



MINUTES

BUDGET COMMITTEE

April 18, 2011, 9:00 a.m.

Present: Judge Gary Thompson, Commissioner Michael Smith, Commissioner Steve Burnet, Jean McKinney, Larry Hctor, Steve Kock – Budget Committee Members; Debbie Hayden, Budget Officer; Melva Thomas, Court Administrative Assistant.

SUMMARY OF ACTIONS TAKEN

Motion by Steve Kock, second by Jean McKinney, to appoint Larry Hctor as Budget Committee Chair. Vote unanimous.

Motion by Steve Kock, second by Larry Hctor, to appoint Jean McKinney as Budget Committee Secretary. Vote unanimous.

Motion by Jean McKinney, second by Steve Kock, to approve funding the Lower John Day Conservation Working Group in the amount of \$5,000 for the 2011-2012 fiscal year. Vote: unanimous.

Motion by Steve Kock, second by Jean McKinney, to fund the Sherman County Cultural Coalition in the amount of \$6,200 for the 2011-2012 fiscal year. Vote: unanimous.

Motion by Jean McKinney, second by Steve Kock, to allocate \$65,000 to the Early Education Fund and direct the Court to determine the allocation with a plan to keep some in contingency for emergency purposes. Vote: unanimous.

Motion by Jeanne McKinney, second by Steve Kock, to authorize an additional \$200,000 to the Road Improvement Funds to be transferred from the 515 SIP Additional Fees Fund. Vote: unanimous.

Motion by Jean McKinney, second by Commissioner Burnet, to approve a line item in the SIP Additional Fees 515 Fund for a \$50,000 contribution to the Sherman

County Historical Society to hire a paid Museum Director with a recommendation to continue funding for 5 years. Vote: unanimous.

Motion by Commissioner Burnet, second by Jean McKinney, to donate \$20,000 to the Sherman County Scholarship Committee with the intent that each graduating high school student applicant receives a scholarship of \$1000 from county funds. Vote: unanimous.

Motion by Jean McKinney, second by Commissioner Burnet, to authorize the transfer \$250,000 to the Road Reserve Fund from SIP Additional Fees 515 Fund for the future purchase of a rock crusher. Vote unanimous.

Motion by Steve Kock, second by Jean McKinney, to award a 1% COLA and step increase for elected officials for 2011-2012 fiscal year. Vote: Jean McKinney, Larry Hctor, Steve Kock – yea.

Motion by Jean McKinney, second by Steve Kock, to approve step increases for staff as recommended by department supervisors for 2011-2012 fiscal year. Vote: unanimous.

Motion by Commissioner Burnet, second by Jean McKinney, to approve the 2011-2012 budget for a total amount of \$31,646,322.00 and approve the permanent tax rate of 8.7141. Vote: unanimous.

Budget Message:

Judge Thompson welcomed the committee members to the 2011 budget meeting and presented the budget message noting a number of changes proposed for this year's budget including:

- A 1% cost of living increase (COLA) for personnel
- Recommended merit increases by department heads
- Proposed allocation of SIP funds
- Additional position proposed for office of the Assessor
- New Extension Building
- Road Department increased funding from Community Service fees and other special project funds
- Establishment of a Revolving Loan account
- Purchase vehicle for Assessor
- Wireless Internet Project
- Renovation project for Courthouse to include HVAC system, windows, electrical upgrades and communications infrastructure upgrade
- New restroom/shower facility for RV Park
- Restricted SIP dollars managed through Renewable Resources Fund:
 - Workforce Housing Funds
 - City Infrastructure Funds
 - School Renewable Funds

- New vehicle for Sheriff's Department
- Allocations to School District, Cities and Resident Incentive Program managed through SIP Additional Fees (515) Fund
- Compensation for Elected Officials to be considered by citizen members only

Judge Thompson thanked the Budget Committee members and the Budget Officer for their time and attention to this important process.

Election of Officers:

Motion by Steve Kock, second by Jean McKinney, to appoint Larry Hctor as Budget Committee Chair. Vote unanimous.

Motion by Steve Kock, second by Larry Hctor, to appoint Jean McKinney as Budget Committee Secretary. Vote unanimous.

Budget Officer Debbie Hayden noted that Brad Lohrey representing the Sheriff's Office and the Cultural Coalition and Sandy Macnab have been added to the Budget meeting schedule.

