



LINCOLN COUNTY BOARD OF COMMISSIONERS

March 22, 2010
Commission Chambers
Lincoln County Courthouse
181 Main Street
Pioche, Nevada

Commissioners
Paul Mathews, Chair
Bill Lloyd, Vice Chair
Tommy Rowe
Ronda Hornbeck
Ed Higbee

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

Chairman Paul Mathews called the meeting to order at 9:00. Clerk Lisa Lloyd called the roll.

PRESENT: PAUL MATHEWS, Chair
BILL LLOYD, Vice Chair
ED HIGBEE
TOMMY ROWE
RONDA HORNBECK

LISA C. LLOYD, Clerk
LESLIE BOUCHER, Recorder/Auditor
DAN MCARTHUR, Independent Auditor
PHYLLIS ROBISTOW, Grants Administrator
GREG BARLOW, District Attorney

There is a quorum present and the agenda was posted on 3-16-10 to comply with the open meeting law. The Invocation is offered by Tommy and Ronda led the Pledge of Allegiance.

#2-BUDGET FY 2010-2011

Human Services/Senior Nutrition/LC Transportation are presented by Toni Pinkham and Phyllis Robistow. Toni commented that Three Square has aided in keeping costs down; this will continue into the new fiscal year. If they fall short this year, all employees are willing to cut back one day as opposed to losing their jobs. It is estimated that revenue will be approximately \$5,000 less but the running rate will be much better than figured. It is believed that an additional \$15,000 will be included in this year's ending fund balance. Benefits have decreased. Capital purchases will be covered by grants. ARRA funds were extended and Toni will apply for a new building and new transportation vehicle for the office employees. Ronda advised that RTC has given \$30,000 to this program in the last years. RTC has decided to increase this funding to \$40,000 for the upcoming year and Toni will send a letter of request for the funds. There is no more ARRA funding for social service grants. Dan McArthur reviewed the budget requests. **IT budget** is presented by Tracy Lee of Xtreme Technologies. Total request is \$139,295.00. Tracy would like to purchase a new switch Extreme Summit to replace blown up equipment in the amount of \$4,700. \$86,400 is the total for Tracy's contract for technical services. Tracy advised this is the same amount as last year. Tracy asked that we change the way we process our data. Data bottlenecks have been created in the Courthouse as all DSL connections are run through one line. The SO has the same issue. J-Link is essential and is the entire link to the FBI; it can't be interrupted as it causes huge problems at the SO when it happens. Tracy is working to focus the data down specific trunks in order to avoid these situations. It is coming to the point where the data is mission critical. Total cost for the nine DSL connections is \$14,040.00. The email server will be moved from the SO to the Courthouse. ADS has indicated that the AS400 needs to be replaced; it will cost between \$25,000-30,000. Tracy has spoken with ADS. The location of the server and its age leave Tracy ill at ease and he would like to see it integrated with the existing Courthouse system. The operating system on this machine can't be patched; it's too old. All of the recorded documents are stored on this system so if it runs out of space the Recorder will have to stop recording. This piece of equipment is critical. If it isn't replaced this year, and there is a catastrophic failure, the offices that use the system will have to be idled. This means that checks can't be run and voter information can't be accessed. Tracy suggested the Board start setting aside 10% per year in an IT fund to pay for things like this. Dan discussed the Federal In Lieu Fund. Dan believes the overall request for all IT related things is about \$200,000; this includes ADS. Tracy advised that the Sheriff has included a server in his budget. Total cost for the Spillman server, Phase II, is \$80,000.00. **Recorder/Auditor** is covered now. Leslie Boucher reviewed her requests, which include floor mats, a map cabinet, clamps, and an air conditioner. Two cabinets were ordered after the flood but they've been filled. Leslie has to pay High Desert \$3,500 for imaging. Leslie then sells these document images to title companies, which reimburses the cost for imaging. Leslie budgeted for four battery

