



# STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

TUESDAY, APRIL 7<sup>TH</sup>, 2015 10:00 A.M.

DISTRICT COURTROOM  
26 SOUTH B STREET, VIRGINIA CITY, NEVADA

## MINUTES

MARSHALL MCBRIDE  
CHAIRMAN

ANNE LANGER  
DISTRICT ATTORNEY

LANCE GILMAN  
VICE-CHAIRMAN

JACK MCGUFFEY  
COMMISSIONER

VANESSA STEPHENS  
CLERK-TREASURER

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**Roll Call:** Chairman McBride, Vice-Chairman Gilman, Commissioner McGuffey, District Attorney Anne Langer, Clerk/Treasurer Vanessa Stephens, County Manager Pat Whitten, Comptroller Hugh Gallagher, Public Works Director Mike Nevin, Senior Planner/Administrative Officer Austin Osborne, Fire Chief Gary Hames, Community Services Director Cherie Nevin, Recorder Jen Chapman, Special Counsel Bob Morris and Sheriff Gerald Antinoro.

1. **CALL TO ORDER AT 10:00 A.M.**
2. **PLEDGE OF ALLEGIANCE**
3. **DISCUSSION/POSSIBLE ACTION:** Approval of Agenda for April 7, 2015

Austin Osborne requested to continue items 27 and 28 to May 5, 2015.

Mike Nevin stated that the agenda action report for item 14 incorrectly reads Public Works. The department should read Community Development.

**Motion:** Approve Agenda for April 7, 2015 with the continuance of items 27 and 28 to May 5, 2015, **Action:** Approve **Moved by** Vice Chair Gilman **Seconded by** Commissioner McGuffey **Vote:** Motion carried by unanimous vote (**summary:** Yes=3)

4. **DISCUSSION/POSSIBLE ACTION:** Approval of minutes for March 3, 2015

**Motion:** Approve Minutes for March 3, 2015, **Action:** Approve **Moved by** Vice Chair Gilman **Seconded by** Commissioner McGuffey **Vote:** Motion carried by unanimous vote (**summary:** Yes=3)

5. **DISCUSSION/POSSIBLE ACTION:** Approval of Minutes for March 17, 2015

**Motion:** Approve Minutes for March 17, 2015, **Action:** Approve **Moved by** Vice Chair Gilman **Seconded by** Commissioner McGuffey **Vote:** Motion carried by unanimous vote **(summary:** Yes=3)

**CONSENT AGENDA**

6. For possible action approval of Payroll Checks date 03/09/15 \$50,569.84 and \$107,181.78, date 03/13/15 for \$426,089.72 and date 03/27/15 for \$317,398.81. Accounts payable checks date 03/18/15 for \$248.51 and 03/20/15 for \$1,052,830.24 and \$10,913.55.
7. For possible action approval of Interlocal Contract between the State of Nevada Public Employees' Deferred Compensation Committee and Storey County.
8. For possible action approval of Vincent Malifitano (Delta) General/Liquor/Gaming License Application.
9. For possible action approval of Robert & Nicole Wilkinson, Gold Hill Hotel General/Liquor License application.
10. For possible action approval of Business Licenses First Readings:
  - a. STEM, LLC dba THE CANVAS CAFE - General / 110 North C Street (restaurant) VC
  - b. FLEET TEAM, INC. - General / 1425 Valley Belt Road ~ Cleveland, OH (lease equipment)
  - c. MERIDIAN SURVEYING & MAPPING, INC. - 405 Marsh Avenue ~ Reno (land surveyor)
  - d. NEXT GENERATION DRYWALL - Contractor / 925 Del Sol Street ~ Sparks (contractor)
  - e. ROC-TEK CORPORATION - General / 222 East Sydney (engineering research lab) TRI
  - f. ASSOCIATED CRANE - Contractor / 235 London Drive (crane service) TRI
  - g. SUPERNAP RENO, LLC - General / 1705 Peru (data ctr temp office) TRI
  - h. FLETCHLINE, INC. - Contractor / 5480 Lakeview Road ~ Springfield, TN (rack installation)
  - i. T F ROOF SVCS dba AFFORDABLE ROOFING - Contractor / 1250 Ridgeway Ct ~ Reno
  - j. DENT B GONE - Home Business / 21760 Clemens Road (mobile service) VCH
  - k. DANIEL J. CARAVALLLO dba VC BLING - HB / 130 South Q Street (internet sales) VC
  - l. SIERRA COAST ROOFING, INC. - Contractor / 6015 South Virginia St., ~ Sparks

