

Monday, March 29, 2010

The Fiscal Year 2010-2011 budget workshops held by the Humboldt County Board of Commissioners were called to order on Monday, March 29, 2010, at 8:00 a.m. in the regular place of meeting at the Courthouse, Winnemucca, Nevada. Those present were Chairman Chuck Giordano, Commissioners Garley Amos Jr., Dan Cassinelli, Tom Fransway and Mike Bell, Administrator Bill Deist, Comptroller Bruce Brooks and Clerk of the Board Tami Rae Spero. No legal counsel present.

**PUBLIC COMMENTS:** Chairman Giordano asked for public comments. None were offered.

**FISCAL YEAR 2010 - 2011 BUDGET WORKSHOPS:**

**FISCAL YEAR 2010 - 2011 BUDGET OVERVIEW:** Administrator Deist addressed the Board with a budget message(see attached). Discussion occurred regarding the increase in the value of third quarter secured and unsecured real property in Humboldt County and the net proceeds issue.

**BUILDINGS AND GROUNDS:** Buildings & Grounds Director Doug Cain appeared before the Board. Administrator Deist reviewed the memo for the Board (see attached) noting that there are no new employees but the budget is up as always because of the special projects found in this budget, an increase in utilities and an increase in maintenance contracts; he reviewed the proposed cuts and transfers to the Capital Improvement Fund as identified in the budget memo. Discussion occurred regarding the proposed sidewalk project, the need to be specific as to projects in the Building Reserve Fund and the Capital Improvement Fund, that the cost presented for the elevator project is best case scenario, a possible card lock system for the exterior doors of the Courthouse and the District Attorney's office painting & carpeting reduction. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To adopt the Buildings & Grounds budget as recommended by staff.*

**SHERIFF/DETENTION/DISPATCH/TASK FORCE/LEPC:** Sheriff Ed Kilgore appeared before the Board.

**PATROL:** Administrator Deist reviewed the memo for the Board (see attached) noting that this budget is down by about 4% with no new employees requested and that the recommendation is that the \$180,000.00 requested for vehicles not be included in the tentative budget but that it be looked at prior to adopting the final budget as was done last year. Discussion occurred regarding the amount of the reduction, staff numbers budgeted for, ammunition costs and the amount discussed for vehicles. After discussion the following motion was made by Commissioner Bell and passed unanimously:

*To adopt the Sheriff's budget as presented by staff including holding out the \$180,000.00.*

**DETENTION:** Administrator Deist stated that Detention's budget is basically the same as the current year with no change in employees. Discussion occurred regarding the staffing at the Detention Center. After discussion the following motion was made by Commissioner Cassinelli:

*To approve the Detention budget as presented.*

**DISPATCH:** Administrator Deist reviewed the budget for dispatch noting that the budget is similar to the past with no new employees, that there is an increase related to equipment upgrades and the recommendation is that the amount be covered by a transfer from PILT. Sheriff Kilgore discussed the planned upgrades. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the Dispatch budget as presented including the transfer of money from PILT.*

**TASK FORCE:** Administrator Deist noted that this budget is similar to what occurred in the past. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve as submitted.*

Discussion occurred regarding status of the federal grant associated with this program.

**LEPC:** Sheriff Kilgore stated that as last year there is no budget being submitted this year for the LEPC and noted the need to discuss the Emergency Manager position; he commented on his lack of time to work on this program. Discussion occurred regarding the 2008 expenditures through a grant. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the LEPC budget with a zero dollar figure.*