backups for the computers as well as 20% for her longevity increase. Leslie advised she forgot to include the 3% increase granted by Legislature in 2007. **Health Nurse** Jean Lucht is present to discuss her requests. There are no changes to the budget from last year. As far as Jean knows, the State will continue their portion of the funding. The contract LC signed with the State runs through June 2011. The State's goal is to bring everything down to the County level; this translates into unfunded mandates. Steve Chouquer is present to discuss the **Road Department** budget. Gas tax has increased a little. 1,300 miles of road is being put in and Steve believes they'll receive about \$500 per mile. No capital improvements this year. FEMA is asking for payback of approximately \$85,000. Greg spoke with the State concerning this. When the bills were sent in, they billed for time and equipment used to get material out of the BLM pits. When FEMA was audited, they realized they'd covered time, materials and equipment. PW52 and 88 there is \$19,000 on one and approximately \$55,000 on the other. Greg believes the State is correct; we aren't entitled to bill for material that didn't cost us anything. The State is claiming the gravel was free. Steve commented that this was a misunderstanding at the State level. The cost for repayment includes the match. This will be paid by April 2010. Steve commented if there are no spring projects there may be money in the fund to pay this bill. Currently, there is approximately \$156,000 in this fund for projects. This affects the ending fund balance and carryover for next FY. \$60,000 is removed from FEMA reimbursement for 2010-2011. The ending fund balance will be \$228,984. The only adjustment to this budget would be the CPI. Leslie advised the insurance is incorrect and will need to be adjusted as it has increased. **Clerk** budget is reviewed. Wages for the Clerk are increased to \$56,832 pursuant to statute. Lisa Lloyd advised that some of the election costs could be lower, but at this time it is unknown what company will be used for sample ballot printing. **District Attorney's** budget is reviewed by Greg Barlow. Greg advised the budget is mostly the same, but they've budgeted for a new copier. A 3% increase is included for the DA's secretary, Mercedes Howard. **Public Administrator/Public Guardian** are reviewed. The request for Public Administrator is the same as the prior year; \$3,000. Ronda questioned why Wendy Rudder didn't handle the McKee estate. Greg advised that he chose to take that on as Pearl McKee wouldn't have tolerated Wendy and it allowed Pearl to be kept in a comfortable manner. **Treasurer** Kathy Hiatt reviewed her budget. \$5,500 is included to put the taxes on the web site. \$3,800 is included in IT requests for the Recorder's portion to put information online as well. It is approximately \$22,000 for the Assessor, Recorder and Treasurer to have ADS put their information online. A 