

Logan County Commissioners Work Session

July 19, 2022

Present: Byron Pelton, Jane Bauder, Alan Samber, Shannon Graves, Rhonda Chrisp, Debbie Unrein, Jerry Casebolt, Diana Korbe, Tom Kiel, Scott Szabo, Marylin Wagner (via Zoom) Dana Foley (via Zoom), Jeff Reeves, Chris Kloberdanz, Brenda Kloberdanz, Ken Caudle, Chance Wright, Jeff Rice and Jennifer Crow.

Chairman Pelton called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES FROM PREVIOUS SESSION – Commissioner Bauder moved to approve the minutes from July 5, 2022 as written. Chairman Pelton seconded and the motion carried.

REVISIONS TO WORK SESSION AGENDA – Add discussion of Fair Board BBQ. Chairman Pelton added Jerry Casebolt to the Work Session agenda.

REVIEW AND APPROVE HUMAN SERVICES SCHEDULE OF BILLS – Shannon Graves met with the Board to review Logan County Department of Human Services schedule of bills dated July 19, 2022. The Board approved all bills as presented.

REVIEW AND APPROVE SCHEDULE OF COUNTY BILLS – Rhonda Chrisp met with the Board to review the Logan County schedule of bills dated July 19, 2022. The Board approved all bills as presented.

REVIEW BUSINESS MEETING AGENDA – No concerns were stated.

SCOTT SZABO REVIEW 2021 AUDIT – Scott Szabo met with the Board to review the 2021 audit. The compliance audit work that is done fluctuates from year to year depending on the dollars involved. They looked at two programs for the 2021 audit. The Coronavirus money was looked at and also a program from Human Services. There were no concerns noted.

Mr. Szabo referred to a summary of the 2021 audit he has prepared. He explained the Cash Investments table and Fund Balance table. The first column shows the 2021 numbers, the third column is the 2020 numbers, the fifth column is from the prior year to see if there is a trend from the prior year.

Looking at the Cash and Investments Fund balances, the cash went up almost \$11.5 million across the funds. If you look at the General Fund it went up almost \$4.7 million. The bulk of that was the timing in the receipt of the Coronavirus Funds. Because at the end of 2020 the county had spent a lot of those funds and was requesting reimbursements. In 2021, a lot of it advanced so that's the reason for the big increases.

The Road and Bridge Fund correlates to the fund balance changes. Normally the changes in cash and the changes in fund balances are going to be pretty close. The General Fund Cash went up \$11.5 million, obviously the county is in tremendous financial shape across the board. There are no concerns there at all.

The Justice Center Fund closed out at the end of 2021. The bulk of the \$13.2 million was the undepreciated value of the Justice Center. If you look at all the big funds General, Road and Bridge, Human Services, Capital Expenditure, across the board they all are in good shape. Capital Expenditures went down two years in a row, but again that one is designed to do that. Mill levy is apportioned a portion of the mill levy to build up the reserves and as they get larger then obviously one year it might be reallocated and those dollars would be spent. If you look at the fund balance, there is still \$560,000.

The only fund there is a slight concern over is the Ambulance Fund. There is a \$56,000 decrease in 2021 and a \$35,000 decrease in 2020. He actually went back a third year to find a \$67,000 decrease. Over a three-year cycle that is about \$150,000 drop in fund balance. That was the only fund addressed in the MD and A where Debbie indicated there is a \$200,000 reserve that can be transferred over if it is needed. Commissioner Pelton noted that two years ago, the Board authorized huge salary increases two years ago for Ambulance personnel. Debbie also noted that a lot of the ambulance calls are Medicare and Medicaid and the Ambulance does not receive much reimbursement from those entities. The Board may need to reassess what the trip charges are. The ambulance also does not do the transports like they used to, which used to bring in quite a bit of money but it also cost a lot of money in overtime. Local trips don't bring in that much money. Insurance only pays what is customary. The ambulance is an out of network provider for most insurances, so they do pay the billed amount. However, Medicare and Medicaid do not pay well.