**ROAD DEPARTMENT/REGIONAL TRANSPORTATION FUND:** Road Superintendent Ben Garrett appeared before the Board. Administrator Deist reviewed the budget memo for the Board (see attached) noting issues with the Secured Rural Schools program and PILT which are monies used in this fund; he noted that the attempt is to protect the fund balance and yet move forward with equipment purchases so that if revenue takes a reduction the Department can continue on the path it is on and have adequate equipment to perform its responsibilities; he reviewed the recommendation of a transfer of \$1,000,000.00 of PILT and \$460,000.00 from the Debt Service Fund into the Road Department and that the equipment request include two graders instead of just one and he noted with the sale of the used graders and some other equipment that will help protect the fund balance. Superintendent Garrett reviewed his budget request for the Board and his equipment requests including the request for two graders this year and one for next year which should put the Department in pretty good shape without proceeding with the graders suggested for the next three years in the five year plan, the need for water tankers, a transport trailer and grader rollers. Discussion occurred regarding the revenue side of the budget including the reimbursement from the ARRA/stimulus for the Jungo project and the Secured Rural Schools program. After discussion the following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the Road Fund as presented with staff recommendation including the PILT and Debt Service Fund transfers and the inclusion of two graders.*

Comptroller Brooks reviewed the amount budgeted for the Regional Transportation Fund noting that

the amount to be designated for the City project has not been received but once it is it would be allocated appropriately. Superintendent Garrett discussed the difficulty in determining the amount for the County due to the planned Jungo Road Project and the ARRA/stimulus reimbursement. Discussion occurred regarding the project and the reimbursement. The following motion was made by Commissioner Bell and passed unanimously:

*To approve the RTC budget as recommended by staff.*

Discussion occurred regarding the use of grindings.

**CLERK/ELECTIONS/INDIGENT FUND/INDIGENT MEDICAL FUND:** County Clerk Tami Rae Spero appeared before the Board. Administrator Deist reviewed the requested budget for the Board. Discussion occurred regarding the fees collected for business licenses and the need to look into increasing some of those fees. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Clerk's budget as submitted.*

Administrator Deist reviewed the Election budget for the Board noting that as this is an election year this budget is up. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Election budget as submitted.*

Administrator Deist reviewed the Indigent Fund budget for the Board. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Indigent Fund budget as presented.*

Administrator Deist reviewed the Indigent Medical Fund budget for the Board. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the Indigent Medical Fund budget as presented.*

**STABILIZATION FUND/UNEMPLOYMENT TAX FUND/COMPENSATED ABSENCES FUND:**

Administrator Deist reviewed the Stabilization Fund budget for the Board. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve as submitted.*

Comptroller Brooks reviewed the Unemployment Tax Fund use/budget for the Board. The following motion was made by Commissioner Bell and passed unanimously:

*To approve the Unemployment Tax Fund as recommended by staff.*

Administrator Deist and Comptroller Brooks reviewed the Compensated Absences Fund for the Board. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Compensated Absences Fund as presented.*

**PUBLIC DEFENDER:** Public Defender Matt Stermitz appeared before the Board. Administrator Deist

reviewed the budget for the Board noting that the budget reflects only one attorney in the office which resulted in a reduction. Mr. Stermitz addressed the Board regarding his reasons for the reduction. Administrator Deist noted that the budget could be adopted as submitted and could be reviewed prior to the final adoption if necessary. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To accept the budget as submitted by the Public Defender knowing that the Commission may have to revisit when the final budget is done based on the Supreme Court case.*

**HEALTH/MOSQUITO CONTROL:** Administrator Deist reviewed the budget associated with the Public Health Nurse for the Board. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve health nurse as presented.*

Administrator Deist reviewed the mosquito control budget. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve mosquito control as presented.*

**BUILDING RESERVE FUND/CAPITAL PROJECTS FUND/DEBT SERVICE FUND:** Administrator Deist noted that at this point a budgeted figure is being shown but at the time the Capital Improvements Plan is done this money will be tied down tighter than it is now. Discussion occurred regarding planned projects. After discussion the following motion was made by Commissioner Bell and passed unanimously:

*To approve Building Reserve as presented by staff.*

Administrator Deist stated that the Board has agreed to transfer some projects into the Capital Projects Fund and this budget will be reviewed before the final budget is adopted. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve Capital Projects as presented.*

Administrator Deist noted that there are no funds in the Debt Service Fund as the County has no debt but the history must be shown. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Debt Service Fund as submitted.*

