

STOREY COUNTY COMMISSION MEETING

MONDAY, APRIL 05, 2010 9:00 A.M.

DISTRICT COURTROOM

26 SOUTH B STREET, VIRGINIA CITY, NEVADA

MINUTES

GREG "BUM" HESS
CHAIRMAN

HAROLD SWAFFORD
DISTRICT ATTORNEY

BOB KERSHAW
VICE-CHAIRMAN

JAMES G. MILLER
SHERIFF

JOHN FLANAGAN
COMMISSIONER

VANESSA DIXON
CLERK-TREASURER

Roll Call:

Present:

Assistant Sheriff Gerald Antinoro, Communications Director Dave Ballard, Library Director Lucy Bouldin, Emergency Management Director Joe Curtis, Justice of the Peace Annette Daniels, IT Director James Deane, Director of Community Services Deny Dotson, Clerk-Treasurer Vanessa Dixon, Senior Center Director April Enloe, Fire Chief Gary Hames, Director of Community Development Dean Haymore, Chairman Greg Hess, Recorder Sarah Jensen, Vice-Chairman Bob Kershaw, Administrative Officer Holli Kiechler, Sheriff James Miller, Public Works Director Mike Nevin, Land Use Planner Austin Osborne, District Attorney Harold Swafford, County Manager Pat Whitten.

Absent: Commissioner John Flanagan

CALL TO ORDER AT 9:00 A.M.

The meeting was called to order by the Chair at 9:06 A.M.

PLEDGE OF ALLEGIANCE

The Chair led those present in the Pledge of Allegiance.

PUBLIC COMMENT

Chairman Hess noted that Commissioner Flanagan would not be in attendance.

Mark Joseph Phillips, Storey County resident, commented on the minutes from the Tentative Budget Hearings in 2009 where Chairman Hess was absent. He also noted the

absence of a bailiff at the current meeting. Base line numbers were not included in the 2009 minutes making it difficult to calculate increases or decreases based on percentages. The prior budget did not mention an Assistant Sheriff position, a Community Services Director position or the 28% increase in the Assessor's office budget.

CONSENT AGENDA

(All matters listed under the consent agenda are considered routine, and may be acted upon by the Board of County Commissioners with one action, and without an extensive hearing. Any member of the Board or any citizen may request that in item be taken from the consent agenda, discussed and acted upon separately during this meeting.)

Approval of Consent Agenda for April 5, 2010

Correspondence - none

END OF CONSENT AGENDA

Motion: Approve Consent Agenda, **Action:** Approve, **Moved by** Vice-Chairman Kershaw, **Seconded by** Chairman Hess.

Vote: Motion carried by unanimous vote (**summary:** Yes = 2).

DISCUSSION/ACTION: Tentative Budget Hearings

Chairman Hess stated that despite cutting measures that have already been taken, they still need to cut out another \$200,000 in the next 6 weeks before final budget hearings. We can only spend what we get in. He then explained that the County Manager will go over each scenario and give each department head a chance to speak.

GENERAL FUND REVENUES:

County Manager Pat Whitten stated that the budget has been a challenge with an added hardship coming from the Department of Taxation a week ago showing revenues declining another \$1 million. He explained that Property and Sales Tax revenue projections come directly from the Department of Taxation. Base line numbers will not be specified as there are 22 funds to discuss. Property Tax revenue is projected to decrease by 9.3%. There will be no change in the overall tax rate again this year. As required by the Government Accounting Standards Board, there will be a dedicated allocation of ad valorem in order to provide payback monies obligated to our TRI Developer. Licenses and permit revenues are projected to drop by 4.3%. SCCRT's, BCCRT's and related sales taxes are down by a projected 24%. Tonnage at the landfill is down while fees from Bank of America are up. The combined County tax rate will remain at 2.3960 and 3.4607 when adding in schools and state. Overall General Fund revenue is projected to drop by 12.6% but this does include the rate shift to fund TRI.

