

# Board of County Commissioners of Lincoln County

Agenda for July 30, 2012

9:00 Call to order and Pledge of Allegiance

10:00 Bill Noyce with Walnut Street Securities to present three competitive proposals for investment of the county's retirement funds as required by new Department of Labor regulations

11:00 Delores Schwieder with Pine Ridge Oil & Gas, LLC to discuss signing a corrected oil and gas lease.

1. Approve the minutes from the July 18, 2012 meeting
2. Sign a letter to Bruce Hass stating that county ordinances do not prohibit the use of bales of compressed tires for wind/snow breaks
3. Review the June report of revenues and expenditures for Public Health
4. Review the approved grant application for partial funding of repeaters and radios for EMS and dispatch
5. Old business
  - a. Review the county's Economic Development Incentive Policy and discuss if revisions should be made to it
6. New business
  - a. Review prices being paid for gravel
7. Approve payroll and expense vouchers

The Board of Lincoln County Commissioners met at 9:00 a.m. on July 30, 2012. The following attended: Chairman Steve Burgess, Commissioners Gary Beedy and Ted Lyons, and Clerk to the Board Corinne M. Lengel. County Administrator Roxie Devers was absent and excused.

Chairman Burgess called the meeting to order and led the Pledge of Allegiance.

Mr. Lyons made a motion to approve the minutes from the meeting held on July 18, 2012, as submitted. Mr. Beedy seconded the motion, which carried unanimously.

Mr. Beedy made a motion to sign a letter to Bruce Hass stating that county ordinances do not prohibit the use of bales of compressed tires for wind/snow breaks. Mr. Lyons seconded the motion, which carried unanimously.

County Assessor Jeremiah Higgins stopped in to voice his concern with the lack of trailer parking in the old designated areas at the fairgrounds. Mr. Burgess said that the parking diagrams have been printed in the fair books, so for this year at least, they will remain that way. Mr. Higgins said he didn't mind the camper parking, as a matter of fact, it seemed much better, but his issue was with where horse trailers were usually parked. Mr. Beedy said he was concerned with all the posts in the ground prohibiting mowing and maintenance, and wanted to know if the posts were going to be removed after the fair to allow for mowing. Mr. Burgess said they could be removed if need be, and they would have to be if a circus or other type of event such as that wanted to use the grounds. Mr. Beedy asked whose decision it had been to design the parking area and Mr. Burgess said it was supposed to be implemented at last year's fair after the fair board made the decision regarding the arrangement, but it hadn't been enforced. He added that he was designated to enforce it this year after all the problems last year.

The Board reviewed the June report of revenues and expenditures for the Public Health department, and then placed a call to Zane Nestor at the sheriff's office to see if he was coming over to discuss the approved grant application for partial funding of repeaters and radios for EMS and dispatch. Since Mr. Nestor was unavailable, Mr. Burgess tabled further discussion until the following day's meeting.

The commissioner's reviewed the county's Economic Development Incentive Policy again and further discussed the removal of the incentive schedule, or at least increasing the percentage of refund of personal property tax paid if they weren't going to remove the entire scale. Mr. Lyons commented that it always seems to be the tendency to reward the bigger companies, and then everyone wonders why the small businesses don't survive. Since state statute references "up to 100%," Mr. Beedy said he would look it up and find out exactly what the statute specifies.

Mr. Burgess called for new business, stating that he'd been contacted by a landowner the county purchases gravel from, who told him that they feel they are not receiving enough compensation, based on what other area landowners are getting, especially in Elbert County.

The landowner's lease expired in March, and was not renewed. Mr. Burgess said he was told that Elbert County pays \$1.00 per yard, where Lincoln County pays anywhere from twenty-four to thirty-four cents, based on the type of the vehicle hauling it. He added that if Lincoln County were to pay \$1.00 per yard, they would have to increase the budget by close to \$120,000. Lincoln County also pays the taxes on the gravel that is removed, whereas Elbert County makes the landowner pay the taxes.

Bill Noyce with Walnut Street Securities arrived at that time to present three competitive proposals for investment of the county's retirement funds as required by new Department of Labor regulations. Mr. Noyce explained that they simply need to formalize the way things are handled, adding that he can no longer be an advisor to the commissioners on a pension plan; he must be an educator instead. The three different companies Mr. Noyce presented were Brinker, Aris, and John Hancock, and he explained that if the Board wished to look at any of them more closely, he could certainly bring them to a meeting. After comparing the costs of the new companies, the commissioners all agreed that they would prefer to continue investing with Curian Clearing, instead of any of the new companies. Mr. Noyce asked that the three options be given to Ms. Devers to keep in her file as proof that they had been presented.