Budget Comparison Summary:

Budget Officer Debbie Hayden briefly reviewed the Budget Comparison Summary comparing the current proposed budget to the budget adopted for 2010-11.

A contribution to Lower John Day Conservation Work Group was added to the General Fund. Commissioner Burnet explained the original purpose of this group four years ago was to get conservation and environmental groups together to work out issues regarding the Lower John Day region. The group has helped improve relations between the various stakeholders. Sherman and Gilliam Counties have been asked to contribute \$5,000 each to help keep this group going for one more year. Burnet believes this group could be valuable as plans develop for Cottonwood State Park and so is very supportive of the funding request.

Motion by Jean McKinney, second by Steve Kock, to approve funding the Lower John Day Conservation Working Group in the amount of \$5,000 for the 2011-2012 fiscal year. Vote: unanimous.

Brad Lohrey – Sheriff's Department, Marine and Cultural Coalition

In a review of the Sheriff's Department budget, Sheriff Lohrey noted a request to transfer \$40,000 into the Sheriff Vehicle reserve fund bringing the total to \$56,500. A replacement is not need at this time and funds will only be used when needed.

Sheriff Department Revenue:

Jean McKinney asked about Medical Insurance revenue – from retired staff member who continues to purchase county insurance. Court security revenue comes from a \$25 charge for the

costs of impounding vehicles and compensatory fines line item was the result of cash received from previous drug busts.

Sheriff Department Expenses:

It was also noted that insurance costs are projected to increase for the eight employees since there will be the addition of a family member in June of this year. K-9 compensation is paid to Bryan Hulke to cover costs of caring for the dog. Animal Control Expense is a contract with Wildlife Services Specialist Dean Dark to pick up stray dogs and hold them or take them to Home at Last. Compensatory Fine Expense is estimated to be closer to \$10,500 instead of the \$12,000 budgeted and the overall Materials and Services shows a decrease of about \$5,000 from the previous budget year.

Marine Revenue:

Same at previous year.

Marine Expenses:

The Marine program runs for 30 hr/wk from the end of May to October and covers a great part of the Columbia on both sides of the river up to the Gilliam County border. Only significant change in expenses noted in Marine Misc. which has been increased from \$300 to \$3,000. Lohrey explained they would like to use these funds to purchase a kicker motor for the marine boat which could be used as a backup motor if needed. This has been submitted to the state and they will likely pick up part of the cost of this motor.

Cultural Coalition:

As a new member of the Sherman County Cultural Coalition Board, Lohrey requested matching funds from the County in the amount of \$6,187 which is the same request that was made for the 2010-2011 fiscal year

Motion by Steve Kock, second by Jean McKinney, to fund the Sherman County Cultural Coalition in the amount of \$6,200 for the 2011-2012 fiscal year. Vote: unanimous.

General Fund:

Last year the Early Childhood Fund was funded for a total of \$50,000. This year the four programs which include Little Wheats, North Sherman Preschool, Sherman Preschool and Sherman County Child Care Foundation have requested funding in the amount of \$64,000. After some discussion, the committee agreed to determine the amount for Early Childhood Program funding and the Court will determine how to allocate the funds and possible development of an application process.

Motion by Jean McKinney, second by Steve Kock, to allocate \$65,000 to the Early Education Fund and direct the Court to determine the allocation with a plan to keep some in contingency for emergency purposes. Vote: unanimous.

Sandy Macnab: Extension Service

Extension Agent Sandy Macnab reported Sherman County is now funding 1.6 FTE of Extension staff which includes Sue Mabe and Cindy Brown. Cindy's position as 4-H Program Coordinator is funded ½ by Sherman County and ½ by OSU as a result of an agreement reached earlier this year. Personnel costs to the County have increased from \$56,138 last year to \$81,640 for the coming fiscal year. Most other costs remain about the same. Furnishings of \$25,000 will be used for the new facility at the Experiment Station site.

Macnab reviewed the plans for the new office facility which should be completed by the first of the year. Commissioner Burnet reported a separate building is also in the plans which will be used for equipment and chemical storage for both the Weed Department and OSU Experiment Station as well as space for a research lab.

Total funds budgeted from County for the new office is \$725,000 with some expenditure covered in the 2010-2011 budget. The Planning department will also be housed in the facility since that department will be required to move from its current location due to expansion of the Moro Medical Clinic.