**END OF CONSENT AGENDA**

**Motion:** Approve the Consent Agenda, **Action:** Approve **Moved by** Vice Chair Gilman **Seconded by** Commissioner McGuffey **Vote:** Motion carried by unanimous vote **(summary:** Yes=3)

11. **DISCUSSION ONLY (No Action - No Public Comment):** Committee/Staff Reports including

**John Miller, Lockwood/Peri Ranch Park:**

- Water has been turned on at Peri Ranch Park.
- National Night Out will be held at Lockwood/Peri Ranch Park in August. Additional events will be held at this Park.

- Thank you to Mike Nevin for help with the Park.

**Merilee Miller, Lockwood Community Center:**

- Each year during spring break, children of the area are taken on a hike. This year the hike was through Lagarmasino Canyon.
- An Open House with a catered dinner will be held Sunday, April 12<sup>th</sup>, from 5PM to 7PM. Events held at the Center will be show-cased.
- A lot of work has been completed on the Community Center.

**Cherie Nevin, Community Outreach:**

- Residential dump days are coming up. In Virginia City May 1<sup>st</sup> and 2<sup>nd</sup>, and in Lockwood on April 9<sup>th</sup> through 11<sup>th</sup>, 16<sup>th</sup> through 18<sup>th</sup>, and 23<sup>rd</sup> through 25<sup>th</sup>.
- Virginia City Senior Center has recently been painted - materials purchased by the County and labor donated by the Nevada Division of Forestry Eastern Sierra Conservation Camp, saving thousands of dollars in labor costs. The signs are being refurbished.
- A Community Development Block Grant was received for the Lockwood ambulance.
- Funding was not received for the Tahoe-Reno Industrial Center Utility Master Plan.

**Mike Nevin, Public Works:**

- Process is being made on the completion of crack sealing on Waltham Way. Specifications are being developed for what needs to be accomplished on the roads County-wide. Crack sealing will also be completed on some of the streets in town.
- The Courthouse roof project is 99% complete. During Sunday's wind event, some material flew off causing damage to a vehicle.

Commissioner McGuffey asked if Mr. Nevin would communicate with the Virginia Highland's ones and tens Boards regarding road work.

Mr. Nevin has talked with the Boards previously and they have been reluctant to pay for materials. The chip and cape will be done on County sections in the Highlands - the first mile of Cartwright and all of Lousetown. This work will be through a contract which has not yet gone to bid.

**Austin Osborne, Planning Department:**

- Update on SR342. Comstock Mining is doing excavation work down to bedrock and will begin capping the Silver Hills shaft by back-filling k-rail and putting in I-beams filled with concrete. Once this is complete, the area will be compacted with aggregate to the road height and the road can be built. CMI has submitted plans to NDOT for both phases of the reconstruction.
- A planner has been hired for the open position in the Planning Department.
- BLM has almost completed its Resource Management Plan. Comments regarding BLM lands and the Master Plan will be accepted by BLM until April 27<sup>th</sup>. The County's position on wind energy to the west of Virginia City has been submitted asking that BLM exercise a most restrictive alternative in allowing wind energy - the County feels that the historic district is not an appropriate place for this. The BLM appears to be leaning towards providing an exclusion for the Comstock Historic District.
- Planning Commission meetings will be held May 7<sup>th</sup> and May 21<sup>st</sup>. TRI zoning, Title 17 updates, and a vacation rental in town will be discussed.

**12. BOARD COMMENT (No Action - No Public Comment)**

None

**13. DISCUSSION ONLY (No Action - No Public Comment):** Discussion and direction to staff regarding legislation or legislative issues proposed by legislators or by other entities permitted by the Nevada State Legislature to submit bill draft requests, or such legislative issues as may be deemed by the Chairman or the Board to be of critical significance to Storey County. Specific bills will include AB 417 and AB 427 which staff has expressed opposition.