Commissioner Pelton asked how much the ambulance service has gone up since he and Commissioner McBride had taken office. Mr. Szabo provided the figures: \$699,000 in revenue and \$756,000 for the expenses. Losses have not been that large over the years, but over time trends have been showing those losses growing to where the General Fund might have to supplement

The last page of the summary shows the number of months in reserve. The General Fund shows about one full year in reserve, the Road and Bridge Fund has 17 months and Human Services three months, and with Human Services you are not trying to build a fund balance, it is just trying to allocate the local dollars to help with matching costs. Debbie Unrein noted that it is the AARPA money and once that is spent those months in reserve might drop. In Road and Bridge the money is sitting there waiting for the project to be taken care of. Commissioner Bauder asked how much of the General Fund is AARPA money that has been allocated to spend. Mr. Szabo noted that \$1,587,000 has been allocated to those that will be spent.

The next two pages discussed were in exhibit two of the summary. The General Fund balance history report shows increases from 2016 to 2021. Contingency is in the General Fund also (\$500,000) which inflates that number. Mr. Szabo explained again that they are for trends again and especially negative trends and have found none. The reserve is built up and has almost doubled since then. Same thing on exhibit three which is the Road and Bridge Fund. A lot of this is wind farm sales and use taxes money (close to \$2 million dollars) and some HUTF fees (approximately \$300,000) that were added. Debbie Unrein noted that these numbers are not budgeted because they are not expected at budget times.

Exhibit four is the Human Services Fund. This is helping cover the mill levy the county's share. Most of the programs are state or federally funded but there is always a 20%-33% local share. The trends are there, the fund balance has increased a little bit over the last. Again, there are no concerns on any individual fund other than the ambulance fund. The county is in tremendous financial shape. The audit itself went very, very well. It is a pleasure to work with the staff. If they have questions, they get answers, if they need support, they get it, they have no concerns at all.

Jeff Rice asked how much money the county returned to taxpayers last year. The county gave a temporary tax credit of \$1.5 million dollars or four mills. There was discussion whether or not temporary tax credit was allowed with or without Tabor but the county is not subject to Tabor when it comes to property tax or revenues. The 5.5 calculation requires the temporary tax credit. The windfall of the wind farm revenue has allowed the county to do some things that are outside of the normal budget.

Chairman Pelton reported that the Fair Board has asked that the county purchase two new chest freezers for the fairgrounds as there is a problem securing ice for the fair this year. The Fair Board would like to stockpile ice for the fair. If they contract to purchase ice the price would be \$9 per bag. If they purchase freezers and stockpile their own ice the price would be \$3 per bag. Commissioner Bauder agreed. The funds will be from the Sales and Use Tax Fund to purchase two freezers for a total of \$2,300.

The Board approved passes for two rodeo tickets for each county employee and the Board also agreed for passes for rodeo tickets for foster families as well.

FAIR BOARD BBQ – Diana Korbe said that Todd Thomas and Chance Wright both have purchased the meat for the Fair Board BBQ personally for the BBQ in the past as it does not appear that the Fair has purchased it. Chairman Pelton and Commissioner Bauder agreed to personally purchase the hamburger meat for the Fair Board BBQ this year.

COUNTY EXPRESS BUILDING PURCHASE - Alan Samber has e-mailed the state with the county's intent to purchase the property to exercise the first right of refusal. The state's representative indicated that the e-mail is all that is needed to move forward. The state will need to allow thirty days to pass from the date of the State's letter. Chairman Pelton will pass the information along at NECALG Board meeting Wednesday.

NJC FAIRGROUNDS LEASE – The Board agreed to renew the lease for another year for the same amount. The lease pays for utilities and Buildings and Grounds services. Alan will notify NJC that the county is willing to enter into another lease amendment.

The meeting recessed 9:26 a.m. and reconvened at 9:50 a.m.

MARYLIN WAGNER FIVE YEAR LOSS ANALYSIS AND ANNUAL POOL UPDATE – Marylin Wagner and Dana Foley with CTSI reviewed the Casualty and Property Pool and the County Workers Compensation Pool Loss Analysis Reports.

