



LINCOLN COUNTY BOARD OF COMMISSIONERS

May 31, 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 4:16 p.m. Clerk Lisa Lloyd called the roll.

PRESENT: PAUL MATHEWS
ED HIGBEE
TOMMY ROWE
PAUL DONOHUE

LISA LLOYD, Clerk
DANIEL HOOGE, District Attorney

ABSENT: KEVIN PHILLIPS

There is a quorum present and the agenda was posted on 5-23-11. The Invocation was offered by Paul D. and Tommy led the Pledge.

#2-FY 2011-2012

Dan McArthur presented the current proposed budget. There has been concern about the state taking excess fund balances; the Supreme Court ruled that that can't be done. The present shortfall between General Fund, Planning/Building Department total \$141,753.00. The General Fund balance needs to be \$157,000 or higher to meet the required 4%. Additional adjustments have been made since the last budget hearing to include correct numbers for benefits/retirement. Dan was unable to meet with the Law Enforcement Association (LEA) members. The salaries included in the budget show the salaries with a cap, or freeze. Expenditures are a great deal higher than revenue. Fuel costs are becoming an increasing problem for many of the departments; this hasn't been factored in to get the budget to balance. The budget is prepared with an eye to current expenditures. Statutorily no department is allowed to overspend their budget. Dan advised that carryover through the last few years has ranged from 4-10%. There are some delinquent property tax accounts that total more than \$100,000. Paul M. discussed the history of the meeting with the LEA. Based on the county's current contract with LEA, they would need to make voluntary concessions to what was budgeted. LEA made an offer and it was about \$60,000. If the county accepted the LEA proposal it will add \$20,000 to \$140,000 deficit. Dan advised that the Legislative Session hasn't concluded and they could make changes to how our revenues will work. There has also been talk of a Special Session. PACT increased and that has had a large impact on the budget deficit. There is some discussion about funding from the Coyote Springs GID to be used for supplement in Building/Planning. Paul M. anticipates that funding may be received to close the gap between Building/Planning, but it won't be enough to cover the entire deficit. Paul M. commented that the money coming from the GID can't be plugged directly into the Building Fund; it has to be done by billable hour or services rendered. This means that the work that Cory Lytle does will have to be directly related to the GID. Daniel Hooge advised that it's okay for the funding to go directly to the Building Department, but it has to be tied directly to work done through an agreement between LC/GID. The total deficit at this point is \$161,000, which includes the additional \$20,000 that results from the agreement with LEA. Dan believes that \$58,000-60,000 is the amount of work that will be billed to the GID. The Board agrees to budget \$55,000 as coming in from the GID to the Building Department. There is some discussion about the various districts being billed for use of County Auditor services. Wade Poulsen addressed the Board and cited that the county provides basic services to LCWD; the county needs to outline those services and then bill LCWD so that they may pay. If there are other services that LCWD needs to pay for, they will pay into those things (including GIS). Dan feels that \$9,600 would be appropriate to cover the needs of LCWD, but is unable to put a price on the cost of GIS. Dylan Frehner advised that there are multiple users of the GIS that could certainly pay into the system. Yearly fees can be divided amongst those entities, including flyover costs, to cover the costs for GIS. Dan reminded the