Pat Whitten said so far we are not seeing any shifting of funding burdens to the Counties.

Mr. Whitten discussed AB 417. This is a pass by the Sunny Hills group requesting extension of the boundary line transfer for two more years. It has been clear that there are certain requirements before the County would ever weigh-in any way other than an opposition. A letter has been drafted to the Chairman of the Assembly Committee on Government Affairs to kill the bill. An assurance has been given by the Chairman that this bill will not make it out of that Committee based on the County's opposition.

Austin Osborne reviewed AB 427, known as the Comstock Mining Bill. Thank you to members of the community who brought this to the County's attention. In AB 427, the jurisdiction - county, city, etc. - would not be able to impose unreasonable restrictions on mining.

After lengthy negotiations and meetings, an Ordinance was passed in Storey County creating a balance between mining interests, the interests of the historic district, and existing land uses in the County. This Ordinance has not been challenged, allowing small and large scale mining, all occurring in a historic district, as well as other places, while creating that balance to protect the area.

Mr. Osborne submitted a letter to the Government Affairs Committee with copies to Senators Settlemyer and Wheeler requesting Bill AB 427, be killed. This was done the next day.

Mr. Whitten requested that the Board ask for public comment on Bills AB 417 and AB 427.

**Virginia Highlands Resident, Nicole Barde:** Thanked Mr. Whitten for the letter regarding AB 417.

Chair McBride said last year Washoe County had taken a neutral stance on AB 417 and requested Storey County not to vote it down but rather let it go to term, June 30, 2015. If no action taken by that date, the bill totally dies. Development in the area in question is not included in the Master Plan and Highlands residents are not in favor of it.

Ms. Barde asked about SB 81 and understands it relates to water and grants the Water Engineer broad powers. There is concern in the Highlands about wells. Is the County following this bill and what is the impact on the County, in particular the Highlands and Mark Twain.

Pat Whitten said SB 81 is on the list of bills being followed. One of the County's lobbyists, Steve Walker, is a preeminent water specialist.

Austin Osborne stated one of the elements of SB 81 would be to create an area of risk management in a place such as the Highlands or Mark Twain, or a water management area. A Water Engineer can do a lot of things to make sure water is there for people or ranching, farming uses in the area. The Engineer could require metering of wells and also reduce the 2 acre feet down. A moratorium could be put on the issuance of well permits until something is done to change the situation. In the Master Plan process, ideas are being discussed to mitigate future water problems in the Highlands and Mark Twain.

Mr. Whitten said the County would like to hear from the homeowner associations regarding these issues.

Comptroller Hugh Gallagher said there are four Bills regarding collective bargaining. One bill pertains to what the County would have to absorb when someone proceeds with collective bargaining. Other bills discuss timing and financial stability issues. Some changes will occur.

Mr. Gallagher said the Rangeland Fire Bill will allow ranchers to form an association to fight rangeland fires. The Secretary of State Portal Bill has been amended to the point where the County does not have to buy in to all of the requirements that had been in the bill initially. The Presumptive Eligibility Bill would determine whether or not the State would be required to pay bills arising from heart-lung issues affecting the fire and sheriff crews.

**14. DISCUSSION/POSSIBLE ACTION:** Review and possible approval of policy regarding refund of building permit fees.

Pat Whitten said the plan review and permitting fees, particularly in the Building Department are closely tied to the International Building Code. This is a "Dillon's Rule" State and the County must find ways to be able to provide refunds particularly when there are challenges. This policy would resolve challenges that may arise.

Mr. Whitten reviewed the proposed policy. The request would be reviewed and recommended by the Building (Community Development) Department, the Comptroller's Office would review, and approved by the County Manager.

**Motion:** Approve the policy regarding refund of building of permit fees, **Action:** Approve **Moved by** Vice Chair Gilman **Seconded by** Commissioner McGuffey **Vote:** Motion carried by unanimous vote **(summary:** Yes=3)

**15. DISCUSSION/POSSIBLE ACTION:** Selection of David A. Pringle, CPA, LTD as Storey County auditor for the fiscal year ended June 30, 2015.

Hugh Gallagher stated Mr. Pringle, as current auditor, has done an excellent job for many years. Mr. Gallagher recommends David A. Pringle, CPA, LTD as Storey County auditor for the fiscal year ending June 30, 2015.

