

Board of County Commissioners of Lincoln County
Agenda for December 14, 2016

9:00 Call to order and Pledge of Allegiance

9:00 Kevin Stansbury, Chief Executive Officer, Lincoln Community Hospital, to present the Lincoln Community Hospital and Care Center 2017 Operating and Capital Budget

10:00 Public Hearing on proposed 2017 Lincoln County Budget

- 1) Proposed Resolution Number 936; A Resolution to Adopt the 2017 Budget
- 2) Proposed Resolution Number 937: A Resolution to Appropriate Funds for the 2017 Budget Year
- 3) Proposed Resolution Number 938; A Resolution to Certify the Tax Levies for the 2017 Budget Year

10:15 Public Hearing on Lincoln County Public Trustee 2017 Budget

11:30 Troy McCue, Lincoln County Economic Development Corporation Executive Director, to present the LCEDC monthly report

1. Approve the minutes from the December 6, 2016, meeting
2. Review the November, 2016, Statement of Revenues and Expenditures for County General, Public Health, Capital Projects, Conservation Trust, E911, Landfill, Library, Lodging/Tourism, Road and Bridge and Individual Road Districts
3. Review the November, 2016, reports from the County Assessor, County Clerk & Recorder, County Sheriff and County Treasurer
4. Review the November, 2016, reports from the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool
5. Review submitted fuel contract quote sheets
6. County Commissioner reports
7. County Attorney's report
8. County Administrator's report
9. Old business
10. New business

The Board of Lincoln County Commissioners met at 9:00 a.m. on December 14, 2016. The following attended: Chairman Greg King, Commissioners Doug Stone and Ed Schiffers, County Administrator Gary Ensign, County Attorney Stan Kimble, Clerk to the Board Corinne M. Lengel, and commissioner-elect Steve Burgess.

Chairman King called the meeting to order and asked Lincoln County Hospital CEO Kevin Stansbury to lead the Pledge of Allegiance.

Mr. Stansbury provided a handout, stating that it was the same presentation he'd given to the hospital board in October. He stated that LCH is a Critical Access Hospital (CAH), which means the hospital has a special Medicare designation that allows the facility to receive "cost-based" reimbursement from Medicare. Currently, LCH receives 101% of allowable costs, less 2% sequestration from Medicare; however, not all costs are allowable. Other payers, such as Medicaid, pay less than cost, which means that non-operating revenues such as tax revenue, grants, and contributions are essential, particularly since the future of Critical Access Hospitals is uncertain. 2017 operating budget assumptions include a two percent increase for out-patient and clinic volume, no increase for in-patient, LTC or Home Health, and no additional volume for possible new services; such as, Ortho, GYN, or laser. As for revenues, Mr. Stansbury stated that there was a five percent rate increase in October, there will be another five percent rate increase mid-2017, and there has been slight improvement in contractual adjustments and bad debt write-off, which they hope to correct even more. They've adjusted the provider fee revenue due to the change in provider fees in July of 2016, and other operating revenue will include 340b Program revenue, which is a program funded by the drug companies that makes medication more affordable to the consumer, as well as provides revenue for the hospital.

Mr. Stansbury addressed 2017 expenses, stating that they have added staff in the business office and medical records, as well as Home Health. They also increased their professional fees line item in order to begin the process of recruiting new doctors. Other expenditures for 2017 include a five percent pay raise for all staff, a twelve percent increase in health and dental benefits, and a two percent inflationary increase in most other expenses. They've budgeted \$750,000 for capital expenditures in 2017, which is any asset with a purchase price of more than \$1,000 and a useful life of more than one year. The budgeted net income of Lincoln Park Living Center for 2017 is \$46,951, and an additional full time employee will be added there next year as well.

Mr. Stansbury concluded his budget review by stating that an additional budget appropriation of \$460,030 is needed to close out 2016, mainly due to contractual adjustments and bad debt write-off. Mr. Ensign asked if he was requesting a supplemental appropriation to the 2016 Lincoln Community Hospital budget and Mr. Stansbury affirmed that was the case.