**RECORDER:** Recorder Mary Ann Hammond appeared before the Board. Administrator Deist reviewed the budget for the Board. Recorder Hammond updated the Board on the use of the Recorder's Technology Fund. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the Recorder's budget as presented.*

**COMMUNITY SUPPORT/EMERGENCY MANAGEMENT/GENETIC MARKER TESTING:** Administrator Deist reviewed the requests for Community Support. Discussion occurred regarding keeping

the Vitality Center's amount at \$7,500.00 as in past years. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the budget for Community Support with the Vitality Center amount staying at \$7,500.00.*

Administrator Deist discussed the Emergency Management item and noted that no motion was required.

Comptroller Brooks discussed the purpose of the Genetic Marker Testing fund noting that it is an in and out fund. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Genetic Marker Testing budget.*

**IN-LIEU OF TAX FUND/INTERGOVERNMENTAL/OTHER CULTURE AND RECREATION:**

Administrator Deist reviewed the In-Lieu of Tax Fund for the Board. The following motion was made by Commissioner Bell and passed unanimously:

*To approve the In-Lieu of Tax Fund as presented.*

Administrator Deist reviewed the Intergovernmental Fund. Comptroller Brooks offered comment. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve as submitted contingent upon approval by the City/County at their joint meeting.*

Administrator Deist reviewed the Other Culture and Recreation Fund. The following motion was made by Commissioner Cassinelli and passed unanimously:

*For approval of the \$2,500.00 to Virgin Valley Campground.*

**RURAL STREET LIGHTS/OTHER GENERAL GOVERNMENT:** Administrator Deist reviewed the budget for the Board. Comptroller Brooks noted that he had reduced the amount slightly based on the history of the fund. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Rural Street Lights as presented.*

Administrator Deist reviewed the Other General Government budget for the Board noting the recommendation that the Commission Grants and Contributions line item be reduced from \$40,000.00 down to \$20,000.00 in this fund. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve per staff recommendation.*

**COMMUNICATIONS/TV:** TV/Communications Director Paul Burkholder appeared before the Board. Administrator Deist reviewed the Communications budget for the Board. Director Burkholder discussed the inclusion of funds to replace the radio repeaters. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To approve Communications as submitted.*

Administrator Deist reviewed the TV budget for the Board. Discussion occurred regarding the revenues versus expenditures, the vehicles and the Quinn River TV District. Administrator Deist suggested that Director Burkholder prepare a proposal regarding the Quinn River TV District. Chairman Giordano asked that the item be placed on a future agenda. Discussion occurred regarding the ability to offer an incentive to the rural residents to go to satellite. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve TV as submitted.*

The Board recessed for the lunch at 11:26 a.m.

**JUSTICE COURT/ADMINISTRATIVE ASSESSMENT FUND:** Justice of the Peace Gene Wambolt and Justice Court Administrator Ginger Gabiola appeared before the Board. Administrator Deist reviewed the Justice Court budget noting that this budget will be revisited prior to the final budget being adopted in relation to the Counsel Costs line item as by that time there should be a better feel for the savings if any from the use of the Conflict Counsel Agreement by the Justice Court. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Justice Court Fund as submitted.*

Discussion occurred regarding line item 51105 in the Justice Court budget; Comptroller Brooks explained the reduction. After discussion regarding the Administrative Assessment Fund the following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Administrative Assessment Fund as submitted.*

**ASSESSOR/COMPUTER SYSTEMS/TECHNOLOGY FUND:** Assessor Jeff Johnson and Computer Technician Merleen Wambolt appeared before the Board. Administrator Deist reviewed the Assessor's budget noting the increase was due to a vehicle request. The following motion was made by Commissioner Bell and passed unanimously:

*To approve the Assessor's budget.*

Administrator Deist reviewed the Computer Systems budget noting the recommendation was to reduce the travel and training line item back to this year's level. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Computer Systems budget per staff recommendations with the reduction of travel & training by \$4,000.00.*