At the end of 2021, the CAPP pool had \$15.3 million equity. All members of the pool, 52 counties in Colorado shared in \$1.9 million equity returned to members as well as \$700,000 in interest returned at the end of the year. Logan County's base contribution was just over \$990,000 and was modified by the loss factor. The loss factors for how the pool operates are capped at a high and a low end keeping the renewal amount within a certain range. Experience, or loss trends affect the loss ratio, but they cap at the high and low end so that they can budget properly and not have the great spikes that some coverages may be if they had a high loss year. The loss factor at the end of last year was .845. That considers the oldest three of the five most recent years' experience, along with a formula for how the pools work is still a very good loss ratio despite the middle years from the storm damage.

Logan County's return of the pool's interest was \$24,700 and the county's portion of the equity return was just under \$32,000 leaving a net contribution of a little over \$780,000 for 2022.

The top three departments in frequency in claims were law enforcement, public transportation and administration. On the bottom graph on the first page, the top five claims in severity, the first department was administration, which often is a catch all for claims that occur to buildings and in this case almost the total sum of claims were due to storms that occurred in 2019. The second column in severity was law enforcement. Eighteen out of 29 of those claims (in the last five years) were vehicle related. Every three – four years, CTSI does a special loss run presentation to the sheriff's offices with special information looking at their trends and

comparing them with other sheriff's offices in the state. This was another area in the 2022 policy year increased mainly due to the fact that of reinsurance increases basically doubled for the reason of reinsurance looking very harshly at law enforcement operations across the country that had to be funded by getting a separate excess liability policy for sheriff's operations and creating a deductible. CTSI Pools were very fortunate to be able to obtain that coverage and to be able to have a separate policy seamless to county operations as a whole but to being able to obtain a \$25,000 deductible.

Related trends over the last five years have shown that fifty-eight percent of claims over the last five years have been vehicle operation claims, whether it was backing into an object or striking an object or hitting an animal. All of them somehow were related to vehicle operations. There is very heavy use of vehicles in many departments, it is a common trend seen throughout the pools as well. CTSI is revisiting ways to go back and correct and look at policies around hires and driving and looking for good driving records for those coming in to the county. Are counties looking at accident trends? Are the safety committees or supervisory committees looking at loss information to say maybe we need to change training, maybe we need to change maintenance. Did any of these losses lead to the various accidents, injuries, or claims that did occur? CTSI does offer defensive driver training should the county request for them to come teach the training.

There is also a shorter refresher version on the CTSI website. CTSI has also contracted with an outside company called Bus-library for short defensive driving training as well.

SEVERITY OF CLAIMS, FATALITIES – This is all counties together, 20 claims altogether but totaled \$17 million for all counties. The last time this report was run, it was a fraction of that and goes to show back to the reinsurance on the settlements that have occurred, when it is something as unfortunate as a fatality and when it is involving law enforcement this is one of the trends that reinsurance has been looking at and is one of the reasons for the increase in contributions in 2022.

CWCP EQUITY – CWCP ended 2021 with \$22.1 million in equity with \$1.3 million returned to pool members. Logan started at a base of approximately \$323,000, modified by the worker's comp loss factor of 1.03 which is from the oldest claim year and will drop off for next year. This will improve the loss factor/contribution for next year. The equity distribution for Logan County was just under \$50,000, making the final contribution \$283,000 for Logan County in 2021. Every year CTSI collects the number of employees and volunteers and advisory board members. At the end of 2021 there were 395 employees and volunteers covered for Worker's Comp.

Law enforcement experienced frequency of claims not in severity of claims. Ninety percent of claims were in the Administration Category in Severity of Claims were from 2017 and will be falling off on the calculation for next year.

Ms. Wagner placed an emphasis on training employees and possible changes in safety policies to keep employees safe on the job. CTSI publishes technical updates on those subjects as well.