Mr. Burgess expressed concern that the hospital needs a lot of repairs; pipes are corroding, showers are inoperable in some of the rooms, and there are issues with the foundation. Mr. Stansbury added that there needs to be an assessment completed to determine what services can be added to offset repairs, or even if investment in the existing facility is realistic. There

has even been discussion about building a new hospital but all the options need to be weighed first before that decision is made. He went on to say that they also need to glean the most efficiency out of what they currently have. They have applied for a grant that would give them up to \$300,000 for three years and Mr. Stansbury is hopeful it will be awarded. He stated that three of the biggest goals are to reduce the cost of supplies, share staff, and to generate more revenue from clinical programs.

Mr. Stansbury mentioned that they will sign the new jail contract at the first of the year, and that Brenda Higgins has expressed interest in replacing Steve Burgess on the hospital board in January. He added that she may be a good fit due to her background with Plains Medical Center. Mr. Schifferns commented that he felt Mr. King needed to replace Mr. Burgess on the hospital board and Mr. Stansbury said that it would certainly be the commissioners' decision.

As for the Carla's Cluster Care facility, Mr. Stansbury said they have an accountant reviewing the statements and if the final evaluation comes back that everything looks good, he will return to the commissioners to request approval of the property purchase.

Mr. King asked if there were any new developments regarding the discussions with Centennial Mental Health. Mr. Stansbury responded that they will meet with a representative from Colorado Access in the next few days. Colorado Access was asked to negotiate a carve-out contract for the hospital and Mr. Stansbury said that they did not hesitate at all, so he is confident that the hospital will be able to take over mental health care without increasing costs too much. Mr. Schifferns wanted to know if LCH would still be able to provide care for inmates in the county jail. Mr. Stansbury said they do so now and then usually have to wait for Centennial to show up; the only difference is that Centennial gets paid. He added that LCH hopes to assume everything but he will know more after the meeting with Colorado Access. Mr. Schifferns commented that the entire board of commissioners is behind him.

Mr. Burgess asked about the eye care facility and Mr. Stansbury said that they hope to have an optometrist in the old Colorado Eye Associates building in Limon one day a week beginning sometime in January. They will also have eyeglasses available and an ophthalmologist will come out twice a month. When asked what they would name the new clinic, Mr. Stansbury said it will be the Lincoln Community Hospital Limon Downtown Clinic, which will most likely end up referred to as the downtown clinic.

Mr. Stansbury left, and Mr. Stone made a motion to approve the minutes from the meeting held on December 6, 2016, as submitted. Mr. Schifferns seconded the motion, which carried unanimously.

The Board reviewed the November 2016 Statements of Revenues and Expenditures for the General, Public Health, Capital Projects, Conservation Trust, E911, Landfill, Library, Lodging/Tourism, and Road & Bridge funds, as well as for the individual road districts.

Also reviewed were the November 2016 reports from the Assessor, Clerk, Sheriff, and Treasurer.

At 10:00 a.m., County Treasurer/Public Trustee Jim Covington arrived for the public hearing for the proposed 2017 Lincoln County budget. No other members of the public attended the hearing.

Mr. King asked if the towns would receive their annual allocation according to the reduced assessed valuation of the county, and Mr. Ensign said that the towns would receive the same allocation in 2017 as they did in 2016. Mr. Kimble commented that Limon Town Administrator Dave Stone had said how much that was appreciated.

Mr. Ensign reviewed the entire budget with the group and when there were no questions or comments, Mr. Stone made a motion to adopt a resolution approving the spending limits for calendar year 2017. Mr. Schifferns seconded the motion, which carried unanimously.