Assessor Johnson discussed the planned use for the Assessor's Technology Fund. Discussion occurred regarding concerns about the State possibly making a move to sweep this fund and the proposed projects for this fund. Chairman Giordano suggested that the Assessor budget the entire amount. The Board concurred. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the Assessor's Technology Fund budget as presented by staff with the modification of \$100,000.00 to that budget.*

**PLANNING:** Betty Lawrence, Senior Planning Technician for the Planning Department, appeared before the Board. Administrator Deist reviewed the budget for the Board. The following motion was made by Commissioner Bell and passed unanimously:

*To approve the Planning budget as presented.*

**DISTRICT ATTORNEY/CHILD SUPPORT/CHECK RESTITUTION:** District Attorney Russell Smith and Office Manager Nancy Jurad appeared before the Board. Administrator Deist reviewed the District Attorney's budget for the Board offering the recommendation that the travel and training line item be reduced back to this year's amount for a savings of \$3,000.00. District Attorney Smith spoke in support of the increase noting the need for additional training with new Deputies in the office. Discussion occurred regarding the request. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To approve the District Attorney's office budget based on staff recommendation with a reduction in travel and training of \$3,000.00.*

Administrator Deist reviewed the Child Support budget for the Board. The following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the Child Support budget as presented.*

District Attorney Smith reviewed the budget for the Check Restitution fund and explained the program for the Board. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Check Restitution Fund as presented.*

**LIBRARY:** Library Director Sheri Allen and Library Board member Evelyn Harmon appeared before the Board. Administrator Deist reviewed the budget for the Board. After discussion the following motion was made by Commissioner Bell and passed unanimously:

*To approve the Library budget as presented.*

**WINNEMUCCA EVENTS COMPLEX FUND (AG DISTRICT 3/INDOOR EVENTS CENTER):**

WCVA Director Kim Petersen and Ag District 3 Chairman O. Kent Maher appeared before the Board. Administrator Deist reviewed the budget for Ag District 3 and recommended two items be cut the dump truck and the cargo container. Director Petersen spoke in support of the cargo container noting the storage necessity. Discussion occurred regarding the request including that it would be a temporary solution and the potential for building a storage warehouse. Chairman Giordano suggested that \$5,000.00 be set aside to save toward building a warehouse. After discussion the following motion was made by Commissioner Fransway:

*To approve the Winnemucca Events Complex budget with the movement of the \$5,000.00*

*for the storage container to the Building Reserve Fund and the other items recommended by staff.*

Chairman Giordano noted that what is currently being discussed is the Ag 3 portion of the fund and that is what this motion applies to. Comptroller Brooks asked for clarification as to whether the \$5,000.00 is being transferred from Ag 3 to the Building Reserve or is \$5,000.00 being reserved out of the Building Reserve. After discussion Commissioner Fransway offered the following amended motion and it passed unanimously:

*To approve the Winnemucca Events Complex budget with a reduction of the budget by \$15,000.00 with the understanding that \$5,000.00 will be added to the Building Reserve for the eventual storage building.*

Administrator Deist reviewed the Indoor Events Center budget with the recommendation that the slurry seal of the parking lot and striping not be included this year. Chairman Giordano noted that the issue had been discussed with Road Superintendent Garrett earlier in the day and he felt that parking lot could survive another year or two more without extensive damage and while the Commission wanted it done they were electing to hold off this year. After discussion the following motion was made by Commissioner Amos and passed unanimously:

*To approve the Indoor Events Center budget per staff recommendations.*

Discussion occurred regarding the revenue side of the Indoor Events Center and how income is estimated.