EXPENDITURES

Since early January, all budget submittals were to initially target as close to a 20% reduction as possible. The heavy ratio of personnel costs has led to discussions with each bargaining unit to seek ways to reduce costs. Those discussions may lead to contract negotiations with our General Government (SNEA) group for possible agreements on salary freezes and other measures to avoid as many full-time job layoffs as possible. Although the concessions have not been granted on either step/merit or cost of living increases or the elimination of the \$200/month dependent insurance waiver, the salary freeze is factored into the tentative budget numbers. All non-represented employees have had full salary freezes.

Department Heads and outside groups have done an excellent job in coming in as close to target as possible. The current cost control programs requiring approval of all non-reoccurring expenses in excess of \$1500 will continue as well as the principle of “just because it is in the budget doesn’t mean it will be spent”. Additional expense controls include restricting out-of-state travel and aggressively pursuing non PERS medical and dental benefits costs reductions of up to 25%.

The General Fund has a projected total revenue of \$10,563,000 (net of TRI requirements) which is down 12.6% from the prior year and combined General Fund expenses totaling \$10,756,925 for a deficit of \$193,710. The previous practice of holding back on certain expenses in order to build toward a higher than anticipated ending fund balance will be difficult if not impossible to continue. Almost every budget has been cut and stripped to bare minimums.

Chairman Hess thanked Holli Kiechler for her efforts to avoid an increase in the medical and dental packages.

Community Service

This is now a combined department which includes our Library, formerly a stand-alone department. Running the Library as a department was contradictory to NRS 379. Savings will be realized from COLA and merit freeze, elimination of dependent insurance waiver incentive (where applicable) and reduction in medical and dental plan benefits costs of approximately 24%. Note that these saving will apply to all departments and will not be repeated in each section. Also included in this department budget are the Community Support partnerships. Most of these organizations have agreed to 20% reductions with the following notations:

- The VCCTA business license donation remains at the same rate as last year. The Comptroller is reviewing projected impact due to the TRI payback.
- Piper’s Opera House now has a strong board in place with a part time director to address ongoing business concerns. Approval of their funding request in the reduced amount of \$12,000 is recommended contingent upon receipt of financial reporting that is satisfactory to our Comptroller.
- The Virginia City Senior Center has requested a reduction contingent upon the non PERS benefits costs. For purposes of the tentative budget, a reduction of 15% is recommended and will be adjusted before final budget approval.

- Community Chest, Inc. (CCI) has eliminated the Community Health Nurse for a direct savings of \$30,000. CCI does not occupy or provide for improvements to County owned buildings such as the Historic Fourth Ward School. Along with these considerations, the budget was reduced another 20% for a total of 50%.
- Jeep Posse funding has been left at last year's level since this line item is tied directly to revenue from the cell tower sub-lease which remains stable.
- No funding has been provided for the Petroglyphs.

Community Support will reflect an increase of 12.5% but when the current year library is factored in, there is actually a decrease of 6.4%.

Clerk/Treasurer

Overall decrease of 10.3% includes the COLA and merit freezes, elimination of dependent insurance waiver incentive and reduction in medical and dental plan benefits. All are subject to continued negotiations and approval. The 3% salary increase for Clerk/Treasurer is mandated by statute but the identical offsetting amount will be deducted and applied toward medical benefits costs, essentially freezing the salary.

This office is providing cross-training and job sharing opportunities to avoid additional hiring in other departments such as assistance to the Comptroller in reconciliations and payroll/payables back-up. A 40% reduction in Service & Supplies during an election year is also impressive.

District Court

Overall decrease of 13.8% despite two potential jury trials that may occur during the next fiscal year. Should these costs exceed budgeted funds, contingency funds may be used if necessary.

Recorder

Overall decrease of 35.2% resulting from elimination of one full time position as well as the standard assumptions. This department, which previously ran on a staffing model of 4.5 Full Time Employees has now reduced to 2.5 FTE. The 3% salary increase for Recorder is mandated by statute but the identical offsetting amount will be deducted and applied toward medical benefits costs, essentially freezing the salary.

Technology

This is a dedicated fund to assist with technology needs in the Assessor's and Recorder's offices providing significant assistance in meeting advanced computer needs. The Assessor remains truly committed to assist in program enhancements that benefit the overall County.

