

August 31, 2016

The Lincoln County Board of Commissioners met for a regular session on August 31, 2016, in the Lincoln County Annex, Eureka, Montana. Present were Commissioner Cole, Commissioner Larson, and Clerk and Recorder Robin Benson. Commissioner Peck was absent.

Commissioner Cole opened the meeting with the **Pledge of Allegiance**.

10:00 AM **Treasurer's Monthly Report/Nancy Higgins:** Present was Nikki Meyer.

Nancy gave a report for the monthly cash reconciliation with corroborative documentation. Reconciliation is at a negative \$3,250.38. That will be rolled over into August. Nancy submitted a cash report for commission review and also submitted investment reports for Raymond James, Smiley Trust and First Interstate Bank.

The Liv Golf Car Loan has been paid and the revenue went back into PILT. Nancy shared a report of delinquent Mobile Home Taxes and is asking for deletions. Properties are no longer being taxed by the DOR. Properties are listed as gone or of no value/non-livable mobile homes. Nancy asked if the landfill program would be a good source for removal.

Motion by Commissioner Larson to delete the 7 listed properties as submitted by Treasurer, Nancy Higgins. Second by Commissioner Cole, motion carried. Nancy will follow up with Kathi Hooper and ask about the landfill program for possible removal.

10:30 AM **Administrative Issues:** Present was Nikki Meyer.

- The Commissioners read the minutes for August 24, 2016. Robin recommended adding some language, increasing content on the budget portion for clarification. **Motion** by Commissioner Larson to approve the minutes as submitted with additions. Second by Commissioner Cole, motion carried.
- Commissioner Cole updated the Eureka Bike Path Project stating the paving will begin next week.

11:00 AM **Public Comment Time:** Present was Nikki Meyer.

- Nikki Meyer said she feels there is economic benefit to the Eureka Bike Path Project; stating that bicyclists spend more money locally than vehicle tourists.

1:30 PM **Planning Department, Lisa Oedewaldt:** Present were Deb Blystone, Tim Rooney, Kelly Rooney, and Deborah Mocko.

- Conte Family Transfer: Transfer 6.5 acres to daughter/all conditions have been met per planning staff. **Motion** by Commissioner Larson to approve the Conte Family Transfer subject to planning staff recommendations. Second by Commissioner Cole, motion carried.
- Screaming Eagle Final Plat: All conditions have been met per planning staff. **Motion** by Commissioner Larson to approve Final Plat of Screaming Eagle Subdivision subject to planning staff recommendations. Second by Commissioner Cole, motion carried.
- Preliminary Plat Extension for North Portal Tracts Subdivision. Requesting 4th extension. It is recommended by planning staff to grant a one-year extension until September 8, 2017. The commissioners agreed to deny the extension request based on the conversation that the Subdivision Improvement Agreement (SIA) will be completed before the 2016 expiration date.
- Preliminary Plat Extension for Little Country Road Subdivision Phase II. Recommended by planning staff is to grant a one-year extension until October 6, 2017. Requesting 4th extension. **Motion** by Commissioner Larson to approve the Little Country Road Subdivision Phase II extension as requested subject to planning staff recommendations. Second by Commissioner Cole, motion carried. Commissioner Cole said he is comfortable granting a 4th extension because the subdivision is near completion.

2:00 PM **Callahan Creek/Lisa Oedewaldt:** Also present were Deb Blystone and Mike Fraser via Vision Net.

Mike Fraser said he has prepared a preliminary 3 year budget for the Callahan Creek Restoration Project. He will complete that and get copies to the commission. Lisa and Mike have been coordinating efforts to apply for a Hazardous Mitigation Grant. It will need to be predetermined what the grant money will be spent on specifically. A Restoration Plan and continued monitoring will be required. It will need to be determined what portion of the restoration is deemed as wetlands. Remediation is to move the creek away from the slope.

Commissioner Cole said he would like to visit the site to see the area first hand. The commission will coordinate a time when all the commissioners are available to visit the site. A tentative date was set for September 13, 2016.

2:30 PM **FY 16/17 Preliminary Budget Public Hearing:** Lois Sciligo, Nikki Meyer, County Treasurer Nancy Higgins, and Seaborn Larson via VisionNet.

Robin presented the FY 2016/2017 Levy Requirement Schedule as of today's date. The schedule reflects an overage of 8.31 mills or \$268,039. The maximum mills allowed for Lincoln County is 107.11 mills. The commission shared that during FY 2015/2016 the county transferred \$257, 609 to the general fund to reduce the mills and will most likely transfer the current overage to the General Fund to reduce the mills to what is allowable by statute. These mills do not include voted levies, permissive levy, district budgets, or 2 mills for Disaster Emergency Fund.

Robin submitted a Secure Rural Schools (SRS) Payment History handout reflecting a graph chart of the steady decline. As of today's date there has been no information or assurance that Congress will re-authorize those funds during FY 16/17. FY 2015/2016 the county received \$2,487,117 from SRS that was put into the road budget. Currently there is zero SRS budgeted at this time. Robin made note that Lincoln County is only one of two counties in the State of Montana that does not levy (use taxpayer dollars) to fund the road budget of approximately \$4 million. As Federal and State shared revenues decrease as well as investment income, the road reserves will steadily decline. If SRS is not received during FY 16/17, road reserves may decline from approximately \$14 million to \$12 million.

Robin submitted a breakdown of the levied general fund expenditures showing a pie chart and percentages of totals per department for review by the public. Robin clarified that the *General Fund* budget includes a multitude of departments such as Commissioner, Clerk & Recorder, Treasurer, County Attorney, Justice Court, Building Maintenance, Elections, Sanitarian, Emergency Management, Network Administration and a few others. Total expenditures are shown as \$9,459,555. The General Fund stands at 39.53% of the total expenditures and Public Safety stands at 39.36%. The rest of the county departments make up 21.11% of the total expenditures.

Robin explained the structural accounting changes for county insurance beginning in FY 2016/2017. Each department now has a line item in its budget reflecting the insurance cost for that department. Each department is responsible for its insurance cost for its department employees. It is transparent, honest, and better reflects actual costs per department. The structural change was favored and approved by the county auditor.

Nancy asked if anyone else shared her concerns about the road budget expenditures exceeding the anticipated revenues. Robin said she finds it very concerning and explained how the Levy Requirement Schedule reflects a decrease in road reserves due to the expenditures exceeding the revenues. Robin also noted that she is aware that Nancy Higgins actually manages the road reserves and that other factors are figured in such as investment income.

Nikki asked about any discussion on foreseeable future changes. Commissioner Larson said we are at a point where mandatory vs. discretionary services need to be looked into and prioritized as well as questioning if we as a county are maximizing existing revenues.

Commissioner Cole thanked everyone for attending and for their interest in county government.

3:30 PM **Meeting Adjourned:**

LINCOLN COUNTY BOARD OF COMMISSIONERS

Mike Cole, Chairman

ATTEST: _____
Robin Benson, Clerk of the Board