**Motion:** Approve selection of David A. Pringle, CPA, LTD as Storey County auditor for the fiscal year ended June 30, 2015, **Action:** Approve **Moved by** Vice Chair Gilman **Seconded by** Commissioner McGuffey **Vote:** Motion carried by unanimous vote **(summary: Yes=3)**

16. **DISCUSSION/POSSIBLE ACTION:** Approve first reading of Ordinance 15-263 adding section 3.50.200 to the Storey County Code providing for a pilot project for granting partial abatements of permitting fees to participants in a qualified project in Economic Diversification District No. 1 and providing for other properly related matters.

Special Counsel Robert Morris presented this item. Certain changes have been agreed to after discussions with Tesla. The changes are underlined in the staff report, the main difference being the annual fees. There was also concern on how to cover permitting fees if the construction lasted longer than expected. A section has been incorporated to cover this issue.

Mr. Morris said this is one of four agreements the County will have with Tesla.

Vice Chair Gilman said this fee structure addresses the first submittal of plans, however Tesla will re-submit more than one time. Does the fee structure allow for the process of additional fees as change orders arise?

Pat Whitten answered that additional fees were proposed, but the County has opted to take a different approach. This is a staff allocation and services will be available for a certain amount. If applicant slows the system down with re-submittals and changes, it will delay the process. The right to re-open is included in the Ordinance.

Mr. Morris indicated that when the Ordinance is presented for second reading, it will be a clean copy with all changes.

**TRI property owner, Gregg McKendle:** Asked if there is a completion date for Tesla. Has a traffic impact study been done exploring traffic issues after Tesla is open?

Mr. Whitten replied the contracts being negotiated generally end June 30, 2024, when the property tax abatements go off schedule. The County is working with NDOT and Tesla to address potential traffic issues.

Chair McBride indicated the completion date was in 2017.

**Virginia Highlands Resident, Nicole Barde:** Is it correct the annual fees indicated are what the County collects and keeps, after the abatement? Is the cost of manpower, processing, etc., included?

Mr. Whitten said through the permitting process we will know what amount will be abated. The County is required to report to the Legislature annually the amounts that are being abated. The annual fees indicated are what the County will receive. Costs for plan review and permitting are included. Staffing costs for Station 75, or for more deputies, or anything else are not included. These costs will be offset by the General Services Agreement.

**Motion** Approve first reading of Ordinance 15-263 adding section 3.50.200 to the Storey County Code providing for a pilot project for granting partial abatements of permitting fees to participants in a qualified project in Economic Diversification District No. 1 and providing for other properly related matters, **Action:** Approve **Moved by** Vice Chair Gilman **Seconded by** Commissioner McGuffey **Vote:** Motion carried by unanimous vote **(summary:** Yes=3)

17. **DISCUSSION/POSSIBLE ACTION:** Approval of TRI Infrastructure voucher in the amount of \$9,893.50 payable per the Developer Agreement.

Vice-Chairman Gilman recuses himself from discussion and vote on this item.

Hugh Gallagher presented this item. TRI Infrastructure costs are pre-approved by Community Development Department, and reviewed by the Comptroller and staff as part of the public-private Developer Agreement. \$9,893.50 are reimbursable costs for year ended 2012-13.

Mr. Whitten noted that, per the Chief Financial Officer at TRI, there are no reimbursable expenses for 2013-14.

**Motion:** Approve TRI Infrastructure voucher in the amount of \$9,893.50 payable per the Developer Agreement, **Action:** Approve **Moved by** Commissioner McGuffey **Seconded by** Chair McBride **Vote:** Motion carried by unanimous vote **(summary:** Yes=2)

Chair McBride called for recess at 11:12am.

Chair McBride reconvened the meeting at 11:23am

18. **DISCUSSION/POSSIBLE ACTION:** Tentative Budget Hearings for FY 2015/16

Hugh Gallagher reviewed the Tentative Budget for FY 2015/16. Mr. Gallagher said this is the first time there has been such a changing landscape in the County. There are a few things to be looked at prior to the final budget next month. There are many items that may or may not occur for which there is no information. Mr. Gallagher reviewed several situations that may affect the final budget, including outcomes from the Legislature, the County's withdrawal from Guaranteed Share, and receipt of the Department of Taxation's pro forma in May.