OSU has committed matching funds in the amount of \$50,000 for telecommunications. Other funding includes \$50,000 from the Experiment Station Endowment fund, \$50,000 from Sherman Development League and \$22,500 has been committed by OSU towards the chemical storage building.

The County will be building on OSU property so a 99 year lease agreement is being developed that will detail the responsibilities of both parties regarding this property.

County General:

Revenue: Larry Hocter asked about Payment in Lieu of Taxes. Hayden explained these are payments from BLM. The Trans From SIP Community Service Fees reflects the County's share of this fee and the Local Govt Investment Pool is currently just less than 1% in interest.

Expenses:

Under the County audit it was noted the County has signed a three year agreement with the auditor so the charges are the same as last year. The Pacific Program is a leadership training program. Circuit Court Witnesses has not been used for 5 years and the Taylor Grazing has not been used for some time. The Library Grant reflects a 1% COLA for personnel.

Assessor:

The department is hoping to find someone experienced for the appraiser position. Both the Assessor and the Appraiser are likely to retire at the same time.

No significant changes in the proposed budget.

County Clerk:**Revenue:**

Clerk fees have decreased due to fewer activities of the wind farm projects. Passport photos are now being done on site.

Expenses:

A new line item has been added for Reproduction Costs. A genealogy group made digital copies of some of the old records and the Clerk's Office wants to continue this work with deed records. The digital copies are put on CD's which allows files to be emailed on request. Micro Film files must still be maintained as they are the only approved archival form for records.

No Significant changes in the remainder of the budget.

Computer Related Expense:

No significant changes.

County Court:

No significant changes.

Courthouse:

No significant changes. Recommend possible purchase of new shredder or greater use of ReCall for document shredding.

Justice Court:**Revenue:**

Increase noted in violation surcharge which was mandated by the Oregon Legislature;

Expenses:

The FTE for the Docket Clerk was increased from .75 to .9 FTE which is reflected in salary costs and insurance costs.

Parks:

This budget includes OYCC funds (\$11,111) for summer youth employment program. There are no OYEI funds this year for a work crew or for capital expenditure which shows as a \$58,489 decrease in revenue.

County will be receiving a grant from Oregon State Parks for restroom and shower facilities at the RV Park.

Planning Department:

No significant changes.

Sanitary Landfill/Solid Waste:

No significant changes.

Treasurer's Department:

This is a .6 FTE position and office help is provided by Paula King.
No significant change.

Financial Services/Tax Collection:

No significant changes.

Juvenile Department:

Basic Juvenile Crime Prevention funds no longer exist. The state JCP grant is now used to fund counseling and an after school tutoring service at the Jr./Sr. High School.

The Juvenile Detention line item is payment to NORCOR.

County Vehicle:

Revenue:

Mileage charges from County departments have been decreased from \$6,000 to \$5,000.
Departments are traveling less and using teleconferencing more.

Expenses:

Have added \$10,000 for possible purchase of used vehicle. *Consensus of Committee to increase vehicle from \$10,000 to \$15,000 with funds coming from operating contingency.*

NORCOR:

This was a line item in the General Fund but have made it a special fund. These dollars pay for bed space at NORCOR. Total costs for the County last year was \$163,800 with next year's cost projected to be \$169,445.

Weed Control/Grounds Maintenance:

This is a new fund with revenue including transfers from General Fund, Wind Farm contracts, Corps of Engineers contract and BPA contract for weed control. There is no contract with BLM this coming year.

Sherman County Annex:

No significant changes. This fund will change once the new office facility has been completed.

District Attorney:

No significant changes.

Transfer to Other Funds:

Have removed NORCOR and Weed/Grounds Maint since separate funds have been established in these two areas. Still maintain Weed Reserve fund for possible vehicle purchase – transfer of \$6,000.

Transfer to Fairgrounds Maintenance of \$40,000 for capital improvements and \$15,000 to Fair Reserve and \$15,000 to County Fair for fair operations.

Transfer to Community Development in the amount of \$95,958.

Transfer to Senior Center in the amount of \$98,400 which is a decrease from \$129,023 transferred last year.

Transfer to Drivers Education in the amount of \$16,000. This program could get ODOT funding next year if proposed legislation is approved this year.

DA V/WAP fund – County is locked into paying this due to supplanting.

Community Transit - \$5,000 used as a match for grant application.