At a regular meeting of the Board of County Commissioners of Lincoln County, Colorado held in Hugo, Colorado on December 14, 2016, there were present:

Greg King, Chairman	Present
Douglas D. Stone, Vice Chairman	Present
Ed E. Schifferns, Commissioner	Present
Stan Kimble, County Attorney	Present
Corinne Lengel, Clerk of the Board	Present
Gary Ensign, County Administrator	Present

when the following proceedings, among others, were had and done, to-wit:

RESOLUTION #936 It was moved by Commissioner Stone and seconded by Commissioner Schifferns to adopt the following resolution:

WHEREAS, the Board of County Commissioners of Lincoln County, Colorado has the authority and responsibility pursuant to C.R.S. 29-1-103 to adopt a budget for Lincoln County for the 2017 calendar year; and

WHEREAS, in addition to the above referenced statute, the Board of County Commissioners also recognizes the passage of Amendment 1 to the laws of the State of Colorado on November 3, 1992, and has incorporated its interpretation of such Amendment into the 2017 budget; and

WHEREAS, upon due and proper notice, published in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on December 14, 2016, at which time objections of the electors of Lincoln County were considered; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance as required by law;

NOW, THEREFORE BE IT RESOLVED that the following spending limits are adopted for calendar year 2017:

General Fund	\$5,957,026
Road & Bridge Fund	5,253,700
Human Services Fund	2,948,013
Library Fund	52,100
Contingent Fund	170,666
Conservation Trust Fund	70,000
E911 Fund	290,000
Capital Projects Fund	1,230,000
Landfill Fund	265,000
Lodging Tax Fund	149,200
Public Health Agency Fund	313,974
Hospital Fund	16,725,295
Total	<u>\$33,424,974</u>

BE IT FURTHER RESOLVED that the mill levies established for the following funds are:

General Fund	22.00 mills
General Fund – Mills for hospital	4.00 mills
Road & Bridge Fund	10.50 mills
Social Services Fund	2.50 mills
Library Fund	.25 mills
Capital Projects Fund	4.00 mills
Landfill Fund	1.00 mills
Public Health Agency Fund	.75 mills
Hospital Fund	2.50 mills
Total	<u>47.50 mills</u>
Less Temporary Property Tax Credit General Fund	-12.00 mills
Total	<u>35.50 mills</u>

Upon roll call the vote was:

Commissioner Stone, Yes; Commissioner Schiffers, Yes; Commissioner King, Yes.

The Chairman declared the motion carried and so ordered.

Board of County Commissioners
of Lincoln County

ATTEST:

Clerk of the Board

Mr. Schifferns then made a motion to adopt a resolution appropriating funds for the 2017 budget. Mr. Stone seconded the motion, which carried unanimously.

At a regular meeting of the Board of County Commissioners of Lincoln County, Colorado held in Hugo, Colorado on December 14, 2016, there were present:

Greg King, Chairman	Present
Douglas D. Stone, Vice Chairman	Present
Ed E. Schifferns, Commissioner	Present
Stan Kimble, County Attorney	Present
Corinne Lengel, Clerk of the Board	Present
Gary Ensign, County Administrator	Present

when the following proceedings, among others, were had and done, to-wit:

RESOLUTION #937 It was moved by Commissioner Schifferns and seconded by Commissioner Stone to adopt the following resolution:

WHEREAS, the Board of County Commissioners of Lincoln County adopted the annual budget in accordance with the local government budget law and the provisions of Amendment 1 on December 14, 2016; and

WHEREAS, the Board of County Commissioners of Lincoln County has made provision therein for revenues in an amount equal to the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary, to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of Lincoln County;

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Lincoln County, Colorado, that the following sums are hereby appropriated for 2017 from the revenue of each fund to each fund:

General Fund	\$ 5,957,026
Road & Bridge Fund	5,253,700
Social Services Fund	2,948,013
Library Fund	52,100
Contingent Fund	170,666
Conservation Trust Fund	70,000
E911 Fund	290,000
Capital Projects Fund	1,230,000
Landfill Fund	265,000
Lodging Tax Fund	149,200
Public Health Agency Fund	313,974
Hospital Fund	16,725,295
Total	<hr/> \$33,424,974

Upon roll call the vote was:

Commissioner Stone, Yes; Commissioner Schifferns, Yes; Commissioner King, Yes.