CHRIS KLOBERDANZ MEMORIAL SIGN AND DEVELOPMENT ON LAND – Chris and Brenda Kloberdanz met with the Board concerning the erection of a memorial sign in front of their property in the right of way without their consent. Jeff Reeves also joined the meeting. Mr. Kloberdanz empathized with the family in their tragic loss of their loved one. However, they have asked to focus on the fact that there must be some respect to the property owner as well. Mr. Kloberdanz asked if the county has a memorial sign policy, criteria or application? Mr. Kloberdanz also asked what factors were taken in the consideration of making the

decision, what factors if any of them revolve around the property owner, and can the county provide a copy of the memorial sign requestor's application?

Jeff Reeves answered no to all of the questions. There is a state statute that imposes height and width on all signs. Chairman Pelton noted that it is the county right of way and the county can put signs in the right of way even though it is the property owner's property.

Mr. Kloberdanz stated that they strongly prefer not to have this type of sign on their property. This sign is not just a regular sign like a speed limit sign on their property. They do not want or need to see this sign as a daily reminder of a tragedy that took place outside of their future residence. Kloberdanz encouraged the county to develop a sign policy to develop a criteria or policy to include past, current and future memorial sign placement. The policy should include the approval of the property owner as a requirement. The criteria should include something to state that the deceased cannot have engaged in any contributory behavior during the crash and cannot have significant criminal background.

Mr. Kloberdanz asked if the Road and Bridge Department or the Board of Commissioners looked at the crash report. Neither had looked at the crash report. Mr. Kloberdanz has not seen the crash report either but his understanding is that the individual was walking down the middle of the road (in the dark). He would say that is contributory behavior. Other cities or counties don't allow memorial signs in the road if family of a drunk driver wants to put a memorial sign on the road. That is not something people want to remember.

In visiting close to someone who was involved in this incident, it is their understanding that the driver was not cited for any wrongdoing. The person that is deceased was in the middle of the road. This sign says "slow down". Speed was not involved in the crash. For that individual and his family to have to drive by that sign nearly every day and see that sign as a reminder and to make it look like he was the perpetrator in a sense because it says "slow down" is wrong.

Jeff Reeves noted that he didn't really want to approve the sign but with the Commissioners he finally approved, the sign. The family was given specific directions what to put on the sign itself, "slow down" was not a part of it. The family was given the size of the sign and the configuration and they changed both the wording and the configuration (landscape view instead of portrait view). The family brought the sign to the Road and Bridge Department and was told it was not acceptable. They started causing problems and calling every day wanting the sign up. Reeves finally put the sign up but only because he was tired of dealing with the family. He apologized that it was put up.

The sign is right in the middle of their property frontage. The Kloberdanz's presented the current state application as well as several other county applications for the board to review. Their number one preference priority is to have the sign removed.

This is not a necessary sign, the right way should have respect for the property owner. The family was very difficult to deal with. The Board will discuss enacting new applications and standards. The sign was put up approximately the first of July 1. The Board will discuss again on the August 2 Work Session as unfinished business.

FEMA/LARRY PRICE/LEBSOCK CLEANUP ROB QUINT – Rob Quint met with the Board. He thought he had the ideal plan moving forward. Tom wants to alter the plan. Rob will work with Doug and Tom. He may want to have the county send out bids for different parts of the plan rather than finding someone to give us

bids. Commissioner Pelton asked when the deadline was as he thought it was the end of August. Rob was not sure.

Rob Quint will also reach out to Larry Price by August 31.

Lebsocks are being reminded of their deadline to cleanup every quarter by Matt Chrisp. Matt sends an e-mail. Commissioner Bauder noted that they had contacted her about purchasing fill dirt from her land on Highway 14. She thinks they may have possibly wanted to cover it up.

JERRY CASEBOLT RE PURCHASE OF SRMC GENERATOR – Sterling Regional MedCenter is putting in a new generator and removing their old generator. Tom Kiel let Chance know about it and put Chance in touch with their Maintenance person and told him we might be interested in purchasing it. He texted Chance yesterday and said that they would sell it to us for \$3,500. It is a huge generator. It would be used to run the Courthouse. They put in a Homeland Security Grant for a new one last year that cost \$120,000. This one is for 600 amps that would need to be converted down to from 1200 amps for a cost of \$3,500 Tom thought the transformer would run about \$3,000-\$4,000. An automatic switch over if the power fails to automatically kicks it on is another \$3,000-\$4,000. Then concrete to pour a pad for it to sit on would be necessary. The total would be about \$13,000 for a complete generator to run the building. Currently there is about an eight-minute window where the backup power supply will last and then everything starts going down because of everything that is hooked up to them. September 12th they would like to know sooner rather than later.