Board that the same services are provided for LCFD and PFD. Phyllis Robistow asked if various ambulance/fire districts are being billed for dispatch. Dawne Combs advised that the GIS licenses cost about \$8,000 a year; this is just the editor/server licenses. Wade commented that he is certain that the LCWD Board will be happy to pay their portion of the licensing fees. The Board agrees to move the GIS licensing costs of \$8,000 to PILT. Dawne commented that she is learning to maintain the web mappers, but in the meantime, we contract with Gnomon for those services. The GIS tech that usually does the work is being billed at about \$80 per hour. \$19,600 is the total amount budgeted for GIS. At this time there are no revenues coming into the fund to cover the GIS costs. The Board agreed to move the entire \$19,600 for GIS services to PILT. With these changes the Board still needs to find \$76,800 (this total includes the Board accepting the LEA concessions). If the Board doesn't accept the LEA concessions another \$80,000 will have to be found in the General Fund. If LEA froze their wages, and agreed to no steps, the Board only needs to find \$56,800. Paul M. asked if communication has been received from Teamsters that the unions have accepted the salary freezes. Paul D. asked how the Board can promise no layoffs if it is unknown what the Legislature will do. Daniel advised that any standard language in the collective bargaining units says that we promise no layoffs based on the numbers we have. If the information or numbers change the county isn't bound by unforeseen and uncontrolled circumstances. PILT fund was discussed. It is estimated that we will receive \$750,000 for 2012 then it will drop back down to \$400,000 per year. \$800,000 per year has been spent out of this fund for the last several years. If the PILT fund drops back down to \$400,000 that will cause problems, but there is a \$900,000 surplus at this time. If that drops, the Board will be forced to prioritize those expenditures. \$296,000 exists for PILT match. There was continued discussion concerning tech items and tech funds. There was some discussion about the Road Department (RD) reimbursing the General Fund for use of the County Auditor's services. Ronda Hornbeck advised that the HCP could also pay for legal services as it uses the District Attorney's office. There was continued discussion about the Auditor being reimbursed by RD. An allocation plan would be needed for the administration fee. Paul M. suggested that charges for services revenue line be increased by \$10,000 and this amount be allocated between the entities that are using the County Auditor's services. The state could reject our budget if we don't reach the 4%. If we are below 4% the Commission is required to give an explanation as to why we believe we can function with below a 4% reserve. It is believed that \$12,000 can be assessed to Tri County Weed for use of the County Auditor services. Emergency Management is funded through a grant and the grant funding will be eliminated. The Board discussed the possibility of shifting the percentage of Rick's salary that is assigned to Emergency management over to LCFD. Leslie is concerned as the rates for retirement may change for next year as police/fire is at a higher rate than what we are paying right now for Rick. \$6,000 will be billed to LCFD for Rick's salary. The Special Election is addressed and Lisa advised that she is concerned that if the Board doesn't budget for it there won't be any money to fund it. Paul M. feels that it shouldn't be worried about now, rather it should be addressed at the time that we know the state isn't going to pay for it. Paul M. suggested that the Sheriff be made to address the \$80,000 shortfall in his budget that wasn't anticipated and then the Board can address and start cutting in other areas to remedy the deficit. Sheriff Kerry Lee advised that it isn't just \$84,000, there is more because services/supplies was cut by quite a bit. Paul M. cited that having the Sheriff deal with the \$84,000 and the Board address the remaining \$40,000 is only a band aid; it isn't a long term approach. If the salary schedule and compensation aren't restructured, then number of people will change or wages/benefits will have to be decreased. Tommy discussed the elected officials' increases. Daniel commented that the Commission can set their own salaries, but the elected officials' and longevity is set by legislature. There are no increases set, except for longevity. The Commissioners have no say in the longevity of the elected officials. Dan cited that the significant issue is the drop in revenue. There has been a significant drop in property values as well as sales tax. The only real ability to make a change in revenues would be for the Board to raise property taxes, but there are already people struggling to pay their current taxes. The PERS contribution rate continues to increase as well, and the Board has no control over that. Paul D. commented that he could donate a portion of his salary back to the county but it would still be taxed. At this juncture, \$68,800 needs to be found (this includes \$20,000 for special election). Judge Mike Cowley advised that Judge Holton pays quite a bit of her routine costs out of AA fees. Mike believes that he could fund \$10,000 out of his services/supplies to assist the county with the deficit. If the Board accepts the \$60,000 proposal by LEA, Mike would be willing to kick in \$10,000 from his services/supplies and Paul D. is willing to donate \$5,000 of his salary towards the deficit. Sheriff Kerry Lee commented that the county needs to live within its means. Kerry wants the public to know that this isn't just a Sheriff's Office problem; this is a county-wide problem. Kerry compared 2005 numbers to the current numbers for 2012. As Kerry looked at these, every office had an increase. One of the most substantial increases is for administrative costs for the

county commission. County administration has had a \$304,000 increase since 2005. We are \$46,000 less in General Fund requests today than we were in 2005 due to the Detention Center being self-sustaining. The Sheriff's Office has made a large contribution back to the General Fund. Kerry cited that the Board needs to look county-wide for cuts, not just the Sheriff's Office. Kerry asked that the Board look county-wide, and stated that he feels the SO has worked hard to keep costs down. Dan reiterated that the shortfall for the LEA remains at \$20,000 if the Board accepts the concessions they've made. \$5,000 will be removed from D.A. salaries. At this juncture, the Board needs to find \$13,800. The beginning fund balance will be adjusted to show that there will be more carryover from the current year to cover the \$13,800. Lisa asked, in the event the state doesn't pay for the Special Election, where will the funding come from. Dan responded that there is an emergency fund in the PILT monies that can be used to cover the election if it is deemed an emergency. There is also a "special project" fund that might possibly be used to cover that. At this time we don't know what Teamsters is going to do and we aren't 100% certain about the ending fund balance. In the past, there has always been an excess beginning fund balance over and above what we've believed it to be. However, it will be surprising if there is very much carryover as everyone has been trimmed as much as possible. Paul M. asked how much the deputies work with the schools. The school provides gas, service, and tires for two vehicles. Officers are sent into the schools almost daily. Paul M. commented that LC Land Act Education Fund could be used if Kerry can devise a program to use the money for some type of education program. Interaction with the youth is very important, and Paul M. would like Kerry to create a plan for interacting with the kids so that some of this funding can be used. Kerry responded that they are already doing some of that and he is willing to look at an education program. Salaries can't be paid with the Education funds. Wade suggested that Kerry put something together that would be similar to the DARE program. The officer could present information about drugs, etc., and the county could then reimburse the Sheriff's budget the amount spent on the program. The budget will be submitted including the changes discussed (\$55,000 from GID, \$9,600 from LCWD, \$5,000 from Paul D., \$10,000 from Judge Cowley, \$6,000 moved to LCFD, and \$5,000 removed from D.A.'s salaries, and the beginning fund balance will be adjusted). The budget will be submitted showing frozen wages. Kerry advised that the Law Enforcement concessions still have to be approved and signed; it is a contract change. Leslie has to pay based on what the contract states. **Ed made a motion to accept the budget with the changes as outlined; seconded by Paul D. All voted in favor.**

#3-LINCOLN COUNTY FIRE DISTRICT

This item is covered under separate agenda.

#4-PUBLIC COMMENT

Tommy called for public comment. Ed commented that by next year we've got to come up with a sustainable budget. Changes will have to be made.

#28-ADJOURN

There being no further business for the Board to attend to, Tommy adjourned the meeting at 7:18 p.m.

Attest: _____

Approve: _____