Parks Reserve – *Increased this transfer from \$5,000 to \$30,000 as match for RV Park grant*

Sheriff Vehicle – Reserve for vehicle purchase.

Emergency Services – Funds to balance budget.

General Fund Ending Balance:

Hayden recommended transferring half of the unappropriated ending fund balance as a way to save. Recommended transferring \$1 million to County Reserve Fund #516. *It was the consensus of the Budget Committee to transfer these funds to the reserve fund and it was noted some of the funds could also be used for operating contingency if needed.*

Community Transit:

Revenue is down since there is not a grant for vehicle purchase in the next fiscal year.

No other significant changes in this budget.

Ambulance:

Revenue shows an increase in the beginning fund balance at \$80,000 and an increase in service fees to \$100,000 which better reflects reality.

Pay for EMT on call duty is in place which explains the increase in ambulance salaries to \$44,000 and increased transfers to the Ambulance Sinking Fund and Ambulance Reserve were noted.

Family Caregiver Support:

This program provides respite care in Sherman County and Wheeler County. State funding for respite care has been cut and this is the last existing program in the state.

Community Corrections:

This fund tracked payments to NORCOR. Is now a special fund titled NORCOR 101-117

Weed Control:

Funds have been transferred to Weed Control/Grounds Mnt special fund 101-118.

CR & I:

Upgrades to the Courthouse Heating, Ventilation, Air Conditioning (HVAC) system, replacement of windows and a new phone system are underway. County has received an ARRA grant from the Department of Energy for the HVAC system only. County has also received a grant from Homeland Security for emergency backup generator in the amount of \$45,000. Remaining funds required for the project to come from SIP additional fees

Commission on Children & Families:

The Committee reviewed the budget breakdown prepared by Commission staff highlighting the items that have been reduced in their budget. Total staffing FTE has been decreased from 2.0 to 1.8 which will require a waiver from the state. Commission staff has requested \$4,500 from the general fund to cover rent costs.

Hayden suggested the county could pay rent directly and not through this budget to avoid supplanting with the stipulation at if they have more carryover than projected then they would pay their rent.

Consensus of the Budget Committee to develop a line item in the General Fund for rent payment of \$4,500 and if have additional carryover would rather have it go to programs.

School per Capita, County:

This is a pass through fund to the school district.

Emergency Communications:

This is a pass through fund for the 911 system.

Surveyor:

County contracts for the services of a Surveyor. Revenue comes from survey fees and preservation fees. Little change to this budget.

CAMI (Child Abuse Multidisciplinary Intervention):

This is a state funded grant program to provide the services of a victims advocate. No significant changes.

Community Development:

This fund includes projected revenue from the new wireless network in the amount of \$2,000 and \$100,000 from the Rural Investment Fund

Expenses: *Change Housing Project to Housing Rehab Project and add matching grant to Cultural Trust in the amount of \$6,200.*

Court Security:

These are funds for Circuit Court security which is funded by the state.

No significant changes.

Emergency Services Fund:

No significant changes.

DA-Victim/Witness Assist:

Court fines from unitary assessment are used to fund this program plus a VOCA Basic Grant.

No significant changes.

County Fair:

There is no beginning fund balance since the Fair Board overspent last year and won't get lottery dollars until next November after the Fair in August. Noted a transfer from County General in the amount of \$15,000.

Tri-Co Corrections:

County simply administers this fund.

Tri-County Veterans:

We now have a new Veterans Service Officer – Bryan Hunt. He already qualifies for veterans insurance so is not using county insurance. These funds are now being used to support his reclassified salary level. No other significant changes.

Drivers Education:

No significant changes.

Senior Center:

Overall revenue has decreased since paving the parking lot is no longer in the budget.

Have allocated \$40,000 for property improvement which will be used for paint and kitchen improvements.

Debt Service Fund:

This fund is being phased out.

County Library Project:

This fund tracks the payback of the loan for the construction of the Public/School Library. There are two more years of payments remaining.

Extension Building Project:

Fund established for the Extension/Experiment Station office facility project.

A beginning fund balance of \$450,000 from the County.

Need to change OSU Endowment to Sherman Station Endowment for contribution of \$75,000.

Total proposed project budget of \$725,000.

Renewable Resources:

Beginning fund balance of \$120,000 from County Renewable Fund. Court plans to use County Renewable funds for solar projects while School Renewable Energy funds are being used to help fund science teacher.