Assessor

Overall decrease of 12.6% which includes the standard savings as mentioned before. The 3% salary increase for Assessor is mandated by statute but the identical offsetting amount will be deducted and applied toward medical benefits costs, essentially freezing the salary. Additional savings may be realized as a result of replacing the retiring Assessor as well as the desires of the newly elected Assessor on how the Department might be structured. Ultimate staff model for this office will reduce from 5.0 FTE to 4.0 FTE during and/or after the election cycle.

The Assessor's office was granted an increase in staff last year to provide for rapid, compressed training due to the upcoming early retirement of the current Assessor.

Community Development Department

Overall decrease of 41.2% includes the normal assumptions. As building activity remains at very low activity levels, staff models are being analyzed. One full time position vacated thru retirement at the beginning of this year has been eliminated.

Planning Department

Overall decrease of 4.8% includes the normal assumptions. While not technically a stand-alone department, this budget now reflects overall Planning costs (excluding Dean's oversight) far beyond the Planning Commission itself. \$10,000 has been specifically provided for the cash match requirement on our CDBG Flood Plan Grant application.

Regional Transportation Commission

Overall decrease of 38.2%. There are no actual salaries charged to this department, only a per meeting stipend for the one appointed commissioner. Meetings will continue to be held only when necessary. The JAC bus transportation program is being analyzed and might be discontinued if ridership does not increase. Annual insurance costs have been moved to the Administrative department which covers all insurance under the POOL.

District Attorney

Overall decrease of 7.3% includes the normal assumptions. The 3% salary increase for District Attorney is mandated by statute but the identical offsetting amount will be deducted and applied toward medical benefits costs, essentially freezing the salary. Two part-time grant funded positions will be eliminated due to CBA concerns regarding cash match requirements. Additional savings may be realized as a result of the desires of the incoming District Attorney on how the Department is structured as well as the incoming DA will not yet be eligible for longevity.

Genetic Marker Testing

This is a Court Ordered fund for specific fee collection on certain individual cases. Funds are passed thru to Washoe County as their lab does the DNA processing. Current cash balance is \$3,793.

Justice Court (General)

Overall decrease of 22.7% due to elimination of one position and the normal assumptions. Salary for the Justice of the Peace is not mandated by statute therefore no increase will be given. No identical offsetting amount will be deducted and applied toward medical benefits costs.

Justice Court (Fund)

Administrative Assessment fees on citations are anticipated to decline in collections due to a drop in citations being processed. Current cash balance is \$24,932.

Drug Court

This account is funded thru defendant payments under Court Order/Agreement.
Current cash balance is \$6,244.

IT

Overall decrease of 12.7% includes the normal assumptions. This department covers costs of internet services countywide which also includes email service and filtering. Several significant programs will now be “in-house” that will result in additional substantial savings.

Communications

Overall decrease of 26.4% includes the normal assumptions, the transfer of the Assistant Communications Director into the Emergency Management budget and the elimination of two part time dispatch positions.

BREAK

The Chair called for a tentative recess at 10:00 A.M.

CONTINUED

The meeting was reconvened by the call of the Chair at 10:10 A.M.

Fire District (NDF)

Portions of this fund revenue will be directly moved into the TRI Payback Fund under a formula developed by the Comptroller. Revenue has decreased by 11%.

Funding request should provide for NDF staffing at the Highlands (Station 2) and McCarran (Station 5) firehouses to a total of 10 seasonal firefighters for proactive outreach programs such as defensible space reviews and fuels reduction programs. Additional funding provides for one full time Captain and one half of the Battalion Chief coverage. There will be no manned coverage in Mark Twain or Lockwood due to reduced funding.

NDF has been outstanding in their assistance in placing two recently released firefighters into their nine month seasonal program. Placement has meant that none of those laid off are without jobs.

This fund provides for \$6000 annual reimbursement split between the Fire Department and Public Works for costs related to station occupancy in the Highlands and TRI. Additionally, there is an expectation they will be responsible for all maintenance and supplies at the McCarran Station. Continue to provide \$25,000 funding of the Communications program enhancements and repairs.

