputized if they have limited duties, such as just answering the phone. Kathy would like to get someone that is familiar with her office that would know how to open the vault and what to do as far as handling the office.

#2-FY 2008-2009 BUDGET

Auditor Dan McArthur is present for this issue. The budget has been filed with the state and Dan's been working with Connie Spangemacher to make any required adjustments. There is an issue with the LC Special Use Water Fund. The interest from this fund was to be allocated to all the other funds and the state doesn't like that. Connie has complained many times that LC has too many funds. Connie wanted the ordinances to explain why we do things in a certain way. There were some questions concerning how the indigence funds are used. We are required to levy a tax and there has been an agreement made at the state level for the county to level \$.08. The county is supposed to levy an additional \$.01 for the state, which has been rectified. Dan will remove \$20,950 for information technology from the Recorder's budget. Leslie advised that she talked about the mining claims being taken to \$9,000 and in one of the meetings it was agreed to take that number up to nine thousand. Dan will take mining claims back up to \$9,000. Leslie is not going to get the newspapers done this budget year and it will be about \$4,000. This will be added back in and services/supplies will be increased to \$21,000. Dan advised that these changes will show up in the final, but not in tentative column. \$34,000 for 2008 will be moved into Microfilm for 2009. This will bring Microfilm to \$89,000. Lisa questioned if there are additional monies in this fund can it be used to hire someone to do the microfilming. Yes, Leslie would just have to do a budget transfer. With this transfer from Microfilm this year, it will leave \$21,000 in this budget. Discussed now is Assessor's budget. Nuclear Waste fund purchased a printer for the Treasurer and for the Assessor's office. \$2,000 will be removed from Capital Outlay for the printer that Melanie had budgeted. Dan brings the Assessor's Capital Outlay request to \$0. \$475,000 is removed for a grant under Fund 3. Ronda advised that this is a Legislative year and travel/services/supplies for the Commission should've been increased; it is brought up to \$44,000. Steve Chouquer, Road Department, advised that the NDF crew was canceled. Aaron Boyce is asking that the RD pay them \$150 per day when they use them. Aaron is trying to make a record showing that he is working on generating revenue. This will have to be on the next Commission agenda for approval of the agreement but right now Dan will increase the RD budget by \$3,000. This contract should be county wide, not just the RD, John said. Sheriff Kerry Lee stated that the card system for the gas pumps is down and doesn't work anymore. The SO now has to buy gas at Tillies. When they go into NDOT yard it is costing \$.10 per gallon additional for administration fees. There are county pumps at Caliente and Pioche, but they can only get gas when someone is there. It has to be written down and they're using the "honor system" right now. Steve will have to put in a new key system where everyone will have a pin number. Kerry suggested that this system will benefit Transportation and several other entities. There is no tax using the county pumps. Filling up at Tillie's is costing the county a great deal of money. Steve figures that the key system will cost about \$15,000 and Kerry is willing to split the costs, but it will have to be added into this next year's budget. The Board agreed that this system needs to get fixed and is a drop in the bucket compared to what the county will be paying for gas. Dan will move \$25,000 from contingency, Fund 9, to capital outlay to cover the cost of the key system for the gas pumps. At this time the cost will not be shared by the SO. At a later date, the Commission will assess the users a percentage to reimburse the RD for the cost of the system. Leslie advised Steve to not purchase the system until July 1, but the Board asked Steve to get a quote. Shane Cheeney is working on this. Kerry suggested that the RD might want to put a tank in Alamo in the future as RD is buying from NDOT at this time. If a tank is put in down there, SO will use it as well. \$14,572 is the total amount for the card reader/key system for the RD pumps in Pioche and Caliente. \$25,000 will be left in capital outlay. There will be a change on Building as Ken and Joanne will retire in August. With this change, it will mean a full time position to administer Building and Safety and a part time secretary. Also included in

