



LINCOLN COUNTY BOARD OF COMMISSIONERS

April 12, 2011
Commission Chambers
Lincoln County Courthouse
181 Main Street
Pioche, Nevada

Commissioners

Paul Mathews
Kevin Phillips
Tommy Rowe
Paul Donohue
Ed Higbee

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

Chairman Tommy Rowe called the meeting to order at 8:16 a.m. Clerk Lisa Lloyd called the roll.

PRESENT: PAUL MATHEWS
KEVIN PHILLIPS
TOMMY ROWE
PAUL DONOHUE
ED HIGBEE

LISA C. LLOYD, Clerk

There is a quorum present and the agenda was posted on 4-6-11. The Invocation is offered by Kevin and Paul M. led the Pledge of Allegiance.

#2-FY 2011-2012 BUDGET

Dan McArthur presented the overview of the FY 2011-2012 budget. Dan discussed the current tax rates and the history thereof. The overall combined rate is 2.4806. The assessed valuation has doubled over the last ten years. The property tax rates for the county have stayed fairly consistent. Dan presented a listing of staffing fulltime equivalents for the last ten years. Staffing levels in 2003 included 68 personnel, 2011 levels are 115.5. Tri County Weed control has 12 of the 115.5. Public safety has increased by 16 employees since 2003. Dan recently met with Pioche Town concerning budget issues. Pioche Town has 5 regular employees and will hire about 3 part time individuals for summer work. Dan reviewed the combined functions of the county from 2001-present. 2011 revenues are the smallest of any other year. Property taxes have doubled since 2001. Salaries and wages were \$2,395,920 in 2001. In 2011 salaries/wages were \$3,557,840. Benefits have increased from \$820,654 in 2001 to \$1,731,540 in 2011. Consolidated taxes for 2012 are barely above 2001 levels. Property taxes have increased to 24.41% taxes. The county imports taxes from other counties, and when there are problems in those other counties it impacts LC. Coyote Springs has requested a decrease in their assessed valuation. Total revenue for 2012 budget is \$9,986,224; total requested expenditures for 2012 is \$11,753,594. Expenses are reflected in the budget, but there are no additional revenues. Dan is concerned as it is unknown what the Legislature will do with the tax structure; that makes it difficult to make decisions about balancing the budget today. Revenues in 2001 were \$3,098,956; 2012 revenues are \$3,854,456. Total expenditures for 2001 were \$2,916,455. Total expenditure requests for 2012 are \$4,344,633. Dispatchers and jailers have been removed from this budget, yet the expenditures continue to rise for the general fund. If the Detention Center expenditures were still in the general fund, total expenditure requests would be an additional \$500,000 or more. Current projections show the 2012 budget in the red by \$48,000. The root of the issue is that consolidated tax continues to decrease. Dan discussed the tax rates; some are discretionary and some are set. Museum, Senior Nutrition, and County Library are discretionary. Dan suggested that these can be moved into the general fund if the Board desires. The approximate amount that these three entities bring in for tax dollars is \$200,000. Paul M. commented that the only option the Board has, taking into consideration the unions, is to lay people off; unless all the units come together and agree to a reduction. Sheriff Lee advised that all departments have been cutting for several years now; the only thing left to cut is salaries. Laying off union members will require the "last hired, first fired" approach. There is some discussion about buyouts and the need to leave positions empty once the buyouts have occurred in order for it to be a benefit. PERS has increased again this year by 2%. Kevin commented that this is simple math, guided by certain principles. Kevin would be uncomfortable spending that which we can't afford. **Kevin made a motion to structure the budget to be sustainable according to the revenue stream; seconded by Ed.** Ed asked what this will mean if this motion is passed. Dan advised that

this would mean taking available revenue in the fund and adjusting the expenditures to meet the revenue. Paul M. stated that trying to be fair between the unions is a joke; he tried really hard last year. When all was said and done, some of the unions ended up with a worse deal than others. In order to change the use of the PILT funds, the ordinance will have to be amended. Kevin commented that the one time funds shouldn't be used to balance the budget; it's time to live within our means. **All voted in favor.** The motion establishes a principle that the Board will operate within their means. Paul M. asked if a list can be generated of those individuals who might be interested in retiring. Paul D. asked if the Board will take a hard line and make the cuts or try and make it a team effort and work with those in the county. Paul M. asked why the Board negotiates; the Board should just give the departments a budget, tell them to live within it, and have the department head make the cuts to get to the point of living within their means. There is some discussion about submitting the tentative budget when it is still unknown what the impacts of the Legislature will be. At this time, the budget can be adjusted to meet the basic principle the Board voted on. At this time, Dan will cut every department equally. Dan will remove all step and cost of living increases. Paul M. stated that the bottom line is that the cuts have to come from salaries/benefits, whether that is salary cuts or layoffs; this is all that's left. Leslie asked what the problem of combining the Planning/Building Department again. Cory Lytle cited that the idea of keeping the funds separate goes back to what projects they are working on; Buildings/Grounds is also mixed into that. Cory was fine with leaving them as is or combining; about the only expenditure that would go away would be the phone. Cory feels the Building Department should be a special revenue account, not just a revenue account. If the tax spike is based on Coyote Springs/Toquop area developments, Paul M. asked why there isn't enough money being funneled into the Planning/Building Department. Paul M. asked why big infrastructure projects are being planned when the developer hasn't provided anything to back it up. Paul M. commented that nothing has been seen to show that we should be considering it. If the Board is working on ideas to spend the GID funds, then the money should be spent to fund necessary, connected personnel. Tax money is being generated by these areas and there should be minimal return. Paul M. commented that if the funding isn't taken out of the GID, it doesn't help the immediate problem; it's still a problem. Dan commented that the GID is generating \$200,000 per year in property tax. Kevin feels that Planning is a legitimate expense for these funds. There is some discussion about the separation of the GID from the county. The GID is a sub-entity of the county, and Paul M. advised that it has to operate in whatever way the county directs. Fund 93, LC Land Act Planning, has \$209,000 in it. It was decided that if the money was spent it is depleting funds; this isn't the interest amount and would be going against the motion that was just passed. Paul M. further said that much of the money from this fund has been spent on contractors. The Board agreed that we need to reach a point where all of our jobs are sustainable, not being supplemented from other funds. There is continued discussion about the need to fix the ongoing issues with the Building/Planning funding. Toquop and Coyote Springs have created problems with their inability to meet the requirements of their development agreements; if they were in a position to meet those requirements, these departments would be flush with funding. The Board agreed to hold the next budget meeting on April 27 at 8 a.m., tentative follow-up meeting is May 4 at 8 a.m. Cuts will be made based on today's motion and it will be up to the individual offices to address the Board and advise as to why they can't live within the budget handed to them. Dan asked about the capital outlay plan and asked that the Board address it. **Kevin made a motion to authorize Dan to adjust the budget to bring it within current projected revenue (wage increases will be cut first, with further cuts being made equally to all departments if necessary); seconded by Paul D. All voted in favor.**

Public hearing on the final budget is set for May 16 at 1:00 p.m.

#3-PANACA FIRE DISTRICT

No discussion is held on this district as the budget was previously addressed.

#4-LINCOLN COUNTY FIRE DISTRICT

No discussion is held on this district as the budget was previously addressed.

#5-PUBLIC COMMENT

Tommy called for public comment. None offered.

#6-ADJOURN

There being no further business for the Board to attend to, Tommy adjourned the meeting at 11:39 a.m.

Attest: _____ Approve: _____

DRAFT