

Monday, March 26, 2012

The Fiscal Year 2012-2013 budget workshops held by the Humboldt County Board of Commissioners were called to order on Monday, March 26, 2012, at 8:00 a.m. in the regular place of meeting at the Courthouse, Winnemucca, Nevada. Those present were Chairman Mike Bell, Commissioners Jim French, Dan Cassinelli, Tom Fransway and Garley Amos Jr., Assistant Administrator Brenda Willey, Comptroller Sondra Schmidt and Clerk of the Board Tami Rae Spero.

PUBLIC COMMENTS: Chairman Bell asked for public comments. Annebet Muceus appeared before the Commission to discuss the relocation of the Paradise Valley Weed District storage issue for the short and long term; she discussed what had occurred at the Weed District Board meeting relative to the Board's reluctance to move the facility and their issues with the required policy; she commented that it is unacceptable that finding an interim location is not a priority and asked the Commission's assistance in pursuing the short term solution. Commissioner Fransway commented on the possibility of placing a container at another location and suggested that the issue be placed on the next agenda for discussion related to a short term solution. Commissioner French asked that the Forest Service and NDOW also be asked to attend that meeting. Chairman Bell asked for additional public comment. Marlene Brissenden asked for the opportunity to offer public comment during the planning portion related to the airport overlay matter. Chairman Bell asked for additional public comment. None offered.

FISCAL YEAR 2012 - 2013 BUDGET WORKSHOPS

FISCAL YEAR 2012 -2013 BUDGET OVERVIEW: Ms. Willey read the budget message into the record (see attached). Comptroller Schmidt reviewed revenue projections including the CTX distribution and concerns, the property tax distribution and concerns, net proceeds, the fuel tax distribution and concerns. Discussion occurred regarding the issues.

BUILDINGS AND GROUNDS: Buildings & Grounds Director Doug Cain appeared before the Board. Chairman Bell reviewed the recommendations set forth in the budget message. Discussion occurred regarding the demolition project at 421 Melarkey Street and vehicle usage. After discussion the following motion was made by Commissioner Amos and passed unanimously:

To approve the Buildings and Grounds budget per recommendation.

SHERIFF/DETENTION/DISPATCH/TASK FORCE/LEPC: Sheriff Ed Kilgore appeared before the Board. Chairman Bell reviewed the recommendations set forth in the budget message. Sheriff Kilgore spoke in support of the request for additional deputies. Commissioner Fransway commented on the need to make adjustments within the department as he would not support the request. Discussion occurred regarding the request. Sheriff Kilgore reviewed the request for vehicles. After discussion he agreed to

wait until closer to the final budget to determine if funds were available but stated that he did want to discuss the matter again before the final budget was approved. Discussion occurred regarding the importance of the CAD system for patrol, detention and dispatch and the removal of the replacement of the video system in the Detention Center request. Discussion occurred regarding the use of the agreement with Humboldt General Hospital for the annual physicals and the Dispatch budget including the C-soft 24 line software USB Dongle Mobile Command as opposed to the Communications budget. Commissioner Fransway asked that the Communications Director be asked which budget the C-soft item should be included in. The following motion was made by Commissioner Fransway and passed unanimously:

To approve the fiscal year 2012-2013 budgets for the Sheriff patrol, detention and dispatch as recommended by staff.

The following motion was made by Commissioner Fransway and passed unanimously:

To adopt the task force and LEPC budgets as submitted by staff.

Sheriff Kilgore discussed issues with inmate medical costs.

ROAD DEPARTMENT/REGIONAL TRANSPORTATION FUND: Road Superintendent Ben Garrett appeared before the Board. Chairman Bell reviewed the recommendations included in the budget message. Discussion occurred regarding the fuel costs, delivery process and billing process, that the equipment request and special projects are on hold until there is a better idea as to fuel costs, vehicle repair and the reimbursement process, the completion of the installation of radios and the use of PILT monies in this fund. The following motion was made by Commissioner Fransway and passed unanimously:

To approve the Road Department budget as recommended by staff.