- **GENERAL FUND REVENUES:** Revenues from Ad Valorem taxes represent 70% of the General Fund revenue budget. 2016 budget is approximately \$1,500,000 higher than current year which represents anticipated increases in building permits relative to the Industrial Park which will include funds from the Tesla project.
- **CLERK/TREASURER:** Budget increased \$43,000 of which \$24,000 is attributed to staff reclassifications, longevity and health insurance reclassifications. Operating expenses increased by \$18,000 for the State of Nevada mandated record management requirements.
- **DISTRICT COURT:** District Court Expenses is \$54,000 higher than last year due to the anticipated upgrade of the JAVS courtroom system. There may be some reclassifications before final budget.
- **GENETIC MARKER:** Revenues derived from Justice Court and District Court Fees set by statute. Expenditures range from court room improvements to lab fees.

- **DRUG COURT:** Drug Court revenue is accumulated at the time of sentencing and passes through to the Carson City Alternative Sentencing per order of the District Court Judge.
- **RECORDER:** The Recorder budget increased \$32,000 over last year of which \$29,000 is attributed to an additional part time staff to cover additional workload requirements and staff step increases.
- **ASSESSOR:** Budget increased \$80,000 over last year due to the addition of one full time staff member for additional services in the industrial park. This department will have some salary decrease allocated to other departments.  
Pat Whitten commented that anticipated revenue from Tesla has not been included in this item as a final agreement has not been reached. However, expenses have been provided in the budget.
- **TECHNOLOGY FUND:** By statute, the Recorder, Clerk/Treasurer, and Assessor can charge additional document fees of which the expenditure must benefit Technology.
- **BUILDINGS AND GROUNDS:** These next six funds are under the capable direction of Mike Nevin. The budget is \$45,000 higher than last year's projection due to \$13,000 in benefit costs and \$18,000 due to increased utility fees at the McCarran Government Complex.
- **POOL AND PARKS:** Increased \$32,000 over last year mainly due to the assignment of funds for the maintenance of all parks within Storey County.
- **SERVICE:** Increase of \$7,000 mainly due to staff step increases and anticipated operating supplies. It should be noted that starting with the 2017 fiscal year, there will be a small service charge for all maintenance work performed to help defray salary and benefit costs.
- **ROADS:** Revenue decreased \$37,000 due to possible elimination of transfers from Equipment Acquisition fund for the payment of Capital Outlay. Expenditures increased \$663,000 over last year due to road improvements throughout the County. Approximately \$500,000 is still available for road repair this year.

#### **19. RECESS TO CONVENE AS STOREY COUNTY WATER AND SEWER BOARD**

Chairman McBride called for the recess of the Storey County Board of Commissioners and convened the Storey County Water and Sewer Board.

#### **20. DISCUSSION/POSSIBLE ACTION:** Tentative Budget Hearings for FYE 2015/16 for the Water and Sewer services in Virginia City, Gold Hill and Silver City.

Mr. Gallagher reviewed the budget for the Storey County Water and Sewer System.

- **WATER SYSTEM:** Water charges increased slightly over last year which indicates the last fee rate change under the five year plan. Expenditures are \$56,000 over last year in anticipation of water purchase increases attributed to the Marlette Lake Water System.
- **VIRGINIA DIVIDE SEWER:** Sewer fees are budgeted to a \$48,000 increase. There are no additional rate increases projected, however this is one Enterprise Fund where we need to pay close attention. Expenditures increased \$118,000 due to additional capital outlay of \$50,000 and USDA bond payments of \$118,000.

In regards to the Sewer budget, Mike Nevin said principal and interest documents from USDA were received after submitting the tentative budget. There will be a slight adjustment to the



USDA line item on the billing. The residential rate to cover the yearly USDA loan obligation requires that the rate be adjusted \$1.93 per month. For commercial, the increase would be \$3.17 per month. Mr. Nevin recommends transfer of funds from equipment acquisition to cover half-cost of the vacuum truck to be split between sewer and roads.

Commissioner McGuffey requested a description of a vacuum truck.