The Transmission Line Expense reserves 50 MW of transmission for County use which the county is in the process of trying to sell. Wind Power Development is a miscellaneous line item to be used for a variety of expenses related to promoting wind power development in the area.

Workforce Housing:

This is a new fund. A recent housing study indicated a great need for rental housing in the County. The Court is investigating how the County might help in the development of single and multiple housing units. These funds have not been used to-date.

Infrastructure Study:

Another new fund with dollars dedicated as matching funds for city infrastructure studies.

School Renewable Energy:

This is a very restricted fund which can only be used for renewable energy projects in the school district. The Court hopes to modify this piece of the SIP agreement with PGE to provide the school district with greater flexibility on the use of these funds.

Resident Compensation Fund:

Funds used for Resident Incentive Program payments. There were about a 1,000 applicants for this program last year.

Resident Comp Annuity:

Reserve fund for Resident Incentive Program payments. Approximately 5% of SIP Additional Fees were added to this fund.

Ambulance Sinking Fund:

Funds set aside for future purchase of new ambulance.

Wee Sinking Fund:

Funds set aside for future vehicle replacement.

Community Transit Reserve:

These funds are used as match when applying for grants.

Ambulance Reserve Fund:

Funds reserved for the purchase of major equipment needed for the ambulance.

Computer Reserve:

Funds reserved for future computer system. Little change in the total revenue.

Parks Reserve:

Reserve funds for capital improvements and matching dollars for grants.

Increased transfer from County General from \$5,000 to \$30,000 as match for State Parks grant to build RV Park Restroom/Shower facility in the amount of \$87,563. Add expense line item for RV Park Restroom/Shower in the amount of \$116,715.

Emergency Services Reserve:

Bought a new pickup for Emergency Services Director last year so very few dollars left in this fund.

Emergency Communications Reserve:

The 911 Board and the County Court have approved setting aside \$100,000 to go to Tri-Com for the purchase of a Digital Switch and upgrades of communication system which is scheduled to happen in the current fiscal year.

County Fair Reserve:**Revenue:**

Beginning fund balance of \$14,200 plus Transfer from County General for total of \$29,200.

Expenses:

Changes from last year include adding line item for Building Reserve in the amount of \$15,000 and separate Equipment Reserve in the amount of \$4,200.

Projects planned include electrical wiring work on the back wall of the arena, remodel of the bathroom in the house on the grounds and possible purchase of arena groomer. Quotes will be obtained for this work which will be taken to the Court for review and approval.

Fairgrounds & Bldg Reserve:

Beginning fund balance of \$10,050 with \$40,000 transfer from County General for total of \$50,050. These funds to be used for capital expenditures on the grounds.

SIP Community Service Fee:

Annual \$500,000 community service fee received from each of the three SIP agreements in place with the Wind Farm projects.

All of these funds are dispersed to special districts within the zone of each wind farm based on their tax rates.

Jean McKinney inquired about follow-up on the \$100,000 given to each of the cities. Hayden reported they are required to provide annual audits to receive the funds. Jessica Metta of Mid-Columbia Economic Development District facilitated a meeting of all the cities to discuss their use of these SIP funds and how they might work together more. The cities have all reported to the Court how they used the funds they have received.

SIP Additional Fees (515 Fund):

Revenue:

Beginning fund balance of \$5,600,000 with payments from Biglow Canyon Project (\$3,000,000), Klondike III Project ((\$1,200,000) and Hay Canyon Project ((\$1,000,000) for total of \$10,800,000.

Expenses:

Reviewed proposed expenses with \$400,000 payment to cities and 20% to School District in the amount of \$1,476,277. Transfers to include \$255,000 to CR&I Reserve, \$410,000 to Resident Compensation Fund, \$280,500 to Resident Comp Annuity Fund, \$150,000 to Extension Building Project and \$1,075,977 to County Reserve.

Following discussions with Mark Coles of Road Department, additional transfer of \$200,000 to Road Improvement Fund was authorized.

Hayden noted about \$2 million unallocated in the General Fund Ending Balance and recommended putting as much as possible into reserve for future funding once SIP payments cease. Approximately 20% is proposed to place in the reserve fund at this point.

April 19th – 9:00 am

The Budget Committee was reconvened by Chair Larry Hctor.