Superintendent Garrett reviewed the County's plans for RTC funds in the future including the Winnemucca Mountain Road project, costs associated with North Valley Road and Cordero Road and the plan to pursue the chip seal project in cooperation with the City to save costs. Superintendent Garrett commented on the City's planned RTC projects that he was aware of. The following motion was made by Commissioner Fransway and passed unanimously:

To approve the Regional Transportation Fund as submitted.

CLERK/ELECTIONS/INDIGENT FUND/INDIGENT MEDICAL FUND: County Clerk Tami Rae Spero appeared before the Board. Discussion occurred regarding the request for the copier and the postage costs. The following motion was made by Commissioner Fransway and passed unanimously:

To approve the Clerk's budget as presented.

Discussion occurred regarding the election budget. After discussion the following motion was

made by Commissioner French and passed unanimously:

To accept the election budget as presented.

Clerk Spero reviewed the Indigent/Indigent Medical Funds budgets for the Board and discussed the statutorily required increases. Discussion occurred between the Commission, the Clerk and the Sheriff regarding the cost increases associated with the Inmate Medical line item; Commissioner French noted his efforts to have Humboldt General Hospital bill those types of services at cost when possible; Sheriff Kilgore noted that efforts will continue to come up with solutions to reduce and/or maintain the costs. Clerk Spero commented that the Board could choose to approve the budget with the requested increase or could approve with only the statutory increase and review the budget closer to the final to determine if additional funds would be needed. The Board agreed. Clerk Spero reviewed the convalescent care line items in the budget and discussed the issue with the additional costs pushed down from the State to the County which are significantly higher than the estimated amount; she noted that the State has indicated that the amounts will be capped at the cost estimated previously but if that does not occur there will be a serious shortfall; she noted that once again the Commission could approve the budget including the estimate and if the promised cap does not materialize revisit the issue before the final budget is approved. The Board agreed. The following motion was made by Commissioner Fransway and passed unanimously:

To approve the Indigent Fund budget including the 4.5% statutory increases and the \$70,070.00 proposed by the State and bring it back before the final budget.

The following motion was made by Commissioner French and passed unanimously:

To accept the Humboldt County budget for indigent medical minus the long term care budget number of \$331,783.15 for an estimated budget of \$543,000.00.

STABILIZATION FUND: Comptroller Schmidt indicated that there were no changes to this fund. The following motion was made by Commissioner Amos and passed unanimously:

To approve the Stabilization Fund.

UNEMPLOYMENT TAX FUND: Comptroller Schmidt indicated that there were no changes to this fund. The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve the Unemployment Tax Fund.

COMPENSATED ABSENCES FUND: Comptroller Schmidt indicated that there were no changes to this fund. The following motion was made by Commissioner Amos and passed unanimously:

To approve the Compensated Absences Fund.

PUBLIC DEFENDER: Chairman Bell reviewed the recommendations included in the budget message.

Discussion occurred regarding the recommendation to reduce the investigations line item. The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve per recommendations.

RECORDER: Recorder Mary Ann Hammond appeared before the Board. Recorder Hammond reviewed her request including her technology fund. The following motion was made by Commissioner Amos and passed unanimously:

To approve the Recorder's budget as recommended.

PUBLIC HEALTH NURSE: Comptroller Schmidt reviewed the public health nurse budget. The following motion was made by Commissioner Amos and passed unanimously:

To approve the Public Health Nurse budget as recommended.

MOSQUITO CONTROL: Comptroller Schmidt noted the small increase to this budget. The following motion was made by Commissioner French and passed unanimously:

To approve the Mosquito Control budget as presented.

Discussion occurred regarding the Building Reserve Fund and the Capital Projects Fund and the Board agreed to hold approval on these budgets until the end of the budget hearings for any possible additions.

DEBT SERVICE FUND: Comptroller Schmidt stated that there were no changes to this fund. The following motion was made by Commissioner Fransway and passed unanimously:

To approve as submitted.