**COOPERATIVE EXTENSION:** Cooperative Extension Agent Brad Schultz appeared before the Board. Administrator Deist reviewed the budget for the Board. Agent Schultz commented on the budget. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Cooperative Extension Agent budget as proposed by staff.*

**BUILDING OFFICIAL:** Building & Safety Director Bobby Thomas appeared before the Board. Administrator Deist reviewed the budget for the Board. Director Thomas offered comment. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Building Official's budget as presented.*

**TREASURER:** Treasurer Gina Rackley appeared before the Board. Administrator Deist reviewed the budget for the Board. Treasurer Rackley discussed the need to purchase a new printer and noted that the employee who she shares with the Assessor's Office has requested a reduction in hours and that request is not reflected in the presented budget. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Treasurer's budget.*



**SIXTH JUDICIAL DISTRICT:****SIXTH JUDICIAL DISTRICT FUNDS:**

**DISTRICT COURT:** Judge Richard A. Wagner, Judge Michael R. Montero, Chief Juvenile Probation Officer Ed Sampson and Legal Secretary Rosa Sanchez appeared before the Board. Administrator Deist reviewed the District Court budget for the Board. After discussion the following motion was made by Commissioner Cassinelli and passed unanimously:

*To approve the District Court budget as submitted.*

Administrator Deist reviewed the budget for District Court - Humboldt County and suggested that prior to the final budget that the counsel cost line item be reviewed to see if the use of the Conflict Counsel in Justice Court has resulted in a savings in this budget. Judge Wagner commented on recommendations he will be bringing to the Board regarding appointed counsel. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve the District Court Humboldt budget as submitted.*

**COURT REPORTERS:** Administrator Deist reviewed the Court Reporter budget for the Board. The following motion was made by Commissioner Bell and passed unanimously:

*To accept the Court Reporters budget as recommended.*

Administrator Deist reviewed the Court Reporters - Humboldt budget for the Board. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the Court Reporters Humboldt budget as submitted.*

**LAW LIBRARY:** Administrator Deist reviewed the Law Library budget with the Board. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Law Library budget as submitted.*

**DRUG COURT:** Administrator Deist reviewed the Drug Court budget for the Board. The following motion was made by Commissioner Bell and passed unanimously:

*To approve the Sixth Judicial Drug Court budget as presented.*

**SIXTH JUDICIAL DISTRICT - JUVENILE PROBATION:** Administrator Deist reviewed the Juvenile Probation budget for the Board. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To approve the Sixth Judicial District Juvenile Probation budget as presented.*

**SOLID WASTE MANAGEMENT FUND:** Administrator Deist reviewed the budget for the Board. Discussion occurred regarding how the costs for the Comptroller and Administrator's Office are figured in this fund and what had occurred in the prior year to put the professional services line item over budget. After discussion the following motion was made by Commissioner Amos and passed unanimously:

*To approve the Solid Waste Management Fund budget as provided.*

**ADMINISTRATOR/PERSONNEL:** Administrator Deist reviewed the Administrator's budget for the Board. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve as submitted.*

Administrator Deist reviewed the Personnel budget for the Board. The following motion was made by Commissioner Fransway and passed unanimously:

*To approve as submitted.*

**HUMBOLDT DEVELOPMENT/EXTERNAL BUDGET REQUESTS:** Administrator Deist reviewed the Humboldt Development Authority budget for the Board. After discussion the following motion was made by Commissioner Amos and passed unanimously:

*To approve the Humboldt Development Authority budget.*

Administrator Deist noted that these amounts for the external budget requests had been previously covered. The following motion was made by Commissioner Amos and passed unanimously:

*To approve the external budget requests.*

**COMPTROLLER:** Comptroller Bruce Brooks appeared before the Board. Administrator Deist reviewed the budget for the Board. Comptroller Brooks commented on the budget and discussion occurred regarding the audit costs. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

*To approve as submitted.*

**COMMISSIONERS:** Administrator Deist reviewed the budget for the Board and recommended that the Compensated Absences be reduced by \$2,500.00 as the budget program does not recognize that the Commissioners do not receive sick or annual leave. The following motion was made by Commissioner Fransway:

*To approve as recommended by staff.*

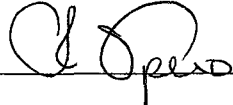

Chairman Giordano questioned if the Commissioners felt that, given what has been spent to date in the current budget, there needed to be \$5,000.00 in the travel line item; he noted that the legislature would be in session next year. Commissioner Fransway said yes. Commissioner Cassinelli asked if in past years the whole \$5,000.00 has been used. Commissioner Fransway stated no but noted that he is traveling on his dollar and he does not want to continue to do that. Commissioner Cassinelli stated that he also pays for his own travel. Commissioner Bell agreed that he has not put in for any travel either. Chairman Giordano stated he also paid for his own. Commissioner Cassinelli commented that the Board should set an example for other offices; he noted that Commission could consider something to be very important and use the funds by agreement. Commissioner Bell agreed noting that there are certain things that it could be needed for.

Chairman Giordano asked that an item be placed on a future agenda to discuss travel for all the County including that if there is a big item that it is being reported to the Commission including what the benefit is to the County for the cost; he noted that he is not saying that the issue is being abused, that shows in the budgets presented, but that he would like to have information provided to the Board as to why departments are using the travel and what the benefits are. Chairman Giordano asked the Boards' direction on this item. The Board agreed to leave the travel amount as presented. Commissioner Fransway repeated his motion and it passed unanimously.

**PUBLIC COMMENTS:** Chairman Giordano asked for public comment; none offered.

Chairman Giordano stated that as all budget hearings were finished today there would be no hearings tomorrow.

**ADJOURNMENT:** Chairman Giordano adjourned the meeting at 3:47 p.m.

ATTESTED:  Clerk      APPROVED:  Chairman

UNOFFICIAL

**MEMORANDUM**

TO: County Commissioners

FROM: County Administrator

DATE: March 22, 2010

SUBJECT: Budget Message

At the Retreat this year we told you that we were again at a "Cross Roads" as we entered the New Year. This year has been a difficult process primarily as a result of the unknowns on the revenue side.

We have attempted to follow the direction, you provided at the Retreat. We are not proposing new taxes; there are no new programs; we have followed the same process as we have the last few years; and, unfortunately we have a gap between revenue and expenses.

When we discussed the budget process and your desires with the Management Team they listened. The requested General Fund budget from them is only \$36,357 over the current year approved budget. In a total General Fund of \$14 million plus, this slight increase is outstanding. These people deserve a big thank you for a job well done.

This effort shows a buy-in to what you asked for and what we have been working towards for a number of years.

From a budgetary standpoint, what we are seeing today is a change in what has occurred previously. Prior to the time we started to ratchet down the expense side, we were seeing expenditures in the high 80% to low 90% of the appropriations. Now that expenditure requests have been reduced, we now spend about 95% of the appropriations. On the revenue side, we are seeing the impact of the down turn in the economy. We were use to receiving around 104% of the estimated revenue and now we are closer to receiving 100%. This difference between revenue and expense was what built up the reserves we are utilizing now to get through the downturn. We build these reserves for times like this; however, we do not want to expend them all in one or two years.

As we began the 2010-2011 fiscal year budget process, the gap between revenue and expenses in the General Fund was \$4,227,149. This gap gave us a great deal of concern. We reviewed the sources of revenue and realized that there were some unknowns. We also realized that certain areas, such as investment earnings, were not going to generate the revenue they had in the past due to the economy. While we were conducting this review two things occurred which gave us concern and confused the process even more. The first was the report that our December taxable sales were up 128% over the prior year, yet our receipts were below those of last year. We were able to determine that the increase in taxable sales in December was the result of Ruby Pipeline purchasing their pipe from an out of state seller. Out of State sales taxes are distributed different from sales taxes collected within the County. As a result, we did not receive the amount of revenue we would expect based upon in County taxable sales. The second area was the estimated for value of net proceeds. The first estimate from the State for value was low and as a result we did not budget revenue from this source. As we were developing our recommendations, a second estimate was received from the State and the value had increased substantially. As a result, we began to investigate and questioned the State as to which estimate was correct. That is continuing as I prepare this message.