Service

Overall decrease of 1.4% includes the standard assumptions. This Department provides labor and general small parts utilized at the County Mechanic’s Shop. Individual departments (ie Fire, Sheriff, Roads) will still be responsible for larger parts costs. No Capital Outlay or Equipment Acquisition is requested for next budget cycle.

The decrease of 1.4% is not insignificant as this is a two person operation which will face great challenges extending the life of our current fleet. Mike Nevin interjected that they got an old back-up generator working that kept our discharge plant from facing a violation when a power outage affected the plant for 20.8 hours. The services this department provides goes beyond vehicles.

Buildings & Grounds

Overall decrease of 32.1% includes the standard assumptions and the elimination of one part-time seasonal support position. Portions of the Public Works Administrative support staff and Director's salary and benefits are allocated to this budget.

Utilities include the TRI North County Complex. The Courthouse project funding is partial match on recently awarded Cultural Affairs Grant targeted to restore the front of the building and some parking lot paving to begin in spring 2011.

Pools & Parks

Overall reduction of 38.2%. Fund revenues have dramatically decreased with the slowdown of new permitted residences. The Community Service Director is assisting Public Works in developing revenue generating uses for our park in Virginia City and to enhance facilities in the outlying parks within the constraints of available funds. Mr. Nevin mentioned that the pool may need work and there are no funds budgeted for those unforeseen costs.

Roads

Overall expense reduction of 19.7%. All revenue components continue to be down. We have continued the "infusion" from the General Fund and the Town of Virginia at \$330,000 to support the expenses submitted. Volume sales at the station in TRI warrant consideration of enacting a 5 cent/gallon tax on diesel fuel only countywide.

Salaries and Benefits have decreased 14.6% which includes the standard assumptions. Continue to utilize up to four seasonal employees working part time without benefits for snow removal and summer paving. Portions of the Public Works Director's salary and benefits are also allocated to this budget.

Eliminated all planned Equipment Acquisition for the upcoming year. Road improvements and paving constitutes the bulk of this fund. Interest and principle have been established to provide for medium term financing payments approved on equipment previously approved.

Water

Overall revenue decrease of 8.9 % and negligible expense reduction due to escalating depreciation schedules. The standard assumptions and the early retirement of a long time employee have decreased expenses despite certification costs for new employee training.

Rent charged to Community Development remains at \$12,000. The sum of \$18,750 has been budgeted as our required cash match for the CDBG Utilities Master Plan. Depreciation is an accounting entry only required for enterprise funds and needed to begin holding a reserve to replace aging components such as tanks.

Considering adding a fixed rate increase of up to \$2.50 per month per subscriber to be reserved for capital improvements on our aging system consistent with the Capital Improvement Plan prepared by Farr West Engineering in March 2008. It is estimated that \$1.60 of the \$2.50 covers inflation.

Sewer

Overall increase of 37.25% is largely contributed to depreciation and aging equipment of the Virginia City Plant, the Gold Hill System and line repair.

Depreciation of \$46,000 is an accounting entry only required for enterprise funds. The US Army Corp of Engineers grant has allowed work to continue on the design phase addressing both the Gold Hill septic/leach system as well the need to increase the size and improve the technology at the Virginia City Plant. The USACE grant comes with a 25% match, a portion of which has been factored into this year's budget recommendation.

Mr. Nevin mentioned that the enterprise funds are still paying Principal and Interest on USDA loans from over 30 years ago.

Emergency Management

Overall decrease of 13.6% despite the transfer of the Assistant Communications Director's pay from the Communications Budget. Approximately \$21,000 of this salary should be reimbursed thru an EMPG Grant. All standard savings apply.

Discontinued the \$25,000 reserved as a prorated share of costs of continued participation in the joint Communications Plan as well as eliminated all Capital Outlay for the next year. This group continues to be extremely successful in obtaining significant grants.

BREAK

The Chair called for a tentative recess at 10:48 A.M.

CONTINUED

The meeting was reconvened by the call of the Chair at 11:00 A.M.