COMMUNITY SUPPORT: Chairman Bell reviewed the recommendations set forth in the budget message for the Board. Discussion occurred regarding whether to budget \$20,000.00 for Humboldt Development Authority (HDA) or whether to budget \$15,000.00 for HDA and use the other \$5,000.00 for dues for Western Nevada Development District; the Board agreed with the \$15,000.00/\$5,000.00 split. Discussion occurred as to whether the \$50,000.00 identified for the Paradise Valley Weed District building would be sufficient. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

To adopt the Community Support budget as recommended by Staff with \$15,000.00 going to HDA and \$5,000.00 to Western Nevada Development District and reserving the right to add to the amount identified for the Paradise Valley Weed District if needed before the final budget.

EMERGENCY MANAGEMENT: Comptroller Schmidt noted that there was no budget for this item.

GENETIC MARKER TESTING: Comptroller Schmidt reviewed the purpose of this line item. The

following motion was made by Commissioner French and passed unanimously:

To accept Genetic Marker Testing budget as presented.

IN-LIEU OF TAX FUND: Comptroller Schmidt discussed the use of this fund. Discussion occurred what funds receive these funds and possible future requests. The Board agreed that they would tentatively approve this budget pending any further additions with final approval to be at the end of the budget hearings. The following motion was made by Commissioner French and passed unanimously:

To approve the In-Lieu of Tax Fund with review of any possible additional requests.

INTERGOVERNMENTAL: Comptroller Schmidt stated there were no changes to this item. The following motion was made by Commissioner French and passed unanimously:

To accept the Intergovernmental budget as presented.

OTHER CULTURE AND RECREATION: Comptroller Schmidt stated there were no changes to this item. The following motion was made by Commissioner Fransway and passed unanimously:

To approve as submitted.

RURAL STREET LIGHTS: The following motion was made by Commissioner Fransway and passed unanimously:

To adopt as submitted.

OTHER GENERAL GOVERNMENT: Chairman Bell reviewed the recommendation set forth in the budget message relative to reducing the insurance deductible line item. Discussion ensued regarding the recommendation. The following motion was made by Commissioner French and passed unanimously:

To accept Other General Government as per recommendation.

COMMUNICATIONS/TV: Communications Director Paul Burkholder appeared before the Board. Chairman Bell reviewed the recommendation set forth in the budget message. Director Burkholder discussed why the C-soft 24 software was included in the Dispatch budget and discussion occurred regarding the trident fire repeater. After discussion the following motion was made by Commissioner Cassinelli and passed unanimously:

To approve as submitted including the repeater.

The following motion was made by Commissioner French and passed unanimously:

To accept the TV budget as presented.

Chairman Bell recessed the meeting for lunch at 11:29 a.m. to reconvene at 1:00 p.m.

JUSTICE COURT AND ADMINISTRATIVE ASSESSMENT FUND: Justice of the Peace Gene Wambolt and Court Administrator Holly Jones appeared before the Board. Commissioner Fransway questioned if sufficient funds at been included in the Substitute Judges line item in the Justice Court

budget; discussion ensued. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

To adopt the Justice Court budget as submitted with the addition of \$2,500.00 to the Substitute Judges line item.

The following motion was made by Commissioner French and passed unanimously:

To accept the Administrative Assessment budget.

ASSESSOR/COMPUTER SYSTEMS/TECHNOLOGY FUND: Deputy Assessor Rhona Lecumberry, Merleen Wambolt and JD Ames of the Technology Department appeared before the Board. No recommendations offered. The following motion was made by Commissioner French and passed unanimously:

To accept as presented.

Discussion occurred regarding the Computer Systems budget after which the following motion was made by Commissioner Cassinelli and passed unanimously:

To approve.

Deputy Assessor Lecumberry discussed the proposal for the Assessor's Technology Fund. The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve the Assessor's Technology Fund.

PLANNING: Betty Lawrence, Senior Planning Technician for the Planning Department, appeared before the Board. Mrs. Lawrence addressed the Commission regarding an additional increase to the postage line item to bring it up to \$5,000.00 due to the costs which will be associated with proposed changes to planning code. Discussion occurred regarding the importance of public notification. Commissioner French suggested that an increase to \$5,500.00 might be more appropriate. The following motion was made by Commissioner French and passed unanimously:

To accept the Planning Department budget as presented including the overtime request and the addition of \$3,500.00 to postage.