Mr. Nevin explained this is a machine utilized for jetting culverts, pushing all of the material to the side which can then be scooped out of the way. On the sewer side, it's a suction device. If there is a break in a line, the sewage can be sucked into the tank.

**TRI property owner, Gregg McKindle:** Asked whether or not out-sourcing the work would be less expensive than purchasing, operating and maintaining this equipment.

Chair McBride answered that the County has a service center to maintain the equipment. Contracting the work out would exceed the expense of purchase and maintenance. No additional personnel would be added to the current staff to operate this truck.

**Motion:** Approve the tentative budget for Storey County Water and Sewer Board,  
**Action:** Approve **Moved by:** Vice Chair Gilman, **Seconded by:** Commissioner McGuffey,  
**Vote:** Motion carried by unanimous vote (**summary:** Yes=3).

## 21. ADJOURN TO RECONVENE AS THE STOREY COUNTY BOARD OF COMMISSIONERS

Chairman McBride adjourned the Storey County Water and Sewer Board and reconvened the Storey County Board of Commissioners.

## 22. DISCUSSION/POSSIBLE ACTION: Tentative Budget Hearings for FYE 2015/16

Hugh Gallagher continued with review of the tentative budget:

- **USDA:** The USDA special revenue fund originated last year for the purpose of the Wastewater Treatment Plant and purchase of structure engines and fire ambulances. The Plant will be completed by the end of this fiscal year. By agreement with the USDA, all payments resulting from loan proceeds for the plant plus payments for 474 Fire District equipment, must be paid out of this fund.
- **COMMUNITY DEVELOPMENT:** Expenses increased \$97,000 over last year due to increase in staffing for building inspectors and administrative assistant, plus reclassifications. Increases were deemed necessary due to the increased activity within Storey County. There were some additional adjustments due to Tesla reimbursements.
- **DISTRICT ATTORNEY:** Expenditures increased \$87,000 over last year due to increased, anticipated Professional Services related to current and future civil and criminal proceedings.
- **JUSTICE COURT:** Justice Court expenses are anticipated to be \$7,000, reflecting staff step increases.
- **COMMUNICATIONS:** Department expenses are anticipated to increase \$44,000 over last year. \$26,000 increase is due to a staffing remodel, expected to reduce overtime. Operational expenses increased \$11,000 for building maintenance for his office which is attached to the jail. Communications is a 24-hour job as is the Sheriff and Fire.

- IT DEPARTMENT: Budget increased \$97,000 mostly resulting in communication upgrades and necessary computer equipment purchases.
- COMPTROLLER: Increased \$88,000 over last year. \$80,000 will be for one additional full-time equivalent and staff reclassification. \$7,000 for anticipated, outside professional services.
- EMERGENCY MANAGEMENT: Budget is \$5,000 over last year. \$4,000 is slated for new computer equipment.
- EMERGENCY MITIGATION: This fund was created by Resolution to set aside funds to pay expenses incurred by the local government to mitigate the effects of an emergency.
- COMMUNITY SERVICE: The budget is \$114,000 above last year, with the following increases: Professional Services - \$5,000; Youth-Activity Community Chest - \$25,000; Library-Community Chest - \$10,000; St. Mary's Art Center - \$12,000; Nevada Ag Extension \$5,000; North Senior Center - \$4,000; 4<sup>th</sup> Ward School - \$34,000; Health Care Services-Community Chest - \$31,000; Mark Twain - \$15,000. Note the VC Senior Center was denied an additional \$30,000 requested. Last year's budget was increased by \$30,000 mostly for salaries. All maintenance is provided by the County - no reason is seen for an additional increase at this time. Mr. Gallagher will meet with staff at the Senior Center prior to the final budget to discuss what is going on.
- PARK FUND: This fund will have an infusion of funds from the General Fund as a result of audit performed on business licenses from 1980 to present. Current balances are: Virginia City Park - \$19,811; VC Highlands Park - \$73,387; Mark Twain Park - \$36,318; Lockwood Park - \$45,927.  
Note, these numbers include penalty interest that was calculated and will be adjusted for the third quarter financial statements.
- SHERIFF: Increased \$303,274 over last year. Sheriff wages increased \$144,525 and Jail wages increased \$10,790. Operational expenses increased \$18,600 in copier lease, training and lab fees. Note that the Sheriff requested three more vehicles which has been reduced to two. A decision on this request will be made prior to the final budget. There will be additional adjustments to include Tesla reimbursements.