5% increase will be added to Kathy's salary to cover the statutory increase as well as longevity. Services and supplies are the same as they were last year. Kathy advised her biggest expense is the tax bills, which are purchased from Intraform; exact cost for the printing is unknown as it changes yearly. The **Assessor's** budget is reviewed. Services and supplies decreased. **Sheriff** Kerry Lee reviewed his budget. Total for the Sheriff's budget is \$1,346,480.35. Two computers will be replaced. Kerry advised they desperately need a phone system that provides for voice mail. Capital outlay for the SO has been split with Patrol for a total of \$10,000. Kerry has been working on Reverse 911. Kerry and Rick Stever have been working with a company called Code Red; they have all of the equipment and will charge a yearly fee. The cost is based on population and LC may go in on the system with White Pine County. This is basically a public alert system in the approximate amount of \$4,200 per year for 700 minutes. Kerry prioritized as follows: 1. Spillman Server, 2. Electronic Secretary. \$4,000 was approved last year for the purchase of a Connex box, which hasn't been done yet. There were no salary increases as the union will negotiate this year. Last year 5% was cut from services and supplies. Some of the things cut included uniform allowance. Kerry is concerned about fuel and maintenance on the vehicles. This year maintenance will be over as the cost of tires increased so much. Purchasing fuel through the County has saved quite a bit of money. Industrial insurance decreased, which resulted in an approximate \$20,000 savings. Kerry discussed the grant for traffic enforcement overtime; last year it was for \$36,000. Kerry asked how this grant is reimbursed to his overtime. Dan advised the Sheriff's budget should be augmented when the funding comes in. Leslie advised she was offsetting it as opposed to augmenting. The revenue goes through the grant fund. The expense is coming out of the Sheriff's fund and the grant needs to be moved over to the General Fund; this results in an automatic augmentation. Kerry commented that they don't know from year to year how much the grant will be; it's being paid out of his overtime, but isn't being reimbursed to his fund. Dan recommended it come in as revenue and then his budget will be increased by the actual dollar amount received. Phyllis will cut a check to General County. There is an increase to the **Caliente Contract**. Caliente is running about \$100,000 short on their budget; they didn't indicate a cut, but the cost for the contract is \$75,000. **Detention Center** is discussed. There are no salary increases and everything else stayed the same as last year. Kerry advised they go over every year in vehicle fuel. Kerry believes there will be an increase for the nurse contract services. The gas hot water heater needs to be replaced; it's rotting through. It's about \$6,500. Capital outlay is prioritized: 1.