DISTRICT ATTORNEY/CHILD SUPPORT/CHECK RESTITUTION: District Attorney Michael Macdonald appeared before the Board. Discussion occurred regarding the special projects cut from the capital outlay portion of the Building and Grounds budget, the ramp on the 5th Street side of the building, the carpeting and the future requirement for a case management system. The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve the District Attorney's budget as presented.

District Attorney Macdonald reviewed the Child Support portion of the budget noting no changes.

The following motion was made by Commissioner French and passed unanimously:

To accept the Child Support budget as presented.

The following motion was made by Commissioner Fransway and passed unanimously:

To approve the Check Restitution budget as submitted.

LIBRARY: Library Director Shari Allen and Library Board Chairman Evelyn Harmon appeared before the Board. Director Allen reviewed the budget as presented and discussed the issues with the current bookmobile including heating, cooling and dust problems. Chairman Bell reviewed the budget message recommendation which was to cut the request for the new bookmobile due to concerns with fund balance and the possible need to transfer tax rate to other funds; he reviewed discussion at a prior meeting regarding the issues with the solar panels and the possibility of substituting in a generator noting that fixing the current vehicle wouldn't be practical if a new one is going to be purchased; he asked Director Allen to explain the plan for funding a new vehicle. Director Allen referred the Commission to a handout detailing the proposed financing for the new bookmobile which included a grant, the sale of the current vehicle and the use of ending fund balance for the remainder. Commissioner French commented on the question of whether to fund additional repairs for the current vehicle if a new one is going to be ultimately purchased; he questioned how the funding of the budget request worked. Comptroller Schmidt addressed the use of the Library's ending fund balance and the concerns with projected revenues and the possible need to shift tax rate to other funds. Discussion ensued regarding the current tax rate. Road Superintendent Ben Garrett addressed the Board regarding solutions related to the power, dust and heating/cooling issues. Commissioner French discussed the ride he took on the bookmobile related to the dust problem and noted his concerns about the ability to use generator system when the bus is running. Superintendent Garrett discussed the placement of the generator. Director Allen read remarks from Ginny Dufur, the bookmobile operator related to the issues with the bookmobile. Discussion occurred regarding the amount of additional dollars that have been invested in the bookmobile since the 2012 Commission Retreat. Director Allen commented on the efforts made by the Library to reduce costs and increase the ending fund balance, her belief that the local economy is still strong and the effect of the dust and heating/cooling issues on the ability of the students to use the services of the bookmobile. Commissioner French asked if there was a way for the Board to approve the budget which would allow for the purchase of a new bus if we were to find ourselves, in this fiscal year, with an untenable situation after the power supply is changed noting that he hates to throw the baby out with the bath water after having gone so far with this as he feels things are getting real close to working; he noted that it is a roll of the dice either way. Comptroller Schmidt stated that the budget could be augmented if necessary.

Chairman Bell noted that the Commission could approve the budget at whatever amount as they would still need to come before the Commission for final approval to purchase; he stated that at this time he does not want to commit to this as there are still too many questions without answers as to financial concerns. Discussion occurred regarding how the cost of the generator would be covered, the status of the service of the brakes on the current vehicle and the wording of the motion with Commissioner French noting that he wanted to make sure the Board would have the ability to go both ways depending on the situation. The following motion was made by Commissioner Fransway and passed unanimously:

To motion to approve per recommendation with potential augmentation.

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

Winnemucca Convention & Visitors Authority Director Kim Petersen and Ag 3 Chairman Kent Maher appeared before the Board. Chairman Bell reviewed the recommendations set forth in the budget message. Director Petersen reviewed the budget proposal for the Board. Discussion occurred regarding the recommendation to cut the fork lift and instead to purchase a set of forks for the tractor, the transfer of a surplus front end loader from the Road Department to the complex and the \$50,000.00 transfer into the Building Reserve Fund for future expansion at the Events Center. After discussion the following motion was made by Commissioner Amos and passed unanimously:

To approve the budget for Winnemucca Events Complex including Ag 3 as recommended and set aside \$50,000.00 in the Building Reserve Fund for future expansion at the Indoor Events Center for a shop building.