Mark Coles – Road Department

General Road Fund:

Revenue:

Road Master Mark Coles reported there have not been many changes in revenue. Income from gravel sales have declined the last couple of years since we can no longer haul it and have left it at \$10,000. Misc State Revenues resulting from fees for overweight/overlength fines have been decreased from \$15,000 to \$7,200 since the BP wind farm project has not proceeded. Special Transportation Program (STP) funds are federal dollars we get through an exchange with ODOT

so are not subject to federal requirements. These funds are used for major road improvement projects. Total projected revenue about the same as the previous fiscal year.

Expense:

Coles asked for step increases for three staff members. Overtime funds are used for flaggers hired for specific projects. Gas and oil costs have been increased by \$10,000 due to higher oil costs. No funding was included for blasting quarry since that will be done this year prior to the new fiscal year. Repairs and Supplies have decreased since 2009 since some chip sealing that was included is now taken out of the road improvement fund. All equipment is currently paid for but have included \$30,000 for possible equipment needs. If these dollars are not used they will be moved to the Road Reserve fund along with the \$30,000 noted in the line item Transfer to Road Reserve.

Road Improvement Fund:

These are funds received from wind projects for road repairs/improvements due to road damage during construction of the wind farm projects. SIP Community Service fees are also included in this fund. Use this fund to keep chip seal work separated from rest of the budget.

General Road Reserve Fund:

This fund serves as a savings account for equipment replacement with a total of \$38,300 budgeted. These dollars used to purchase pickups, graders, loaders and such.

Coles reviewed the cost to adequately maintain 139 miles (total paved roads in the County) of chip sealed roads in the county. He explained we would need to reseal 12 miles a year @\$36,333 a mile to reseal all roads once every 12 years. Options for 10 years and 8 years were also noted and the related costs. County would need \$508,662/year to chip seal 14 miles a year and maintain a reseal schedule of once every 10 years.

There is not enough money coming from SIP funds to adequately keep up with chip sealing. The department currently has more than 25 miles that are 12 plus years old. It would be cheaper to keep up with the repairs than to let them deteriorate further. Coles would like to get all the roads up to snuff while SIP funds are available. Funding from state and federal sources has been lost over the last several years.

Commissioner Burnet believes Golden Hills will eventually be built so could fund the road department now and back off if additional SIP funds come in from this project. The County needs to continue to maintain these roads.

Coles would like the county to consider an additional \$200,000/year for the Road Department to allow for an adequate chip seal schedule.

Motion by Jeanne McKinney, second by Steve Kock, to authorize an additional \$200,000 to the Road Improvement Funds to be transferred from the 515 SIP Additional Fees Fund. Vote: unanimous.

Crusher:

Coles reported he had received an estimate for replacement of the rock crusher in the range of \$1.25 to \$1.5 million. The old crusher is still working but it is very difficult to get parts to repair it. Mark believes it should last them for at least another year. He reviewed some of the pros and cons of other options.

Probably the greatest pro to replacing the crusher would be the ability to control the quality of product produced. The quality of the rock affects the type of asphalt oil needed which is more expensive if rock is of low quality and dusty. The department currently blends rock to better use all the rock that is crushed. The new crusher could be moved more readily and would not require any more manpower to operate. Coles is planning to meet with EMSHAW to review regulations for continuing to crush.

Purchasing crushed rock for chip seal would cost about \$120,000/year and would need to purchase a 4 year supply all at once.

Mark suggested setting up a sinking fund to put gravel sales in for possible future replacement of the crusher.

Committee agreed to continue this discussion later in the day.

Sherry Kaseberg, Nancy Fields – Sherman County Historical Society

Also present: Carrie Kaseberg, Kathy Ahearn

Sherry Kaseberg provided a brief review of the history of the Sherman County Historical Society which began in 1945 with the museum opening in 1983. She also reviewed the museum flyer noting the many services and activities provided which are of benefit to the county. The museum also serves as the visitor center for the county and volunteers distribute county brochures throughout the state.

Nancy Fields presented a financial report on the organization. The projected 2011 revenue of \$49,176 is fairly consistent with past years. The projected expense of \$44,348 is primarily for plant operations including insurance, maintenance and utilities. She also reviewed a list of current and future needs noting their #1 priority is for a paid Museum Director.

This national award winning museum has been operated and maintained by volunteers and is a real asset to the county. Now there are not enough volunteers to continue the work to maintain the high standards that resulted in national recognition.