Hot water heater, 2. Sump pump, 3. Cameras, 4. Computer equipment, 5. Restraint chair, 6. Lockers, pressure washer, and SERT equipment. **Dispatch** is the same as last year; no salary increases. Under 2011 Vehicle Capital Fund, \$35,000 is for ongoing lease payments for three Expeditions. \$27,000 is budgeted as a lease payment for three new patrol vehicles. \$20,000 is requested for upfitting of the vehicles. Spillman is budgeted at \$17,735.00. Kerry reminded the Board that the Air Force contract covers the cost of the leases and the vehicles. Nola Holton reviewed the **Pahrnagat Valley Justice Court and Alamo Annex**. Nola budgeted for a 5% salary increase as well as budgeted the facility fees and AA fees. Neither of the clerks will receive increases. Ronda advised that the use of facility fees for serial contracts could get the County into trouble. Nola commented that these fees are subject to different terms than regular County fees. There is some discussion about signing a contract. State law requires a contractor to do work on a commercial building. Cory Lytle stated that he believes the Board signing a contract protects the County. Nola commented that this limits her use of the money that is completely under her control. Nola further commented she can hire anyone or do anything she wants with that money as long as she follows statute. Nola stated that every project she's doing is being considered one project. Dan audits many different counties and this is a problem in every county. There are AA fees and then there are facility fees. There is no question about who controls the AA fees; there is a question about who controls the facility fees. Statute says "the county" can spend the money. State statute for bid compliance indicates that any contract in aggregate amount, if it's over \$50,000, has to be advertised for bid. Renovation or addition for a justice court is covered by the facility fees. Painting was done in MV Justice Court, but Dan doesn't feel that's renovation. The State advised Dan that painting or hanging wallpaper is renovation. When Dan lists a compliance finding it is an auditor's interpretation. Dan has asked that these laws be cleaned up; now it is the Courts versus the County Commission. If it's the Court's money, Dan doesn't understand why it's on the County's books. This is a statutory problem. Dan wasn't certain as to the answer, but there is a great deal of frustration. Dan would like a clear answer as to whose money it is. Nola asked Deputy DA Daniel Hooze to research this. Daniel believes the courts can spend the money in whatever way they want as long as it's used for renovations. Cory recommended a contract be done regardless of who has the right to control the money. Paul asked that Nola follow County processes to accomplish the work. Nola has worked through Cory on all of the improvements and suggested that she might sign the contract if she receives help from Cory in drafting it. Nola stated they are working to improve their building so the community has a place to go; they'd like to have a building that they can be proud of. Alamo Annex has a plumbing problem. Nola can make the decision on how to spend the money while using County rules. Nola doesn't believe they have to go through the bidding process. Ronda advised the issue isn't who owns the money; it's whether or not they have to go through the bid process. Dan stated that if it's the Court's money it doesn't have to go to bid. However, the County owns the Alamo Annex. Greg cited that you can't accomplish a large project by doing it in small pieces in order to avoid the bid process. The DDA's opinion is that, if the entire project can be paid for through facility fees, there is no requirement to go to bid. The power bill was increased for the Alamo Annex and \$3,500 is included for capital outlay. Nola offered to help pay for the roof repairs on the storage building behind the Annex. Mike Cowley reviewed the **Meadow Valley Justice Court**. The process for payment of credit card fees is going to be changed; this results in a decrease in services and supplies. MVJC has a new case management system that will be paid for with AA fees. Accurate account will be paid for by AA fees as well. This reduces services and supplies by 25%. Mike requested a 5% increase. Mike budgeted a 5% step increase for the Court Clerk and 3% increase for Denice Brown. Mike advised that he uses Denice about 50% of the time. Paul spoke with Phyllis and Brenda; this position salary will continue to be split equally between three departments. Laura Johnson discussed **Juvenile Officer**. No changes from last year. Leslie reminded the Board that a change in the Sheriff's contract will result in a change for Laura's contract. If they get a raise, Laura gets a raise. **Planning** is reviewed. Dawne Combs is present. For the current year, this fund will go negative \$38,000 by the end of the year. Clint is requesting \$133,000 from fund 93 to cover costs for planning projects that are either underway and have been previously approved or for new projects. If the pre-disaster mitigation plan is received it will be paid for through grants. \$296,000 indicated in Fund 93 is a disappearing amount that will not be regenerated. Bill stated no one is doing anything in Toquop or Coyote and questioned why this department needs so much money. Clint hopes to get the ground controls completed for surveying purposes. There isn't a great deal of outside revenue, so this department has to be funded out of Fund 93. Clint requested a 3% increase for both he and Dawne. Clint has also requested an increase in the stipend for the Planning Commissioners. \$4,500 is budgeted for more memory for their server. Cory Lytle discussed **Building Department**. Cory has been tracking his time when working for three different departments. Operating revenue for Building Department revenue is budgeted at \$48,000. Wages and salaries is \$95,800 for both Cory and