COOPERATIVE EXTENSION: Cooperative Extension Agent Brad Schultz appeared before the Board. Agent Schultz reviewed the proposed budget. The following motion was made by Commissioner French and passed unanimously:

To accept the Cooperative Extension budget as presented.

BUILDING OFFICIAL: Building and Safety Director Bobby Thomas appeared before the Board. Director Thomas reviewed the proposed budget. The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve the Building Official budget as presented.

TREASURER: Deputy Treasurer Pam Brooks appeared before the Board. The following motion was made by Commissioner Fransway and passed unanimously:

To adopt as submitted.

SIXTH JUDICIAL DISTRICT COURT FUNDS: DISTRICT COURT; COURT REPORTERS; LAW LIBRARY; DRUG COURT AND SIXTH JUDICIAL DISTRICT - JUVENILE

PROBATION: Honorable Richard A. Wagner, Honorable Michael R. Montero, Chief Juvenile Probation Officer Ed Sampson, Assistant Juvenile Probation Officer Craig Tippens and Legal Secretary Rosa Sanchez appeared before the Board. Mrs. Sanchez noted that the District Court budget is the same as last year's. Judge Wagner discussed an upcoming program related to foster care which is not reflected in the budget being proposed but which may be brought back later if necessary. Discussion occurred regarding the program proposal. The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve District Court budget as presented.

The following motion was made by Commissioner Amos and passed unanimously:

To approve the District Court - Humboldt budget as presented.

The following motion was made by Commissioner French and passed unanimously:

To approve the Court Reporters budget.

The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve the Court Reporters - Humboldt as presented.

The following motion was made by Commissioner Fransway and passed unanimously:

To approve the Law Library budget as presented.

The following motion was made by Commissioner Amos and passed unanimously:

To approve the Drug Court budget per recommendation.

Chief Sampson reviewed the proposed budget for the Juvenile Department noting a slight increase. The following motion was made by Commissioner Amos and passed unanimously:

To approve Juvenile Probation as recommended by staff.

Discussion ensued regarding the PASS school, the 60/20/20 split between the three counties and that the control panel at the Juvenile Facility is currently being looked at and the cost to replace may be a big ticket item in the future.

Discussion occurred regarding the recent IRS audit of the County and issues related to car usage and other potential issues identified. Commissioner French request that a summary of the findings be presented to the Commission.

SOLID WASTE MANAGEMENT FUND: Comptroller Schmidt reviewed the budget request for the Board. The following motion was made by Commissioner Fransway and passed unanimously:

To approve the budget.

ADMINISTRATOR: Administrative Assistant Willey noted the increase was related to employee costs. The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve Administrator's budget as submitted.

PERSONNEL: The following motion was made by Commissioner Amos and passed unanimously:

To approve the Personnel budget as submitted.

HUMBOLDT DEVELOPMENT AUTHORITY/EXTERNAL BUDGET REQUESTS: After discussion the following motion was made by Commissioner Fransway and passed unanimously:

To approve HDA as submitted.

Chairman Bell noted that nothing was included under the External Budget request.

COMPTROLLER: Comptroller Schmidt reviewed the proposed budget for the Board. The following motion was made by Commissioner Fransway and passed unanimously:

To approve as submitted.

COMMISSIONERS: The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve the Commissioners budget as presented.

Discussion occurred regarding the meeting room sound/recording system.