The Chairman declared the motion carried and so ordered.

Board of County Commissioners
of Lincoln County

ATTEST:

Clerk of the Board

Mr. Stone made a motion to adopt a resolution certifying the mill levies for the 2017 budget.
Mr. Schifferns seconded the motion, which carried unanimously.

At a regular meeting of the Board of County Commissioners of Lincoln County, Colorado held in Hugo, Colorado on December 14, 2016, there were present:

Greg King, Chairman	Present
Douglas D. Stone, Vice Chairman	Present
Ed E. Schifferns, Commissioner	Present
Stan Kimble, County Attorney	Present
Corinne Lengel, Clerk of the Board	Present
Gary Ensign, County Administrator	Present

when the following proceedings, among others, were had and done, to-wit:

RESOLUTION #938 It was moved by Commissioner Stone and seconded by Commissioner Schifferns to adopt the following resolution:

CERTIFICATION OF TAX LEVIES

This is to certify that the tax levy to be assessed upon all property within the limits of Lincoln County, State of Colorado, based on a total assessed valuation of \$165,002,083 for the budget year 2017 as determined and fixed by the Board of County Commissioners, is:

General Operating Expenses:

General Fund	22.00
General Fund – Mills to the hospital	4.00
Road & Bridge Fund	10.50
Social Services Fund	2.50
Library Fund	.25
Contingent Fund	0
Conservation Trust Fund	0
E911 Fund	0
Capital Projects Fund	4.00
Landfill Fund	1.00
Lodging Tax Fund	0
Public Health Agency Fund	.75
Hospital Fund	2.50
Total	<u>47.50 mills</u>
Less Temporary Property Tax Credit – General Fund	- 12.00 mills
Total	<u>35.50 mills</u>

Upon roll call the vote was:

Commissioner Stone, Yes; Commissioner Schifferns, Yes; Commissioner King, Yes.

The Chairman declared the motion carried and so ordered.

Board of County Commissioners
of Lincoln County

ATTEST:

Clerk of the Board

Mr. Covington then presented the Public Trustee budget proposal for 2017, stating that he would approve it once the Board had reviewed it, which would satisfy the state requirements. No one had questions regarding the 2017 Lincoln County Public Trustee's budget.

At 11:30 a.m., Economic Development Corporation Executive Director Troy McCue met with the Board to give his monthly report. He highlighted business retention visits in the communities and stated that the new VISTA volunteer is James Russell from Ashburn, Virginia, and that he will start on March 27. He is currently looking for housing options for Mr. Russell but is limited by the VISTA budget. Mr. McCue discussed offering assistance to Rocky Mountain Crane Company locating in Genoa, adding that the town is working on annexation of the two hundred and ten acres acquired for the site. It appears that it will be a \$2 or \$3 million project and that the company may also be interested in putting up another building to work specifically on wind turbine blades. Mr. King put in that it should increase the county's tax base and Mr. McCue agreed, stating those acres would change from agricultural to commercial on the tax rolls. The hope is that it may also attract more investment for the railroad.

Mr. McCue asked the commissioners to participate in the CIRD community planning event in Limon scheduled for February 27 through March 1. The desire is to develop new signage that will draw tourists into downtown Limon for attractions located there. There is a proposal for a new Veterans Memorial at Limon's Pershing cemetery that is currently in the works; however, it will require quite a bit of funding.

Mr. McCue finished his report by discussing the Foreign Trade Zone and the possibility of the initial application for the organization's first user, which is considering location on the western point of the zone.