The Historical Society requested a commitment from the county of \$50,000/year for 5 years to cover the costs of a paid Museum Director. This director would not be a county employee.

Arla Melzer, Gary Shelton – Sherman County Scholarship Committee:

Scholarship Committee members Arla Melzer and Gary Shelton presented a proposal to fund the scholarship committee and help increase the size of scholarships that can be given to Sherman

High School graduates. About 80% of Sherman High students attend college and about 60% of them complete.

The Scholarship Committee requested a contribution of \$200,000 for a self-sustaining scholarship in which the funds would be placed in an investment account and only the interest would be used for awarding scholarships.

There are 16 graduating seniors this year with 26 next year. The average over the next few years would be about 15-20 students. Committee members also discussed the option of an annual donation to the scholarship fund.

The Budget Committee will consider this later in the day.

Lunch 11:55 am

Resume 12:50 pm

Three proposals remain for consideration:

- Crusher Funding
- Museum Funding Request
- Scholarship Committee Funding Request

What is left in General Fund contingency – \$1.62 million left; \$1 million was move to reserve fund and will need about \$800,000 to operate until November taxes come in.

Museum Request: \$50,000/year for 5 years

Commissioner Burnet stated if we don't do something we could lose the museum. He suggested a trial period to see if they can raise more funds with a permanent director. The county would want to see an audit of their funding and an accounting of their funds.

Motion by Jean McKinney, second by Commissioner Burnet, to approve a line item in the SIP Additional Fees 515 Fund for a \$50,000 contribution to the Sherman County Historical Society to hire a paid Museum Director with a recommendation to continue funding for 5 years. Vote: unanimous.

Scholarship request: \$200,000

Budget Committee was not supportive of a one-time donation of \$200,000. Would prefer an annual donation with the intent that each student applicant receives a scholarship of \$1,000 from the county.

Motion by Commissioner Burnet, second by Jean McKinney, to donate \$20,000 to the Sherman County Scholarship Committee with the intent that each graduating high school student applicant receives a scholarship of \$1,000 from county funds. Vote: unanimous.

Rock Crusher:

Commissioner Burnet stated if we get new crusher would need to meet some safety regulations that are not being met now and might need an excavator to scale rock wall which would also require someone qualified to run the excavator. However, he believes it would be to our benefit to get a new crusher and recommended starting a reserve fund for such a purchase. Burnet suggested \$250,000 to start a reserve fund. This would be a line item in the Road Reserve Fund and would transfer from SIP Additional Fees 515 fund.

Motion by Jean McKinney, second by Commissioner Burnet, to authorize the transfer \$250,000 to the Road Reserve Fund from SIP Additional Fees 515 Fund for the future purchase of a rock crusher. Vote unanimous.

Elected Officials Salaries:

Motion by Steve Kock, second by Jean McKinney, to award a 1% COLA and step increase for elected officials for 2011-2012 fiscal year. Vote: Jean McKinney, Larry Hctor, Steve Kock – yea.

Motion by Jean McKinney, second by Steve Kock, to approve step increases for staff as recommended by department supervisors for 2011-2012 fiscal year. Vote: unanimous.


Motion by Commissioner Burnet, second by Jean McKinney, to approve the 2011-2012 budget for a total amount of \$31,646,322.00 and approve the permanent tax rate of 8.7141. Vote: unanimous.


Being no further matters at issue, the Budget Committee adjourned at 1:54 p.m.

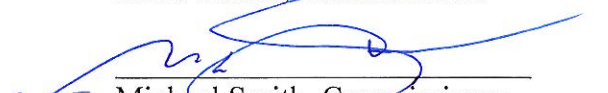
ATTEST:

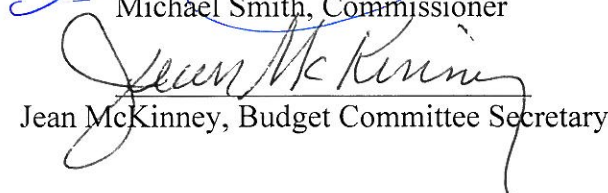

Court Administrative Assistant

SHERMAN COUNTY COURT


Gary Thompson, County Judge


Steve Burnet, Commissioner


Michael Smith, Commissioner


Jean McKinney, Budget Committee Secretary