KEN CAUDLE, CAIRN DESIGN CHANCE WRIGHT EXHIBIT CENTER – Ken Caudle met with the Board concerning the expansion of the Exhibit Center. He has the drawings from the existing building. The Board told Mr. Caudle that they would like to use local or as close to local contractors as possible and that RFP must be put out. The Board is willing to pay a little more to use local contractors.

Caudle asked if the county wanted to purchase the building separate and have the contractor erect the building. That usually saves the county money 6-10% markup from the builder. Caudle has done it both ways. He feels it is easier when you know what building you are putting in.

As the designer when they do the foundation, they pick a standard generic building so that they can bid it. And then they go out and they price the pre-engineered building and come back eight out of ten times you have to revise the foundation package because it is a different building. Also, with permitting, when you know what building you are getting, when they finish their drawings, to go to plan review and building permits, if you already know the building, they can submit the building because it is pre-engineered building.

Commissioner Bauder asked how it affects the warranty when the county buys a building and then has a builder erect it. Mr. Caudle answered, the installation portion of it is solely on the contractor. If it is a materials failure, something fails on design end, say you have a huge snow and the roof falls in, if it's due to structural calculations are incorrect then that is solely on the manufacturer. If it's because the manufacturer said put six screws in and the contractor put two screws in then it's solely on the contractor. If you buy it from one person it's solely on the contractor. Commissioner Bauder asked if he has had any trouble with the manufacturer pointing at the contractor and the contractor pointing at the manufacturer. Mr. Caudle answered no more than usual. The Board agreed that this would be a better and faster way to go. If you can nail down the manufacturer of the building after the design is finished they can begin designing the interior of the building. The Board would like to match the colors as much as possible. Heavy equipment shows will be limited due to the size of doors.

Inside the building there will be possible auctions where voice intensive functions will require acoustics to be good. There will need to be dry wells on the outside for storm water. Commissioner Pelton stressed that the Board wants to keep as much of the grassy area as possible. On the southeast and southwest corners there will need to be some type of drains to handle the roof drainage.

The Board would like a grand entrance to the community center something with a timber frame entrance. Chance Wright suggested the existing entrance be redone as a smaller scale secondary entrance to match the grand entrance and add some landscaping with trees and benches. He would like to do away with the benches that are currently in the front of the exhibit center. The interior will be industrial look with acoustic fabric with air diffusers or big fans to move the air. The restrooms will be accessible to the inside and outside. Caudle has already started some preliminary drawings. He asked if there will be additional storage needed. Storage is needed next to the bathrooms. They are working out exits and emergency exit paths now. He would like to go out and take measurements today.

BLAZEN ILLUMINATIONS COURTHOUSE LIGHTING REPAIRS TO EAST SIDE – Chance Wright discussed repairs needed to the Courthouse lighting on the exterior. A lot of the system is failing. The quote received from Blazen Illuminations is \$63,050.00. Blazen Illuminations will be out next week to start removing old lighting on the east side to prepare for repairs. There are also some repairs to the north side that are necessary that will be done at the same time (\$2,900).

The new lighting on the west will begin at the same time.

FAIRGROUNDS RENTAL HOUSE - Karen Richards called about the Xcel bill. It is \$40.00 more because of the electricity on the new sign. The Board will need to determine if more rent should be charged for the home and send a new lease agreement that includes utilities. Richards has not ever asked for an adjustment for utilities during the fair which they should be higher due to electricity use during the fair. Jennifer will send the current lease agreement to the Debbie Unrein for review. Her current utilities are not known.

BUDGET MEETINGS – Debbie Unrein needs to start at least mid-September and would like to meet every week until end of September. Debbie will send the letter out next week.

There being no further business to come before the Board, the meeting adjourned at 11:18 a.m.