Once Mr. McCue had gone, Mr. Kimble reported receiving a letter from Nereo that he had forwarded on to the commissioners. He had also sent the letter to CDPHE requested by Mark McMullen, regarding the language in the EDOP that he was uncomfortable with. Mr. Kimble said that the state did agree to change the language. Mr. Ensign added that he'd received an email from CDPHE requesting another compliance conference call.

Mr. Kimble also reported receiving solar energy regulations from Weld County but that county's zoning is so different from Lincoln County's that he will try and obtain regulations from other counties as well. Mr. Burgess suggested contacting Alamosa County and Mr. Kimble said he would do so.

The Board reviewed the November 2016 report from the Colorado Counties Casualty and Property Pool, as well as fuel contract quotes from DJ Petroleum and the Flagler Co-op. Based on prices of \$1.98/\$1.99 or \$1.94 per gallon, Flagler Co-op was the low bidder. Mr. Ensign said that Chris Monks will contact them to inform them they will be awarded the contract. Stone Oil Company had not submitted a bid.

Mr. Stone reported checking roads west of Karval on December 8, and looking at the demo CAT truck that was brought out to the Karval shop on December 9. The salesman then came to Hugo to look at the Mack truck that District Three is planning to trade in. Mr. Stone also checked roads on December 10.

Mr. Kimble stopped back in to say that he'd spoken with Jail Captain Michael Yowell, and the inmate case looks like it will be favorably dismissed, according to the CTSI attorney. They will begin filing motions to dismiss.

Mr. Stone continued with his report, stating that he and Rick Ashcraft checked on roads where the road crew is laying gravel on December 12. They will also get some manure from Reystead Ranch for cover at the Stavely Pit so they can begin the process of getting it off the books. He checked roads south of Karval on December 13.

Mr. Schifferns reported receiving a phone complaint regarding nails and staples on a county road ruining several tires but deferred the caller to Mr. King, as the road was in District Two. Mr. King said the best they could determine was that someone had lost the nails off of a load of something as there were no other instances of flat tires reported. Mr. Schifferns attended the Arriba town board meeting on December 12 where they appointed Jack Petty as the new board member. They also plan to survey the town regarding drainage issues.

Mr. King reported receiving the complaint on December 12 and checking roads north of Arriba, Genoa, and Limon on December 13.

Mr. Ensign reported that there is \$15,000 in CAPP funds reserved for attorney's fees in the inmate lawsuit matter if necessary. Also, December 1 was his one year anniversary so he is due a step raise. He asked if the commissioners wanted to complete an employee evaluation. Mr. King said they probably should to be consistent with those done for road foremen.

Mr. Stone made a motion to approve a step raise for County Administrator Gary Ensign. Mr. Schifferns seconded the motion, which carried unanimously.

Mr. King called for old business and Mr. Stone asked what he had learned from the vendor who was not submitting bills to the county in a timely manner. Mr. King said the vendor told him she was unaware that the county wasn't getting the bills. Ms. Lengel said she had received bills the previous day for September and October, and Mr. Ensign said he had gotten some as well.

Mr. Stone also asked if there had been any further progress with the extension office building plans. Mr. Ensign said it is basically now up to Extension Director Travis Taylor to decide what they want and added that they should probably schedule another meeting after the first of the year. He added that the county did receive a contribution through the Enterprise Zone from Steve and Margaret Burgess that will allow it to carry on.

As for new business, Mr. King asked if it would be possible to utilize Conservation Trust funds to help pay for the ADA accessible restrooms in the Karval community building. The county normally designates some money to Karval but was not able to do so this year due, to the playground equipment deal not working out. Mr. Ensign said he would check to see if it would be an allowable use of the funds.

Ms. Lengel informed the commissioners that she had to order a new computer and it should be in this week.

With no further business to come before the Board, the meeting was adjourned until 9:00 a.m. on December 29, 2016.

Corinne M. Lengel, Clerk to the Board

Greg King, Chairman