Richard Simpson; this includes a 3% increase. Total operating costs is \$112,400.00. Buildings and Grounds, Fund 108, is questioned by Cory; what does it fund? People have started coming to the Building Department to get things fixed, i.e. airport, libraries, etc. Cory budgeted for a County vehicle replacement in the amount of \$20,000. Total operating costs for Fund 108 is \$191,300.00. Work or repairs on any buildings used to come before Board for discussion and approval. Leslie said there isn't enough money in Fund 108 to cover all of the repairs and whatnot being done. Paul agreed and stated it's an issue for the County in that we can build things, but don't have the money to maintain them. Small capital project things should be taken out of the General Fund, Paul said. There are also Land Act and PILT funds to consider; these can be used to establish a maintenance fund. Dan asked if it is important for the Commission to really know how much it costs to maintain the airport. Is it important for the expense to come out of the airport fund so it's known how much it really costs? Yes. Fleet services should be termed General Services, Dan commented. General Services would be used for immediate repairs and then bills would be sent to the entity that needed them. The money would then be reimbursed to this account. It is possible to augment the budget each time repairs are made and this would show true costs. A quarterly augmentation could be done. Contract services will be increased slightly as buildings will be added for pest control. Thompson Opera House will earn about \$300 this year for rental fees. Leslie has requested a job description for Cory. All costs for work on the SNPLMA grants will be reimbursed. Cory commented that Tischler/Bise is going to say the fees aren't high enough. Cory disagrees with that; he is providing what people are paying for and he doesn't expect to gouge people. There is some discussion about purchasing a new car for the County's fleet. Phyllis reviewed **Grants/Indigent**. Grants have decreased somewhat based on using a County car for travel. Phyllis budgeted a 3% increase for both her and Denice Brown. SNPLMA funding will be used to purchase a new laptop. Phyllis budgeted the **Airport** the best she could; insurance rates have increased. Thompson Opera House is budgeted for \$3,000. The heating/cooling bills will use up the \$3,000 quickly. It costs \$500 annually for maintenance of the sprinkler system, and the building has to be kept heated during the winter. Phyllis expects to have \$120,000 left in the indigent fund this year unless something drastic comes in. \$175,000 will be budgeted for PILT match. Ronda suggested that \$10,000 per year be set aside in the PILT fund to purchase computers. Paul suggested that this \$10,000 be used on an as needed basis as opposed to designating it to certain departments; hold onto it until someone's computer blows up and then it can be replaced. **Ronda made a motion to have Dan create a new line item under the PILT fund with \$10,000 to be used for emergency replacement of computers; seconded by Tommy. All voted in favor.** LC Regional Development Authority has requested \$50,000 from the County, to be derived from DOE Yucca Mountain oversight funding. Nothing has been spent on MSHCP so it will be rolled over into next year. Fund 72 will have \$10,000. Land Act Education Fund has \$160,000. Rick Stever presented the **Emergency Management** budget. At this point State funding is stable for this position. Rick budgeted for a communications tower on Treasure Hill in the amount of \$25,000; this money will only be spent if the grant is awarded. Rick commented that he turned back over \$33,000 last year and it would've funded a vehicle. Currently, Rick has a portion of the \$25,000 needed to purchase a new vehicle in 2012. **LC Library** is discussed. It looks fine. **Museum** is fine as well. Tim Perkins reviewed **Regional Transportation Commission**. Tim advised that they will receive an additional \$50,000. \$10,000 will be added to Pioche, Panaca, Caliente, and Alamo. \$40,000 will be budgeted for transportation. All of the funds will be budgeted in services and supplies. **LC Fair and Recreation** is discussed. Capital projects money will be used to finish the building under the Question 1 program. This budget is fine. Dan still doesn't have firm figures for **Alamo Town**. Nathan Adamson reported that sewer rates have increased 52% for **Pioche Town**, as have a couple of others. Residential went from 241 to 315. Nathan is meeting with someone from USDA tomorrow; she may suggest rates be increased again. The overage was lowered from 15,000 gallons to 12,000. Anyone who uses more than 12,000 gallons will pay an extra \$3.15 per month. Water customers have increased from 369 residential to 467. **Panaca Town** is spending more money than they're bringing in. Dan will make it balance. Holly Gatzke reviewed the **Cooperative Extension** budget. Holly commented that the budget is mostly identical to last year; the bottom line is the same. Louise Buettner and Missy Rowe discussed **Ambulance Services**. Projected revenue is approximately \$138,000. Missy suggested the base rate be increased again by about \$50-75. Base rate is \$604 with an additional \$12 per mile. Medicare will allow paper billing until the electronic conversion is made. Missy projects the Medicare numbers will be a good cash source of about \$65,000. Commercial and private pay is going very well. An ambulance claim is turned around in less than 30 days. Billing software is up and running. **Housing Authority** looks fine. **Solid Waste** is reviewed. Commencement of collections for back payments will begin shortly. This fund is constantly being supplemented. There is some discussion about having the Treasurer send out the bills in November after the

