

COMMISSIONER'S PROCEEDINGS
JUNE 14, 2021
BUDGET WORKSHOP

Agenda: 8:30 – Budget Workshop

The Board of Stevens County Commissioners met in special session for the county budget workshop with all members present. Amy Jo Tharp, County Clerk; Theresa Daesenbrock and Lisa Axeman with Lewis, Hooper and Dick were also present. Tron called the meeting to order. Cammie Heaton, Stacey Strickland, Steve Lewis, Tony Martin, Shelby Martin and Angela Eichman were present for the meeting.

Theresa told the commissioners the landfill report total sum for the closure and post-closure costs around 2.5 million dollars and currently there is one (1) million dollars the landfill has saved. She stated the closure of the landfill will occur in roughly 209 years which gives time to collect the extra 1.5 million dollars.

She stated there were no major issues reported during their audit.

Discussion of receipts of the general fund and stated the receipts were up from last year due to transfers and the close out of employee benefits because it was transferred out to other departments.

Income in 2017 was dropped due to the tax lid, moving the sheriff and emergency services out of the general fund. In 2018 income went up due to the tax sales. Later the mortgage fees were discontinued which hurt the county's income. In 2021, closing out the employee benefits and WEKANDO fund accounts also showed income for the county.

Expenditures show a drop due to moving sheriff and emergency services out of the general fund and left nothing budgeted to transfer in 2021.

Airport Grants show a deficit of \$48,881.00 which the county clerk and treasurer show it is funds the state should have reimbursed to the airport for grants. Theresa stated if the airport does not get the funds from the state then they will have to pay for them out of their airport maintenance fund account.

The Community Health Department has a decrease of \$32,000.00 which only leaves a 6.8% cash balance and is advised to keep watch on their account so they don't go into a deficit.

Fire Department has no cash balance but does have funds in the bequest fund account.

Road and Bridge has no cash for operating but does have 1.36 million dollars in Special Highway and around \$705,000.00 in the machinery fund account.

Lisa went over the management letter and said there were no deficiencies on major issues and state the county needs to stay in compliance with the Kansas Statute stating checks can be voided after two (2) years old and the funds can go to unclaimed property or back into the original fund account.

The Kansas Statute states there shall be no indebtedness which the airport grant and maintenance fund were having issues.

Lisa also stated the state requires the clerk to keep record of inventory for each department which shall include the purchase date, cost and timeline for replacement of machinery and/or equipment on an annual basis.

On the financial reports there needs to be columns with the annual revenues in order to keep the receipts monitored. Make sure all official minutes reflect any resolutions. Federal grants need to have all reports readily available and documents need to be easily accessible.

Airport board should include all check listing and be submitted to the clerk's office with their packet.

The District Court is currently working on all outstanding checks which are two (2) years old or older totally around \$16,000.00.

Pat questioned the inventory if it includes signs and such or just equipment and Theresa stated it was just equipment and machinery mainly. The question about the fire department not having any cash was explained as the department will not have any money for the following year for large purchases or if an issue arises unless it can be paid for out of the fire encumbrance fund or equipment fund.

Joe instructed Amy Jo to find out from the state where the money for the airport grants are and find out from the airport board the specific agency for the states grant fund was at the time the grant reimbursements were not paid.

Lisa also stated their report showed no fraud or significant disabilities within the county.

Discussion of the county comparison with other relative counties.

Theresa informed the commissioners the current budget requests have the county at twelve percent (12%) over the revenue neutral rate (RNR) which is set at 86.950. The commissioners discussed with Theresa how to get down to the RNR to keep taxes low.

Pat asked the auditors where the county needs to be whether to keep cutting or raise taxes. Joe stated to keep managing as best as possible but hard to figure due to inflation. Theresa said the county needs to start replacing oil and gas but with the understanding the county can't rely on that for much longer.

Theresa started going over the budgets with the cuts that was discussed earlier in the week due to the RNR and stated the cuts that were made put the RNR at 90.983 which is only over 4.1% over.

Theresa stated in the adjusted budgets to fall closer to the RNR she allowed some room for salary increases for COLA (Cost of Living Adjustment) as well as insurance benefits inflation. Discussion of revenue and expenditure estimates for 2022 was under way.

Pat stated he would like to cut the funding for RCDC, SDSI and Southwest Guidance because Stevens County is paying a higher percentage than Seward County and we don't have as many people using the services. Joe said he is OK with financing and helping the disability and mental health advocate services because it is a service provided for the community.

Road and Bridge the state allows increase in the special highway money.

Tony said in the salary portion of Road and Bridge what would happen if a retiree is set to get paid for vacation and other benefits, is there enough money in the budget for that?

Angela Eichman said she would like to see the county clerk add to the RNR budget hearing a statement asking citizens to please appeal in March to get more accurate levies and valuation in June instead of waiting until November. She said it is for the taxpayers benefit to submit an appeal earlier rather than later.

Airport is projected to receive a revenue of \$20,000.00 yet there no fuel usage reports turned into the treasurer's office and the commissioners are questioning where the revenue is coming from besides the hangar rent. Theresa stated they lowered the airports request on capital outlay

The county building fund is limited to one (1) mil levy until 2026 and looks to be doing good so far.

The hospital HVAC system will be paid in full this August of 2021.

The Community Health Department needs roughly \$187,000.00 to meet the ad valorem. She said the revenue is likely overstated. Cammie Heaton said the revenue is probably overstated due to COVID and having to be shut down for most of the year to do tracking calls and then vaccines. She also stated she is no longer going to schools and bringing in that revenue because Trista left and they are short handed with nurses.

The Hospital is on a six (6) mil levy limit and anything above that goes to the Pioneer Manor. Theresa said she has yet to see the budget. Amy Jo handed her a copy.

The Library is set at a 2.5 mil levy limit.

The Senior Center which includes Hugoton and Moscow is set to a 1.5 mil levy and the split is up to the commissioners due to the election on the mil levy increase in the 2016 General Election not

stating how much goes to Hugoton and how much goes to Moscow and no resolution exists stating such.

Reviewing the budget the auditors prepared for being close to the RNR cuts everyone's budget close to 2019 figures. The RNR is set at 86.950 and the budget shows an RNR of 86.962. The county will possibly have an RNR hearing on August 23rd at 8:30 AM.

Discussion of the Foundation fund came up about the Pioneer Manor and the commissioners. Pat said the foundation was set up for a reason and he feels they are not honoring the purpose of the funds. The funds are to help support the county and the citizens. Joe asked what the payoff of the Pioneer Manor was and the auditors have the payoff being \$2,319,699.38.

The commissioners approved and Tron signed the Terms of Engagement for procedures for Lewis, Hooper and Dick.

By motion, the Board adjourned.

Attest: Amy Jo Tharp, County Clerk

Tron Stegman, Chairman