



## LINCOLN COUNTY BOARD OF COMMISSIONERS

March 16, 2016  
Commission Chambers  
Lincoln County Courthouse  
181 Main Street  
Pioche, Nevada

### Commissioners

Paul Mathews  
Kevin Phillips, Chair  
Adam Katschke, Vice Chair  
Paul Donohue  
Varlin Higbee

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

Kevin called the meeting to order at 9:08 a.m. Clerk Lisa Lloyd called the roll.

PRESENT: PAUL MATHEWS  
ADAM KATSCHKE  
KEVIN PHILLIPS  
VARLIN HIGBEE  
ABSENT: PAUL DONOHUE

LISA LLOYD, Clerk  
DANIEL HOOGE, District Attorney

There is a quorum present and the agenda was posted on 3-10-16. The Invocation was offered by Adam and Kevin led the Pledge of Allegiance.

### **#2-PUBLIC COMMENT**

Kevin called for public comment. None offered.

### **#3-FY 2016-2017 BUDGET**

Dan McArthur advised that the abatement law is having an impact on the calculations for property tax this year. It has something to do with the 10 year averaging of property values. Property tax information hasn't come out from the state yet but is due 3-25. In the past, property taxes can go up 3% residential and 8% on commercial. Due to how this calculation works, you factor in the last 10 years. They're using 2008-2017. Property values will be lower and it appears that property taxes will not go up at all. Projections are at 2/10 of a percent. Personal property is generally decreasing in value once it's purchased. If there are no new purchases by businesses the value decreases. Centrally assessed is similar to real property and this is where NV assesses the tax; it's for things like utilities. Dan believes the property taxes for the coming year will be the same as last year or slightly lower. Dan left the property taxes for 2015 and 2016 at the same rates. State's projections for consolidated tax is up by about \$30,000. Generally, these estimates are fairly accurate. The gas tax revenues show an increase of \$80,000 last year over this year. The biggest increase is in the \$2.35 per gallon tax. Usually the state is very close to where they should be on these projections. They are projecting this higher because the tax per gallon is higher in spite of the price of gas being lower. Since the price of gas is down, people will be driving more. FILT is projected to be \$859,000. The balance of the revenue projections do not have a significant impact on the County, other than the issues with the Detention Center. Dan hasn't worked on the DC fund with regards to revenue numbers yet. There are ongoing discussions about the DC and the Clark County contract. Dan has left the revenue number the same as last year. Sheriff Kerry Lee stated that the last discussion with Clark County is that they're not in such a hurry. Kerry advised that Clark County doesn't seem to act like it's that big a deal. For a while, they were in a rush to go but now they're saying they aren't even looking at changing anything until this fall. Kerry agreed that revenues should be left where they are and if something negative happens it can be dealt with accordingly. The only thing we can do is budget the way we have in the past, move forward, and hope for the best. This is billed at 90 beds, 360 days per year, \$74 per bed. We are currently down in inmate numbers; we're in the 80s. Dan will amend the revenue projections to be at \$74 per bed, which will be about \$100,000 less (about \$2,462,300). Currently, a loss is being shown for the DC. It is mostly due to salary increases and the industrial insurance has gone up significantly. Just for jail and patrol the increase in industrial insurance was about \$60,000. Kerry commented that he simply doesn't understand why it increased so much. It increased by nearly 50%. POOL/PACT has been tough on LC since we had the water damage; they haven't given us any claims we've asked for. Kerry stated that as of January