**23. ADJOURN TO CONVENE AS THE 474 FIRE PROTECTION DISTRICT BOARD**

Chairman McBride called for the recess of the Storey County Board of Commissioners and convened the 474 Fire Protection District Board.

**24. DISCUSSION/POSSIBLE ACTION:** Tentative Budget Hearings for FYE 2015/16 for the NRS 474 Fire Protection District.

Hugh Gallagher said the Fire District is now a separate local government, operating still as a major component of Storey County.

- 474 Fire revenues increased by \$525,000 primarily due to increase in fees and permits and a Tesla reimbursement of \$350,000. Expenses increased by \$445,000 as a result of increased wages through step increases and staff reclassifications. \$17,000 in expenses in the opening of Station 75, increased in the TRI payback of \$40,000, and contingency of \$160,000. Note the expenses if staffing Station 75 have not been recorded pending an agreement with Tesla for reimbursement.

Pat Whitten stated reimbursement from Tesla for actual staffing of Station 75 has not been factored in as this is an item still being negotiated. It is hoped this will be included in the final budget.

Mr. Gallagher: In prior years, there were two special revenue funds - Fire Operations and Wildland Fire. These have been consolidated into the 474 Fire District.

- FIRE EMERGENCY FUND: Must be used for emergencies and may not be used for operating expenses. NRS 474.510 establishes a threshold of \$1 million dollars - anything over this amount must be credited to the Fire Operating Fund.
- MUTUAL AID: Special Fund within the 474 District was created to account for all deployments and billings outside the 474 Fire District. It is suggested that portions of the ending fund balance for future purchases of heavy equipment.

**Motion:** Approve the Tentative Budget for 474 Fire Protection District, **Action:** Approve  
**Moved by:** Vice Chair Gilman, **Seconded by:** Commissioner McGuffey **Vote:** Passed by unanimous vote, (**Summary:** Yes=3)

## 25. ADJOURN TO RECONVENE AS STOREY COUNTY BOARD OF COMMISSIONERS

Chairman McBride adjourned the 474 Fire Protection District Board and reconvened the Storey County Board of Commissioners.

## 26. DISCUSSION/POSSIBLE ACTION: Tentative Budget Hearings for FYE 2015/16

Hugh Gallagher continued with review of the Tentative Budget:

- COMMISSIONERS: Increased approximately \$17,000 over prior budget. Services and supplies increased \$10,000 for additional appropriations for travel and fuel. Capital Outlay for replacement of computer equipment is also budgeted.
- ADMINISTRATIVE: Decreased by \$2,113,000 over the last year due to the elimination of transfers to Capital Projects. All other expenses increased by \$93,000 as follows: Professional Services - \$57,000; NACO/NNDA - \$19,000; Computer Equipment - \$5,000; Insurance Premium - \$8,000.
- HEALTH & HUMAN SERVICES: Created within the General Fund to assist with indigent assistance programs, consumer health and rural child protection. This will be a mandate from the Legislature.
- PLANNING: Increase of \$120,000 of which \$70,000 will be used to increase staff to cover the tremendous workload increase throughout Storey County. Professional services increased \$45,000 in order to complete the 2015 County Master Plan.

Mr. Whitten indicated it is anticipated a sizable portion of the \$45,000 will not be expended.

- INDIGENT MEDICAL: Revenues received from the .010 tax rate on Ad Valorem and Centrally Assessed taxes.
- INDIGENT ACCIDENT: Follows the directive of NRS 244.160. "The boards of county commissioners shall have power and jurisdiction in their respective counties to take care

of and provided for the indigent sick of the county in such a manner only as is or may be provided by law”.