BUILDING RESERVE FUND: Comptroller Schmidt noted that there are currently two items in this fund the Detention Center and the Performing Arts Center. Discussion occurred regarding the amount identified for the Performing Arts Center and whether an additional \$50,000.00 had been included for the Buckaroo Hall of Fame or if it was just a part of the Performing Arts Center; the Board concurred that it was included in the \$500,000.00 as it will take more than one fiscal year to build sufficient funding and then discussion would occur regarding the inclusion of the Buckaroo Hall of Fame in the overall project. Chairman Bell noted the additional \$50,000.00 which had been placed in this fund for the shop building at the Events Complex. Discussion occurred as to how these amounts would be funded. The following motion was made by Commissioner French and passed unanimously:

To approve the Building Reserve Fund as submitted with the addition of \$50,000.00 for the Events Complex shop building.

CAPITAL PROJECTS FUND: The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve the Capital Projects Fund with the transfer of \$46,145.00 from Buildings and Grounds and the transfer of the roll up door from the Road Department budget in the amount of \$23,480.00.

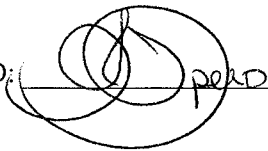

IN-LIEU OF TAX FUND CONTINUED: The following motion was made by Commissioner Fransway and passed unanimously:

To approve the In-Lieu of Tax Fund as submitted.

Chairman Bell noted that the budget hearings were complete so the Tuesday, March 27, 2012 meeting is not necessary.

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

ADJOURNMENT: Chairman Bell adjourned the meeting at 3:56 p.m.

ATTESTED:  Clerk APPROVED:  Chairman

UNOFFICIAL

MEMORANDUM

TO: COMMISSIONERS

FROM: ADMINISTRATOR

DATE: March 23, 2012

SUBJECT: Budget Message

It is that time of year when we once again look at how we will operate in the following fiscal year and what expenditures we wish to approve and what resources we have to apply to those requests.

In developing this tentative budget we have followed the process that was implemented several years ago. That is the Elected and Appointed Officials develop their requests based on the direction we have received from you during the retreat and through out the year. Once those are received the Comptroller enters them into the format we are reviewing today while also doing the revenue projections for the coming year. I then review each of the requests along with the revenue projections and begin to develop recommendations for the budget. I also meet with several of the Elected and/or Appointed Officials to discuss their budget request specifically. Based on these meetings I develop the recommendations you will be reviewing later today.

Do to sound policy and guidance developed several years ago we are still on a sound financial footing. I strongly believe we must continue to achieve financial stability. We ended the last fiscal year with healthy fund balances in the General Fund and several others and we must work to ensure we do not overly rely on those fund balances to get us through this next year. I understand that we will utilize some of that balance as we move forward but we must also protect it should there be a down turn such as much of the rest of the State and Nation have seen.

Looking at the economy there are some areas which give me some concern. As this is an election year we are unable to predict what may occur on the national level. While some indicator would lead you to believe that we may be improving on the National level, there are also factors which give me concern at the local level.

At the local level our CTX has been below last year for the last two months. As of the end of December 2011, the latest data we have, Humboldt County was the only county in the state below the prior year for the first six months. I believe that some of this is a result of the impact Ruby Pipeline made in the prior year, however I am anxious to look at the January data and see what that may tell us. A second area that gives me concern is the raising cost of fuel. This not only impacts our cost of doing business, it also has the potential to impact many of the events which come to town whether at the Events Complex or elsewhere in the Community. As you are all aware the

income generated by the tourism industry is very beneficial to Humboldt County. The last area I have been watching is the price of gold. It has been down from the previous highs since the first of this month. As we are aware from past experience as the economy improves elsewhere we are more acceptable to a down turn. I have spoken to people in the industry and at this time they are not concerned or are they planning cut backs. I hope they are correct and they do move forward with the proposals as it will only be beneficial to the community.

As we are all aware last year the State of Nevada was required to reduce certain programs they had historically provided and some of those programs or part there of were transferred to counties as part of the "shared sacrifice". We are now beginning to see community programs which also saw State support erode, turning to you to pick up those costs. This trend gives me concern as we move into areas of social service we have not been a part of in the past and how long will it be before we also are no longer able to fund these projects. We must look at cost containment in any manner we possible can.