the proposal that Ken submitted are professional fees for Ken and Chuck to work on development agreements in the amount of \$64,000, \$30,000 for Ken and \$20,000 for Chuck. The Board agreed that there would be no part time secretary for Building, but if there were documents that needed to be typed the 1/3 time person who works for Grants, MVJC and County Manager could do it. Bill questioned why the person that they would hire for the full time person couldn't work on the development agreements and HCP. The learning curve is too steep and it would be easier to keep Ken on board as he is so familiar with them. Bill stated that salaries should depend on how much money this department brings in. There is a great deal of work that has to be done on the power corridor. The average of what the Building Department brings in for the last three years is \$124,000. The tentative approved budget that was sent in was \$153,000 and this proposal increases this budget to \$176,500, if approved. Last year the total budget was \$239,000, John said. Funding fees expected from the Toquop developers, EA for power line is \$52,500. This proposal is predicated upon Ken working an average of 16 hours per week on development agreements, HCP, HCP GID, Toquop SID and or GID, EA for the power transmission line and to assist the new administrator to become fully functional; Chuck would be working on an as needed basis (by phone or in person). Building permit fees have been without Toquop, which continues to move forward. Toquop will not begin building next year, but they still have to do infrastructure. Part of the agreement is that they will pay for positions. This \$124,000 is based on what is going on in the county right now, which hasn't slowed down at all. If the HCP is in place by December of this year it will allow for Toquop to start moving ground. As of last month, there was a \$112,000 balance in the fund. The Board agreed to put these proposed funds into the budget; Dan will work them in. Ken's goal is to drop back to working a couple of days per week and he doesn't want to leave the county hanging in the balance. Ronda asked if it was possible for Ken to use the 1/3 person for typing of documents; yes. Ken advised that he usually does his own but he will still require some secretarial help for copies and answering phones. John advised that he needs more than 1/3 of a person in his office and suggested that he could use a part time person who could possibly work three days per week, to be split with Ken. John has about thirteen applicants for the Administrative I position. Ken advised that a great deal of the building department things have been pushed back as Ken has been focusing his attention on things that "come up". Ken also felt that whoever is hired will need some smarts and education; \$55,000 for this position will be a steal. Ronda advised that with Ken and Joanne retiring it leaves the Water District open. In order to cover the WD it is possible that a part time person will have to be hired. This person would have to do filing, minutes, agendas and basic running of the office. The WD is willing to pay for a part time secretary who could be located in the Clerk's office, for instance, and the Clerk's office could pay for the other half of the person. Wade questioned if there is enough work to keep this person if they were split between offices? Yes. Lisa advised that she needs a part time person and would be willing to share this person with the WD; she just doesn't have the space to maintain the records. The Board agreed that the records could remain in the basement in the current WD office. Ken advised that there will be an additional \$18,000 in the WD budget. There is money in the budget to handle the addition of a full time person. Currently there is \$33,000 between the Building Department, WD and Clerk's office to fund this position. This position would start at approximately \$13.73 per hour for a total of \$38,000, including benefits. Clerk's budget will be increased by \$4,600 in salaries (from \$5,000 to \$9,600) and an increase in benefits by \$3,000. \$103,816 is the new amount for salaries and \$44,583 is for benefits. Dan advised that there is a request for \$106,000 in Detention Center for capital outlay; it was removed at the last meeting pending what the rates will be after negotiations. Once the rates are known, it will be revisited and the DC budget will be adjusted. Kerry advised that the finances in Clark County aren't good and they aren't excited about an increase. Until it is known what the rates are, no one can be certain what the number is for the budget. Kerry advised that the jail intercom *must* be taken care of soon; it is a huge issue. The other thing that Kerry advised is a "huge issue" is the electronic secretary voice mail system. Kerry is being pushed on the fire system and he also needs to do a five year inspection as well. Kerry hopes to have a definite answer by the end of the month. Clark County is being required to cut back by 4%. It's better to have the inmates that we've got than to push CC and make them remove them, said Bill. Kerry is shooting for 75 CC and 5 Federal Marshall inmates. Ronda said that there is about \$50,000 left in election equipment budget that is not earmarked for anything, is it possible