Fire

Overall expense decrease of 14.2% on top of the 7.2% for prior year. No change in the Fire Tax Rate of .4346 although portions have been deducted for direct allocation to the TRI Payback Fund. The TRI payback shift, along with the elimination transfers from both the General and Town of Virginia funds combines to a total revenue reduction of over 16%. In February 2010, Fire Station #5 in TRI was closed. This resulted in the layoff of four firefighter/paramedics (EMTs) with one additional Senior Management position vacated at the same time. All four displaced firefighters have found new employment thanks to the dedicated efforts of Chief Hames. Twelve paid reserve positions were eliminated in order to preserve fulltime jobs.

In 2009, the bargaining unit volunteered COLA and merit freezes as well as other covered provisions which also extended the term of the contract until June 30, 2011.

The bargaining unit has filed a notice of protest due to the above referenced layoffs but the terms of their agreement are still binding and in force. The outcome of the appeal may lead to additional layoffs to keep this fund in balance. The standard assumptions apply.

Continue to defer the prorated share of costs of participation in the joint Communications Plan. Funding for miscellaneous equipment previously covered in the Equipment Acquisition fund has been transferred back to the fire fund.

While all budgets are much tighter during these challenging economic times, Chief Hames is to be commended for his dedication and professionalism in managing his entire team thru the difficult and stressful process of layoffs and severe cuts. As a self generated fund, Chief Hames is an excellent fund manager who fully understands the responsibility of staying within budget and revenue funding sources.

Equipment Acquisition

Revenue has declined by 12.9% due to a drop in ad valorem and the shift to the TRI Payback Fund. SCCRT and Tonnage Revenues continue to be diverted to the Road Fund. Expenses includes principal and interest payments on four brush trucks. The reserve fund dedicated toward future replacement/purchase of ambulances is to be increased by \$80,000. This fund was utilized for Fire Department Equipment but will be limited to only the brush truck payments and ambulance reserve. A transfer to Roads in the amount of \$90,730 is budgeted for debt service

Fire Emergency Fund

This fund is intended to provide emergency funding for unanticipated catastrophic fires. Funding source is from unanticipated revenues such as reimbursement from outside agencies including NDF and BLM when they request equipment to assist with large fires. Funds can only be accessed upon declaration of emergency. Cash balance is \$189,064.

Sheriff

Overall decrease of 31.1% includes the elimination of 5 probationary Deputy positions, 4 part time positions, restructuring of the Senior Staff and the standard assumptions for the COLA and unrepresented employees. The 3% salary increase for Sheriff is mandated by statute but the identical offsetting amount will be deducted and applied toward medical benefits costs, essentially freezing the salary.

Reverted to past practice of using portions of the Jail Fund to provide partial salary and benefit funding for Jail Staff which saved three additional full time positions. Temporarily eliminated all funding for the Justice Center project. Auto Maintenance has been reduced and stabilized thanks to an upgraded fleet. Capital Outlay has been reduced to \$5,000 with no anticipated vehicle purchases or leases. Animal Control costs have been reduced. No improvements or renovations are planned for the substation in Lockwood but the lease was negotiated and reduced.

Jail

Overall expense decrease of 36.3%. Revenue is declining by 10.3% due to the TRI payback shift and Taxation estimates. Design work for the Jail renovation project has been suspended.

1. Current cash balance of \$850,752 as of February 28, 2010.

Comptroller

Overall reduction of 18.2% includes the elimination of one open position and the standard assumptions.

TRI Payback

Final results and approval of the FYE 2006 and 2007 independent audits are still pending. For the current fiscal year, we have reserved \$800,000 toward payback and anticipate requesting approval to augment an additional \$1,600,000 from the 2008/2009 audit, bringing our reserve to \$2.4 million.

Intend to allocate revenue as it is received by our Treasurer directly from the General, Fire, Forestry, Equipment Acquisition, and Jail funds directly to this fund.

Commissioners

1. Overall reduction of 16% includes the standard assumptions as well as the previously discussed freeze of elected Commissioners salaries and the elimination of one position.

Administrative

Items in this category are defined as whatever can be used for the entire good of the County operations but cannot be attributed to a particular fund or department.