Recology increase has been approved. Something to consider would be including the solid waste fees on the tax bills as an assessment, not a tax. Leslie asked what the penalty will be if this isn't paid. When you don't pay your taxes the first quarter penalties begin to accumulate. The Board agreed a penalty would be generated; this is the incentive to get people to pay. There is some question as to whether or not property can be taken as this assessment will be tied to property taxes. The Solid Waste budget stands as submitted with an ending fund balance of \$33,539. The Board reviews **Commissioners**. Travel was increased but services and supplies was decreased. Ronda commented that the Commissioners haven't taken their longevity or any increases last year. If everyone else gets a 3% increase Ronda suggested the Commission take a vote on giving themselves raises. Paul commented the critical thing to consider is the bottom line of the budget. Paul stated it isn't possible to repeatedly balance the budget on employee's wages. Dan will include the 3% increase plus longevity for those Commissioners who are eligible. **General County** is reviewed. \$451,000 is the difference between revenues and expenditures. Consolidated tax is worse. Clerk's fees are decreased to \$6,000. Recorder fees are increased to \$50,000. Sheriff Fees is decreased to \$2,500. Assessor's fees remain at \$36,000. DA fees are reduced to \$500. Interest number is decreased to \$12,500. With these adjustments, it brings the deficit to approximately \$480,000. Property taxes are down about \$100,000 from last year. Consolidated tax is down by about \$200,000 from last year. Expenditures are \$4,347,674 and expenditures are \$3,982,060. Dan doesn't believe anything can be done with salaries and wages unless the Board has layoffs. If services and supplies was about \$1.4 million it will generate \$140,000. This is a 10% cut. The 3% requested salary raises pertain to the majority of non-contract employees, except for the Road Department. 3% with benefits might cost the County \$50,000. Based on the way this budget sits right now, the Board could make it through the end of next year with a positive ending fund balance since there was a surplus. There isn't much left in the contingency fund. The statutorily required 4% is about \$170,000. Union's can't touch anything less than 8%, so there is nothing to negotiate outside of this general fund. The entire surplus will be spent this coming year so then negotiations would have to attack outside funds. The ordinances put in place prevent expenditure of outside funds on wages. Dan doesn't believe the unions can come in and make the County change the law. Every office tried their best to keep expenses down, so we've ended up with more money than we thought we'd have. Leslie commented she's starting the augmentation process; she'll have to put money in the vehicle fund as well as Planning Department. The Air Force money is for services rendered by officers patrolling the boundaries of the test site; it isn't specifically for cars. This money is for reimbursement of time, benefits, and the cost to run vehicles out there. The Test Site isn't writing a check for cars. The money flows into the General Fund, and then so much is transferred into Capital Projects to purchase cars. This isn't a direct item of "here's the money for you to buy cars". Truly this is a "shell game". This is not a capital grant the County is receiving, Dan said. This year the money was left in General County. Last year, the money was left in the General Fund and these vehicles are being purchased by Capital Projects. There is no money in the Vehicle Capital Fund right now. There is some discussion about only replacing patrol cars that have high mileage instead of buying three cars simply because there's enough money; it will save a job. There are some changes that need to be made to the Capital Outlay Requests. \$300,000 is removed for Tri-County Weed. \$125,000 is removed for Million Dollar Courthouse renovations. \$300,000 is removed for Courthouse renovations. \$36,854 is removed for the Fairground improvements. The fund balance for Capital Improvements will continue to decrease as long as the spending trend continues. Without creating more revenue we won't overcome the \$480,000; we might get to a safer spot. Unless something more drastic is done like layoffs. With a 10% reduction to services and supplies there is still a \$380,000 deficit. A memo will be sent to all departments advising of the deficit and requesting that they make a concerted effort to decrease services and supplies by 10%. The Road Department is down \$85,000 and Ronda asked if they can function. Yes, typically they never spend what they say they'll spend. Another thing to take into consideration is that RD might be fined for knocking down Joshua trees. These fines would be taken out of the RD fund.

#3-PUBLIC COMMENT

Paul called for public comment. There is no public comment.

#4-ADJOURN

There being no further business for the Board to attend to, **Ronda made a motion to adjourn the meeting at 5:24 p.m.; seconded by Ed. All voted in favor.**

Attest: _____ Approve: _____

DRAFT