to use it to buy the intercom system. No, it's already been pushed into next year's budget. Lisa advised that out of this year's budget the county will have to pay \$7,000 for their share in the District Court AS 400 and \$5,000 for the Commission meeting recorder. Ronda asked John to send out a memo to all department heads showing what they were funded for. John advised that \$6,500 is needed to fix the LC courthouse this year. Included in the budget is the new building/maintenance position. There is \$75,000 in buildings and grounds for everything. John believes that this will be enough to cover all improvements/repairs to the building, especially based on the repairs that have been made due to the flood. There is no money in this budget to fix the heating/air conditioning. John believes that \$20,000 will be necessary for the duct work, but this doesn't include the air conditioner itself. There is no where to pay for this at this time. John advised that all of the water radiators are a liability. If there was duct work in place, a furnace could be installed, and an air conditioner, to address this problem. Ronda advised that she thinks next year's budget will be even more difficult. Dan stated that money could be pieced together from County Capital Improvements, LC Water Capital Projects and LC Land Act Capital Projects to pay for this. Wade suggested that the county needs to be putting money away every year to build a

new courthouse. If the county doesn't start now, it will never get done. Dan advised that we have the Courthouse facilities fund that has about \$90,000, but \$80,000 was budgeted for use in Alamo. Statute says that this money can only be used to remodel a courthouse or build a new one. If started now, this money could be used to bond for a new building and statute would allow to leverage this bond for fifty years. The Commissioners control this fund 100%, not the JPs. Statute specifically says that the Commissioners make the decision about expenditure of these funds. \$25,000 will be taken from Fund 13 and moved up to Pioche Courthouse Air Conditioning. \$102,000 will be set aside for Pioche Air Conditioning in Fund 83. Combined this is \$127,000. Norma will be retiring as is Larry, from Pioche Public Utility. PPU wants to promote Rita to Norma's position and then hire a new part time person to refill Rita's vacated position. They also want to promote Nathan, which is going from hourly to salary and will have to be advertised. This issue will come before the Commissioners. PPU told Rita that she could work 21 hours and get full benefits. Bill said that it isn't possible to work "full time" and only work three days per week. Ronda referred to the Pioche Town Board minutes of March 8, 2008. John advised that part time people aren't paid on a salary table, they are paid hourly. There is some question about whether or not this has to come before the Board for approval; yes, it does. Mrs. Cheeney is signing up right this very moment and John will need to discuss this with her. Ronda stated that the determination on the Extension office was that you either be part time, or you have to be full time in order to receive benefits. The assistant lives in Panaca but works at PPU in Pioche. This position hasn't been advertised yet and in order to ensure that the person hired is from Pioche it has to be advertised that way. In order for someone to fill Larry's position, it must be advertised. Norma's position doesn't have to be advertised at it isn't salary; it's hourly. John asked for a salary table before these replacements are hired; this issue must come before the Commission prior to hiring. This is an advisory board and Commission makes the decisions. Leslie asked when Rita would be taking over the position; she was advised May 1st. Leslie questioned if she is to sign Rita up with retirement system at this point; no, the Board agreed, it has to come before the full Board for approval at a Commission meeting. John has talked to Larry about this. John has advised Pioche Town Board that a pay scale has to be written up. Bill feels that the part time position needs to be limited to a Pioche resident; it has to be advertised that way. Bill suggested that it needs to be re-advertised. It is moot now as the part time person has already been hired. Bill stated that Pioche people are very angry that this position has been filled by someone from Panaca. John stated that they can't hire anyone as this issue hasn't come before the Commissioners at all. The position that is being signed up for at this moment is the office manager. Leslie advised that she can't pay this position until it is approved by the Commissioners. Rita has left the building and is thinking at this very moment that she is set up for 21 hours, full time and benefits; John said that he talked about this very thing with Larry and advised him that it can't be done without coming before the Commission. IT budget is now addressed. At the last meeting certain items