2018 the AFIS machine they use to fingerprint people will no longer be accepted by the state. Everyone in the state is getting new machines with the exception of four entities; we're one of them. A new fingerprint machine that is compatible with AFIS will have to be purchased; approximate cost is \$15,000. If we wait until January 2018 we will have to pay the normal price for the machine. If we want to piggy back on the current price we can do that. There is funding available in the enterprise fund to pay for this. Kerry asked that this be added to the capital outlay for this coming year. Dan budgeted \$15,000 for this machine in the enterprise fund. Kerry will report back to the Board concerning the timeline on the bid. If the bid is only good for 60-90 days he will come back to the Board to purchase the machine out of the current year's budget. A portion of the Health Nurse's assistant has been moved to Medical Indigent. Paul M. asked if there are any unfunded mandates. No. There are contract increases that will have to be addressed this year. Dan discussed other revenues to the General Fund, which are consistent to the prior year. Revenues are projected to be \$4,593,519; this is an \$81,276 increase over last year. Total expenditures have increased by \$136,081 from last year. Wages submitted were based on the approved scales. Health insurance includes worker's comp and retirement costs. The contingency line item of \$140,000 was included. \$4,000 was included for transfer to China Springs. \$215,000 was taken out for property tax money (Air Force money that is transferred into special projects). The fund balance in the General Fund will drop to \$228,472. We started the current year with \$1.2 million but we're removing \$341,000 to the special projects fund. The net effect is that the fund balance decreases. \$174,320.08 is the required minimum balance. The Medical Indigent Fund was discussed. This fund is driven by NRS; in order to spend money from this fund the Commissioners have to create a process to determine who is indigent. These monies are generally intended to be spent solely on indigent costs. Elaine stated that Medical Indigent has always had a line for salaries. Documentation is required showing that it is to benefit indigent. The public health nurse's patients are mostly indigent. There was discussion concerning moving the public health nurse's and her assistant's salaries into medical indigent. Dan commented that salaries can be paid from General Indigent Fund. Dan met with Nye County DA concerning this issue. The problem comes when you use the medical indigent fund. Most of the counties have done away with the medical indigent fund. With the passing of the affordable care act no one is really considered indigent. There are so many people who are falling between the cracks now. Keeping this as medical indigent is great, Elaine said, but it is no longer a requirement. Dan responded that the problem is that the NRS that levies this tax specifically says it is medical indigent. Dealing with the Department of Taxation requires us to have this fund at the budgetary level. When the Treasurer collects the money it must go to the indigent fund. Dan continued to discuss the health nurse. The health nurse has historically been in the General Fund. The suggestion is to move the \$79,000 for salaries of the health nurse and moving it into the indigent fund. A paper trail would be required to show how many indigents they are serving is required and only a portion of the salaries can be moved to the indigent fund. Some of the health nurse's costs are based on assessments Nicole Rowe sends to the state; this portion can come out of medical indigent. The wage being discussed for moving to the indigent fund is the assistant. \$45,000 is for the administrative assistant to the public health nurse. No salaries were moved at this time. Pahrnagat Valley Justice Court did not submit a budget; Dan used last year's numbers. Alamo Building and Grounds numbers were kept the same as last year. Pioche Buildings and Grounds Insurance was reduced by \$25,000. Tax penalties and costs was increased to \$45,000. The General Fund balance is now \$309,000; this includes leaving the contingency number in. Daniel advised that we have a couple of big legal liabilities that must be addressed and included in the budget; Hardy appeal and the tax appeal on Level 3 Communications. More than \$800,000 will have to be budgeted for Hardy as we have interest to consider now. Paul M. stated the cutting the Board would have to do to budget for this amount of money is ridiculous. All the IT, technology, grant match, etc., would have to be cut. Jobs would also have to be cut to pay this lawsuit. If we lose the appeal it will be devastating to the County. Dan added \$40,000 into Solid Waste Management as a transfer in from FILT. This money will not be transferred unless it is needed. \$10,000 was removed from FILT for the purchase of a movie screen for the Thompson Opera House. Ending fund balance for FILT is \$1.8 million right now. The Planning/Building shortfall needs to be addressed. Flood Control was addressed and discussion held concerning the need to choose and budget for a project each year. Dan added a line item in FILT called Basin Maintenance and \$10,000 was budgeted. Not only can projects be done via this budgeted item but it can be used for the flood studies. There was some discussion concerning acceptance of presentations from each community for the use of these funds. Paul M. suggested that the Special Projects fund be used for county buildings and FILT special projects be used for other projects. Dan changed the \$20,000 in Flood Control to come in from FILT. Basin Maintenance was added in the Flood Control Fund also with the amount of \$20,000. Public Works, Capital Outlay, under FILT was increased to \$60,000 (this includes the \$25,000 that was

budgeted for the current year); this is for town projects. \$75,000 was budgeted for intergovernmental under FILT. Dan addressed Special Projects. Total requests for this fund is \$337,000. Dan removed previously budgeted flood control monies from this fund. Ending fund balance on this fund is \$94,536. Cory advised that the parking lot at the Senior Center in Alamo is in wretched condition. \$431,336 is the balance for the Special Projects fund, Leslie said; Dan adjusted for this amount. Cory advised that at least \$350,000 is needed for the courthouse restrooms; Dan adjusted accordingly. \$10,000 was removed from this fund for Mathews Drop Structure and moved into FILT. The new fund balance for the Special Projects fund is \$194,336. This fund also has a contingency fund. The Board discussed the JCCIAC budget. Adam commented that if Connie Simkins isn't here, all of the things she does will fall to another department. Adam would like to keep Connie around and fund JCCIAC out of PILT so Connie can keep her job and keep the Board apprised. There is a projected carryover of \$54,000 in this budget and the cost to keep this office open is \$88,000. The Board agreed to transfer in \$35,000 from PILT to fund the Nuclear Waste office. Dan reviewed the capital outlay requests. DC has requested \$51,900 for capital outlay but this includes several items that were budgeted for in the current year. Dan added \$60,000 in for FILT Capital Outlay for the Detention Center improvements. The Board agreed that this should be an annual amount that will accumulate and be used to pay for upgrades that will be needed to the DC. The Board agreed to move all of the DC 2016 projects over to 2017 so they can also be completed. Dan reviewed the capital improvements request list. Current projects are that approximately \$14,000 will carryover. \$55,000 was removed for Capital Projects Buildings and Grounds. The Board agreed that the requested \$175,000 request for the Emergency Management office building needed to be adjusted. If it was for an office space then the Board would find a new office for Rick. If it's for a new building, then all entities using it will be asked to contribute to the cost. \$200,000 will have to be eliminated from this fund as the ending fund balance is a negative \$201,000.

**#4-PUBLIC COMMENT**

Kevin called for public comment. The next budget workshop is April 12 at 9 a.m. Daniel asked the Board to consider organizing a team to negotiate contracts with the Law Enforcement Association.

**#5-ADJOURN**

There being no further business for the Board to attend to, Kevin adjourned the meeting at 1:02 p.m.

Attest: \_\_\_\_\_ Approve: \_\_\_\_\_