Based on what we are seeing, I came to the conclusion that much like last year, we do not have enough information to make the hard and possibly difficult decisions that may need to be made at this time. We have just entered into negotiations, and only have one proposal at this time. The outcome of these meetings may have an impact on the final budget. We will be meeting in April with Newmont to discuss net proceeds further and this will help us in determine what net proceeds value we will utilize. The mining industry will also be paying the final installment on the 2009 calendar-year estimate and we will be able to tell if we receive more than estimated in this year or do we owe them a refund. Either way it will impact this budget. Based on this I am recommending that you adopt a tentative budget with the understanding that changes will occur prior to the adoption of the final budget in May.

I will comment and make recommendations on certain budgets as we proceed through the remainder of this message. If I do not comment or make suggestions, then I am supporting the budget as requested by the Department.

### BUILDINGS AND GROUNDS

This budget is up over the prior year, however it is a result of Special Projects and Capital. As you will recall we always reduce this request either through cuts or transfers to other funds. Our recommendations once again proposes to do this.

Proposed cuts: 1). Replacement of West Sally Port Doors (\$5,000); Paint D.A.'s office upstairs (\$4,000); Replace D.A.'s office carpet (\$8,950); replace window blinds in D.A.'s office (\$900); remove and replace gutter and sidewalk 5<sup>th</sup> Street west side (\$13,804). These recommended cuts total \$32,654.

Proposed transfers to the Capital Improvement Fund: Repair leaking ram unit courthouse public elevator (\$39,000); purchase and install new HVAC units at the 4-H office building (\$12,160); New Entry door system exterior and interior at the library (\$12,800); replace

Courthouse west wing 2<sup>nd</sup> floor reheat coils (\$12,286); replace Courthouse west wing 1<sup>st</sup> floor reheat coils (\$14,810). These recommended transfers total \$91,056. Prior to the final budget we will likely recommend further use of this fund.

### SHERIFF OFFICE'S BUDGETS

In the Patrol budget we are recommending that the \$180,000 request for vehicles not be included in the tentative budget, but we look at this prior to adopting the final budget. This is the same process you used last year.

In the Dispatch budget we are recommending that the funding for the equipment upgrade be paid by a transfer from PILT.

### ROAD DEPARTMENT

In reviewing this request and developing our recommendations, we were mindful that the Secure Rural Schools program only has one more year and the revenue has been reduced yearly throughout the life of the program. Whether this will be renewed or if renewed, what format it will take is unknown. As a result, we have figured for a budget purposed that it would not be available after this year.

We also kept in mind that the full funding of PILT only has two more years prior to renewal. Once again we do not know at what level or form renewal will occur.

As a result we have attempted to protect fund balance and yet move forward with equipment purchases so that if revenue takes a reduction, the Department can continue on the path it is on and have adequate equipment to perform its responsibilities.

With this in mind we are recommending that we transfer \$1,000,000 in PILT revenue and \$460,000 from the Debt Service fund into the Road Department. Following your direction, the PILT is on hand and as we have no debt we are proposing the transfer from that fund to

close it out. With this additional revenue we are recommending that the Department purchase two graders instead of one as requested. With this revenue increase and the sale of the graders we are proposing to offset the use of fund balance and in fact may grow.

#### OTHER GENERAL GOVERNMENT

I would recommend that the Commission Grants and Contributions be reduced from \$40,000 to \$20,000.

#### PUBLIC DEFENDER

This proposed budget reflects only one attorney in the office and you need to be aware of that and discuss it with the Public Defender.

#### JUSTICE COURT

Prior to the final budget we will revisit this budget in relation to counsel costs. By that time we should have a better feel for the savings, if any, from use of the Conflict Counsel Agreement by this court.

#### ASSESSOR/COMPUTER

Our only recommendation is in the computer budget and that is to reduce the travel and training line item back to this year's level for a savings of \$4,000.

#### DISTRICT ATTORNEY

Our only recommendation here is to reduce the travel and training line item back to this year's level for a savings of \$3,000.