were delineated as required and others were moved to optional. Dan reviewed this. The web service will not be implemented this year. \$2,500 is being put back in for Recorder for document index verification system. \$12,000 for web serving program and \$11,000 for Marshal & Swift have been removed for Assessor. The IT request per system administrator was \$304,902. However, under services total line item is \$131,465.25, which was approved at the last meeting. \$180,202 was what Tracy Lee wanted, and this included setting money aside for future needs. The Board agreed that the amount that was approved at the last meeting was \$131,465.25 plus the ADS software, for a total amount of \$207,217. Dan reviewed the deposit of monies to fund accounts within the LC Water Reimbursement funds. When a check is received for water payment, 35% of that comes to LC to be redistributed within these accounts. Of this 35%, 57% of that can't be touched with the exception of the interest. Dan reviewed the breakdown of the interest earned and how it will be distributed. The intent at the last meeting was for Dan to take all earned interest and divide it by the listed percentages among the funds. The percentages outlined don't equal 100%. Dan will go back and do a pro rata allocation on the 9%, etc. Based on these numbers 43% can be used. 9% will be divided by 43. At the end of the day Dan will have allocated the \$200,000 based on this formula. Senior Nutrition program was discussed as being made a non-profit entity. Dan was under the impression that Denice would work toward that end and that's why the budget was created the way it was; Denice assured the Board that she would live within whatever budget was given her. Dan will find out the details on how the non-profit was to be done and Denice was going to find board members. John was to check on the 501(3)C. Ronda advised that this fund was nearly \$31,000 in the red and this is the worst that it's ever been. John said that the fuel costs have affected everything. As a manager of that fund, Denice needs to take responsibility as to how she will make it work. Denice said that whatever money they have in the budget she will make it work. The Board had agreed that this program was moving towards non-profit status. Dan will get the mechanics, Denice will find the board members. Wade stated that they were going to form their own board between the active seniors. The county will provide this program with this amount of money for year number one, they have to stay within the confines of such, and then they are to go out and get the nonprofit status in place and take over the program and make it work on their own. If they run out of money the county will not augment; they will just have to make it work. Next year, the county will budget another amount of money and it will be up to them to get donations or whatever needed to make the program work. Bill stated that he and Tommy aren't in favor of this; he thinks that the county should give them the necessary money. The first year will be an issue, but ultimately they will pay their own bills and have their own bank account. It may take one year to get this

set up, but then the employees will not even be on the county payroll. The county is providing professional expertise to get the ball rolling. The first year the county wants them to get their boards in place. Denice would still need to advise them this year, i.e., here's the money, here are the forms you fill out. Leslie asked what she is paying on July 20th. Leslie will still be paying out exactly as she is now on July 20th; the holdup will be getting the board of directors. Dan stated that it will take about one week to get nonprofit and get tax i.d. John will contact Denice concerning this issue to make certain that she is working towards this end. Once this is set up, Leslie will no longer be paying them; it will be done by the board of directors. Once they are set up they will be an entity unto themselves. Dan will pull together all of the forms. This issue will be on the next Commission agenda. Dan will talk to Clark County seniors to get bylaws and corporate information as well. The formalized decision will be made in the next Commission meeting. Denice needs to present a status report at this meeting. John will work with Denice and he will get the tax i.d. number. Once everything is in place, the county will write them a check for the amount that was budgeted to be placed into their own bank account. The check will be for what cash is there as of June 30th and as draw downs come in from the state Leslie will turn around and write the check to them. It will be important for them to get their reimbursement reports turned in within a timely manner. Denice needs to get her donations in place right now. Once this gets rolling, each of the Commissioners need to go to their towns and advise the seniors as to what is happening. Assurances need to be made that the county is behind them, will continue to work