Retiree Insurance Subsidy both as mandated by the State as well as our discretionary coverage of recent retirees continues to be a significant cost component. Fortunately, our discretionary coverage has benefited from the 24% plan savings (subject to your approval). As more of our long-time workforce retires, this will continue to be a significantly growing impact subject to further GASB requirements.

Operational expenses in the Administrative Department are typically used for shared department expenses such as Equipment Maintenance on County copiers, the County AS-400 database servers, Rents/Leases on the modular rentals and one communications tower. Reduced lease payments on our Lockwood substation have been transferred to the Sheriff's budget.

Records Management provides off-site storage and waste paper recycling for all departments. Professional Services is used for a multitude of activities including legislative lobbyists, outside legal counsel as well as AS-400 database upgrades. This line item also includes a provision for labor relations issues including negotiations and grievance/arbitration issues.

Technical IT Services should reduce significantly as we convert to an internal based process, web design, NACO-WNDD dues, and also annual updated copies of Nevada Revised Statutes from the Legislative Counsel Bureau. Legal printing covers all required

newspaper publications including tax role information, budget publications and ordinance notices. Audit/Budget expenses vary based upon addition work that may be required.

Youth Services has increased marginally. However, we are not recommending an increase in the corresponding tax rate and will absorb the increase within this department. All transfers to other funds have been eliminated with the exception of the “infusion” into the Road fund.

General Health

This is our annual billing to provide for Home Health nursing care. In light of the decision to eliminate the Community Health Nurse, the Community Services Director is working closely with Home Health coordinators to provide better public knowledge of services.

Indigent Medical

State mandated fund. Although TRI ad valorem revenues are a significant component, we have not shifted revenue from this fund to the TRI Payback Fund. Our Comptroller is researching to see if this can be done. Accruing balances and limited use allows maintenance of the reduced tax rate from .06 to .03.

Capital Projects

Projects limited to work on the Tunnel 6 project as well as possible purchase and rehab of the VC Freight Depot.

Infrastructure

Fund source is our ¼% sales tax override. Anticipated uses include Tunnel 6, the VC Freight Depot, water tank replacement and potential match source for the U.S. Army Corps of Engineers grant on the sewer plant design.

Stabilization

The present balance has been funded to \$1,000,000. This fund could potentially be utilized in an extreme financial emergency should we continue in an extended downturn. Other local governments have implemented utilization planning that allows no more than 20% drawdown in any one fiscal year which extends the life of the fund over five years

Gold Hill

Minimal budget and services provided, mostly just street lights.

Virginia

Majority of services are for utility billings for all street and “gas” lights. Transfers provide funding source to the Road fund but transfers to the Fire fund have been discontinued.

Indigent Accident

State mandated fund for such things as highway accidents.

Grants

This is a “pass thru” fund for all County grants. Required matches are spread throughout the appropriate funds/departments.

Mr. Whitten thanked Cindy Wiley for volunteering to help with the budget and the extreme task of tracking every change. He also thanked Comptroller Hugh Gallagher for his work creating the TRI Payback fund and reviewing all work that went into the budget process.

Motion: Approve Tentative Budget as presented, **Action:** Approve, **Moved by** Vice-Chairman Kershaw, **Seconded by** Chairman Hess.

Vote: Motion carried by unanimous vote (**summary:** Yes = 2).

PUBLIC COMMENT

Mark Joseph Phillips said he was glad to see Public Comment at the end of the Agenda.

BOARD COMMENT

Vice-Chairman Kershaw mentioned that we need to diversify and can't see how we can NOT approve the 5 cent gas tax on diesel fuel. We are now experiencing the issues that other counties started feeling years ago. He thanked all elected officials, department heads, staff as well as Mr. Whitten and Mrs. Wiley.

Chairman Hess reiterated Kershaw's thanks to all for working on the budget. After talking to other counties, we are not in as bad of a position as most.

ADJOURNMENT

The meeting was adjourned by call of The Chair at 12:00 P.M.

Respectfully submitted by:

Jessie Fain
Storey County Deputy Clerk-Treasurer

Please note that these minutes have not yet been approved and are subject to revision at the next meeting. These minutes are presented in a summary format and are not verbatim.