After Mr. Noyce had gone, Mr. Burgess said that Chris Monks had to order some parts that were over \$1,000 and the credit limit on his county credit card is only \$1,000. Mr. Beedy made a motion to increase the credit limit on Chris Monks' county credit card to \$2,500. Mr. Lyons seconded the motion, which carried unanimously.

Mr. Burgess said he'd been asked what the Higgins family pays for electricity when they set up their food booth at the fair, so he asked Ms. Devers, who told him that each space with electricity costs \$10 per day. Since the Higgins's use two electrical spaces, they should be paying \$20 per day.

County Assessor Jeremiah Higgins and Renita Thelen were asked to come down to discuss the rates for gravel, so Mr. Burgess explained what had been talked about earlier. Ms. Thelen handed out the 2012 Sand and Gravel Economic Royalty Rates, stating that there are five different districts in the state, Lincoln County being in District 3, which showed a cost of \$.58 per ton. The statewide royalty rate for borrow is \$.48 per cubic yard. Mr. Higgins said that he felt the county shouldn't have to pay the full market value since the product they are extracting goes back into maintenance of county roads for the taxpayer's benefit anyway. Mr. Burgess added that the taxpayers don't have to sell to the county if they don't want to. Ms. Thelen put in that paying more would then drive the markets up because the valuations would have to be changed, and Mr. Higgins included that if the classification of the ground were to change to commercial, which would make for higher gravel prices, then the taxes would go up as well. Mr. Lyons stated that another factor to consider is that the reclamation cost for a pit is so high, which is another cost that the county sustains, not the landowner. Ms. Thelen added that the higher prices also are from pits with sand or cleaned and processed gravel, where Lincoln County pits are all borrow pits.

Mr. Higgins was then asked if he knew how much they have been paying in the past for their vendor spot at the fairgrounds during the fair. He thought the cost was \$25 for the week last year, and the Board told him they should be paying \$10 per day, per spot. Since they use two electrical hook-ups, they should be paying \$20 per day.

At 11:00 a.m., Delores Schwieder and Erik Johnson with Pine Ridge Oil and Gas, LLC met with the Board to discuss signing a corrected oil and gas lease. Ms. Schwieder said they not only had the corrective lease for one that was originally signed in May, but a new lease as well.

Mr. Beedy made a motion to sign the Corrective Oil and Gas Lease with Pine Ridge Oil and Gas, LLC, for two tracts in the South half of Section 9, Township 9 South, Range 54 West of the 6<sup>th</sup> P.M. and the South Half of Section 26, Township 13 South, Range 53 West of the 6<sup>th</sup> P.M. Mr. Lyons seconded the motion, which carried unanimously.

Mr. Beedy also made a motion to sign a new Oil and Gas Lease with Pine Ridge Oil and Gas, LLC, for a 5.18 acre tract of land in the Northeast Quarter of Section 10, Township 13 South, Range 52 West of the 6<sup>th</sup> P.M. Mr. Lyons seconded the motion, which carried unanimously.

The commissioners placed a call to Chris Monks after the Pine Ridge representatives left, as he had left a message with Mr. Beedy earlier. Chris said he'd talked to Jim McCormick and it will cost about \$13,000 to redo the deck on the bridge south of Hugo. They can do it the week after fair and will take off two inches and then repave it to smooth it out. Mr. Beedy made a motion to proceed with the milling and repaving of the bridge south of Hugo on County Road 109, to be completed by McCormick Construction Company, at an estimate of \$13,000. Mr. Lyons seconded the motion, which carried unanimously.

Mr. Burgess returned to the topic of gravel prices, stating that it was a possibility they would not be able to pull anymore gravel from the pit since the lease had not been renewed. Mr. Beedy suggested asking the landowner to go ahead and renew the lease for the remainder of this year at the current price, with the assurance that the commissioners will seriously consider increasing the cost per yard with the next budget year. Mr. Burgess said he would speak with the landowner.

The Board approved the July payroll and expense vouchers for the month, and then, with no further business to come before the Board, the meeting was adjourned until 9:00 a.m. on July 31, 2012.

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Corinne M. Lengel, Clerk to the Board

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Steve Burgess, Chairman