As is normally the case the requested expense are not equal to the projected revenues as we move into the process. History tells us that by the end of the fiscal year we will be much closer than we are at this time. In the General Fund the difference is between \$5 million and \$6 million dollars. I will be making recommendation which if you agree will lower that amount by a little over \$1.2 million. As I have noted more than once we need to be aware of fund balance protection. We are proposing one major project for this fiscal year and that is the construction of a new dispatch center. We are proposing that this project be funded from the Building Reserve Fund. We are continuing to refine the cost and should be very close by the time we file the final budget.

One area of concern is the Indigent Funds. As you are aware we were given a number for our share of the "shared sacrifice" and we budget for that amount. In reality the amount has been considerably higher. We have been working with NACO and with Health and Human Services to address this issue. We will discuss this more when we discuss these specific funds.

At this time I would like Sondra to take a few minutes and review with you the revenue projections and any comments or issues she has identified with this side of the budget.

Mr. Chairman I would recommend that we know begin to review each of the Department requests. If I do not make a recommendation regarding a request I am in support of the request as submitted.

BUILDINGS AND GROUNDS

This budget is similar to past years. The areas where reductions or transfers can be made are in either capital outlay or special projects. My recommendations are as follows for the Capital requests.

1. Cut the 25kw emergency generator at the Road Department - \$44,200.
2. I support the request for the new pickup. The justification which was submitted with this request is the manner in which these types of requests should be made.

3. Transfer the sidewalk between 4th and 5th to the Capital Projects fund - \$46,145.
4. Cut the fair grounds exhibit hall restroom heaters - \$10,650
5. Cut the DA's office carpet request - \$8,915.50
6. Demolition of 421 Melarky increase by \$1,500 for an asbestos review
7. Reduce the relamp project at the main Library from \$47,158 to \$20,000 saving \$27,158

My recommendations for the Special Projects line item are as follows:

1. Cut the sally port door from Buildings and Grounds request - \$3,500
2. Cut new officer report writing station from the SO request - \$1,600
3. Cut the counter cabinet between the Commander and Office Manager - \$500
4. Cut the Jail visitation and attorney room carpet in detention - \$1,891
5. Cut the material for the storage shed - \$2,081
6. Cut the window blinds in the DA request - \$2,100
7. Transfer the roll up door at the road department to the Capital Project fund - \$23,480
8. Cut all special projects requested by the Library except the duct cleaning - \$11,400.

SHERIFF PATROL

After review with the Sheriff and based on what I see with this budget I would make the following recommendations:

1. Cut request for three new patrol deputies -- \$232,333. I do not see the justification for this request and the authorized level is 26 and this would take it to 29 or 9 more employees than were authorized as of July 1, 1999. With out further justification I can not support the request.
2. Reduce the capital from \$19,500 to \$12,180.
3. Move the Animal Control to Intergovernmental as it is a part of the cost share agreement.
4. Once again we see a request for \$150,000 for vehicles. I have added a report on the Sheriff's fleet prepared by the Road Department. The proposal is to purchase two units to replace units 417 and 432 which both would become spare vehicles (417 is already listed as a spare in the report). Units 405 and 415 would then become surplus. Unit 403 will be moved to search and rescue and a used vehicle would be purchased to replace 403. I do not believe that we need to continue to spend \$150,000 on vehicles ever year. At most I would ask that you hold this request until adoption of the final budget.

SHERIFF DENTION

1. Cut the \$123,610 capital request and wait until next year to see where we are at.
2. Cut the \$6,650 for the stove as it is also in Buildings and Grounds request.

SHERIFF DISPATCH

1. We may be able to reduce the personal services cost as we are not sure the projection is correct. We will continue to review this and reach a decision prior to final budget.
2. Add \$135,200 for the phone line item. This is \$103,000 for enhanced 9-1-1 and \$32,200 for the remainder of the phone costs.
3. Cut the \$6,000 for c-soft in capital as it is also in communications.