with them and that there are many positive aspects. Wade stated that these visits need to be done only after the board is in place. Leslie advised that there is one person who is paid from Senior Nutrition and several other funds and it needs to be made known to her that the county will no longer be paying her benefits. There are a couple of full time cooks that will not be covered under the county's insurance. The benefits package cuts dramatically as PERS isn't being paid. If the governing board so chooses, they can pay the different positions more so that they can get insurance; they just aren't covered under the county's plan. Wade also suggested that the county can keep these people on the books to provide benefits and then assess the program a cost to cover the insurance and other benefits. Then, these people can be transitioned. \$303,802 is the amount in Detention Center services/supplies. However, this is based on the contract amount being removed as the exact number is unknown. \$446,511 is the amount that Kerry advised he needs in this fund. Dan stated that at this amount, the fund will go into the red. There is no way to fund it at this point so they are waiting to see what the contract amount is. Kerry stated that this makes Clark County pay for dispatch. Kerry stated that his isn't willing to request this. When the Detention Center was brought to the Commissioners initially, they were told that it would cover dispatch and jail. The assumption was always that it would fund itself. The only way that this can be funded at the full figure is to pull money from some other source. The Commission went into it thinking one thing and now that it is two years later the new sheriff is questioning it. Kerry suggested that the \$5-600,000 that they were putting into it should be forgotten. Kerry stated that dispatch is a county service for everybody and it isn't fair to add this into DC. Ronda stated that when this was presented, it was presented that the DC would fund dispatch. The separation needs to be looked at to see what the DC is bringing in, but with the funding that is coming in right now for DC it can't cover dispatch. Kerry said that the only way to come up with that is to cut services, which results in cutting inmates. Kerry feels that general county should pay for dispatch. The way that it was presented to the county is that enough money would be produced to cover it. Now, the county is being asked to come up with \$150,000 for the rest of forever for dispatch. Kerry said that we are well ahead of where we were three or four years ago. No one disputes that. When set up, it was presented that the DC would carry all expenses. There isn't money in the ending fund balance for general county to fund dispatch either. As the Board was told that dispatch would be funded by DC, the money was disbursed in other ways. There is no money in GC to pay for dispatch as the \$500,000 has been budgeted in many different ways. All parties agreed that they don't know how to handle this. A budget that is balance has to be sent into the state; this is why the number sits as it is until the contract rate is known. \$70 per day times 75 inmates comes out to over \$1.9 million. This will give \$50-60,000 towards the problem of dispatch. The Board agreed to wait to see what the results of the contract negotiation will be. Kerry believes that there will be a surplus at the end of this year. Dan can increase the revenues to accommodate the difference. Ronda suggested that money be put away for depreciation on this fund. This is a user fee generated fund. At the end of the year, if more money is generated Leslie can augment this fund. Ronda advised that there will reach a point where Kerry will have to decide what to cut in his budget if the money isn't there. This whole budget is predicated on what ifs. Dan advised the Board that the General Fund can only handle this \$200,000 hit one time, then the county will be broke. Wade suggested that Kerry get the maximum amount of inmates possible and maybe cut back one officer to find the "magic number" to pay all costs and cover dispatch. There is a number of inmates total versus officers that will generate profit. Kerry stated that he doesn't want to price us out of getting inmates; that is his biggest fear. If the county stays at these rates of increase, there will be layoffs. Right now the fund balance is \$275,000, which is a drop of nearly \$700,000 over a two year period. Kerry said that he will work with CC to see what type of increase he can get. Wade feels that a \$3.00 per inmate increase will cover the problem. Kerry believes that he will be doing well to get half that. Kerry said that he doesn't know how you set a budget with an enterprise fund. If the money isn't there, how will he not pay for food or utilities, etc? The givens are always going to be paid for.

#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 2:01; seconded by Bill. All voted in favor.**

Attest: _____ Approve: _____