ROAD DEPARTMENT

The suggested changes here are on the revenue side. These include;

1. Increase the fuel sales to \$300,000 as looking at the history other departments pay a larger share than anticipated.
2. Increase vehicle repair reimbursement to \$80,000. The expense item for this has increased and the vehicle owner will be billed for the increase.
3. Transfer \$1,151,320 from PILT to this fund. This is consistent with the direction that the majority of PILT go to the Road Department.

I have asked Ben to hold off on any special projects and on capital expenditures for the roller and crack sealer until later in the budget year so we have a better feel for what fuel costs will be.

INDIGENT/INDIGENT MEDICAL

These budgets are impacted not only by the "shared sacrifice" but also by ^{State} statute which requires that we increase certain line items by 4.5% each year. When we prepared the amended budget for this year we included the amount provided by the State for the match portion. The actual billing has been considerably more than what we were told and is evidenced by the amount the Clerk has projected for next year related to this program. In addition, Inmate Medical, one of the line items we must increase by 4.5%, is going up dramatically. I will be working with the Clerk, Sheriff, and District Attorney to address this issue.

The bottom line is that if cost reductions can not be found prior to adoption of the final budget the revenue enhancements must be found. With the direction regarding taxes our only option is to move rate from other areas to this one. Another reason to protect fund balance.

PUBLIC DEFENDER

Reduce the line item for investigations from \$10,000 to \$5,000, the same amount as the District Attorney's Office.

COMMUNITY SUPPORT

We have add to new items and returned on old item in this fund. Those items are:

1. Sonoma Industries - \$50,000
2. Paradise Valley Weed District for a new building - \$50,000
3. We have added back in the \$20,000 for Humboldt Development Authority. You can give the entire \$20,000 to them or you can give \$15,000 and use the other \$5,000 for your dues in the Western Nevada Development District. If you choose the former then you will need to identify where the other \$5,000 will come from.

OTHER GENERAL GOVERNMENT

1. Reduce the insurance deductible line item from \$1,000,000 to \$500,000. I increased this line item after discussion with the independent auditor, out side counsel, and others. With the items out there that we may not have insurance coverage for I believe we need to budget to cover that possibility. If we do not spend it then it remains with us, however if we have a claim we have a resource to cover that claim.

COMMUNICATIONS

1. Cut the Trident fire repeater - \$18,000. I have asked Paul to approach those fire districts that would benefit from this repeater. Those who are receiving the benefit should pay for the equipment.

LIBRARY

1. Cut the request for a new book mobile - \$225,000. I have not seen the proposed payment method for this purchase; however I presume it the use of fund balance. At June 30, 2011 they had a fund balance of approximately two years of operating cost. I have given my feelings regarding the use of fund balance through out this message. I also pointed out the potential need to transfer tax rate for the Indigent/Indigent Medical fund if we can not find cost containment. If that was to occur then we would need to look at ever fund which receives revenue from the tax rate. As a result I can not support the purchase of this vehicle.

WINNEMUCCA EVENTS COMPLEX

1. They have requested a new employee for this fund. I support this request for two reasons; 1) with the number and size of events and the associated work load I believe it is justified, 2) In making the request they looked at other areas of their budget where they could propose savings to off set the cost of the position. As a result they identified savings of \$22,000 which makes the overall cost of the employee an additional \$32,838 instead of the total cost of \$54,838. I appreciate the fact that they knew an additional employee would be a hard sell and were able to show saving to offset the cost.
2. Cut the fork lift for \$30,000 and buy a set of forks for the tractor. We will also move the surplus front end loader from the Road Department to the Events Complex which will give them another piece of equipment that forks can be placed on.
3. They had requested that we set aside \$50,000 in the Building Reserve fund for future expansion of the event center. With the proposal to build the Dispatch Center in the next year we are not proposing to include any other expense other than the one directed by you.

S IXTH JUDICIAL DISTRICT

My only recommendation here is to reduce the salary and benefit costs in Drug Court to 0 as these costs are also in the District Court Fund. This will make the Drug Court fund \$80,000 instead of what is shown.

These are my recommendations and comments related to the 2012-2013 budgets. I am looking

forward to working with you to adopt a tentative budget.

CONFIDENTIAL