- **CAPITAL PROJECTS:** A list of possible projects has been assembled. The list totaled approximately \$7 million dollars in potential projects. It has been suggested those items that would fall out of the infrastructure list, would be picked up by allocating General Revenue funds to Capital Projects. The Capital Project fund has been infused from the General Fund in the amount of \$2.5 million dollars.
- **INFRASTRUCTURE:** This Fund is provided funds from a 1/4 cent optional sales tax for which the expenditures are allowed under NRS 377. The plan was finalized this year and expenditures are expected to draw down the ending fund balance.
- **STABILIZATION:** This Special Revenue funds was created by Resolution. Revenues are derived from transfers from the General Fund, and expenditures follow NRS 354.6155 guidelines and the balance in the fund must not exceed 10 percent of the expenditures from the general fund for the previous fiscal year.
- **TRI PAYBACK:** This Special Revenue Fund was created so the County would not be “upside down” with its private partner due to expenditures in the Industrial Park and for the purpose of dedicating funds collected from the park to pay back our Public/Private Partnership. As of this date, the balance owed is \$46,850,563. Each dollar collected from TRI is put into a fund, an allocated expenditure – per agreement – is deducted from that and whatever the net is, Storey County is obligated to pay 35% per year.
- **VC RAILROAD PROJECT:** There has been much debate over the disposition of this fund. More information regarding disposition will be available prior to the final budget deadline. Documents have been requested to see what is owed back by the V & T Rail Commission. Payment was withheld from the V & T Rail Commission in November 2014. An audit will be completed.
- **FEDERAL/STATE GRANTS:** This is an in-and-out account.
- **CONTINGENCY:** Now stands at \$365,890, and will be adjusted with the Final Budget.

**Virginia Highlands Resident, Nicole Barde:** How confident are revenue projections other than on the Ad Valorem?

Mr. Gallagher expressed disappointment with the Department of Taxation Pro Forma received March 25<sup>th</sup>. Tom Gransbury has requested Taxation to provide explanation.

Pat Whitten: 80%. Note, the County still maintains a policy that no one can spend more than \$1,500 in non, re-occurring expenses without approval of the County Manager and Comptroller.

Ms. Barde: How many net new hires are anticipated.

Mr. Whitten: Four, excluding Station 75.

Ms. Barde: The capital and infrastructure budgets lack detail. Requests that the public be advised of what the budgeted amounts will be spent on by the next budget hearing.

Mr. Whitten: It is difficult in April 2015 to forecast what may be spent in June 2016. A list can be provided of where the County may focus in the next fiscal year, however all projects will come

before the Board for approval. There are projects that the County would like to get to in 2015-16, but this can change.

Ms. Barde: Regarding the rail project, what are the expenditures of \$700,000?

Mr. Whitten: Not sure what this will be spent on, maybe for purchase of the depot. Just because it's in the budget, does not mean it will be spent.

Ms. Barde: Will the park funds be updated?

Mr. Gallagher: Yes - and included in the next budget.

Ms. Barde: Under Administrative, what part covers the Tourism Director? Will the results of the salary survey previously requested be presented to the public prior to the final?

Mr. Whitten: Previously the Tourism Director was used for some Administrative duties. This has changed, but not in enough time to be reflected in the tentative budget. This will not be included in the final budget. The study is a work in progress and results will be need to be out prior to May 18 to be in the final.

Ms. Barde: It's a problem if expenses exceed the revenues.

Sheriff Antinoro: The budget presented (to the Board) is not what was prepared. There was discussion about the potential growth in TRI. We know this is the tentative budget with the final to come. It's concerning that we are not quite where we need to be and I'm told to cut certain items. Let me place the priorities on my budget. Tesla reimbursement to offset costs has been discussed. My position has been to add another deputy this year and one next year. The budget figures presented show the inclusion of two deputies this year. The budget does not reflect moving a part-time person into a full-time administrative position. I was told to take this out. I can do away with adding the deputies, but not the administrative position. The department heads and elected officials are in the position to determine what their needs are. Your focus should be giving folks what they need.

Chairman McBride replied the Sheriff is receiving a \$300,000, a nice increase.

Sheriff Antinoro said the addition of two deputies was included, by request, due to the development at the north end of the County. They are not necessarily needed. What is needed is an administrative person.

Vice Chair Gilman asked if the Sheriff would forego two deputies for administrative staff.

Sheriff Antinoro said yes. Ultimately staff will have to be added. Addition of the deputies can be bumped back. So can addition of the new cars. In the management of the Sheriff's office, there are certain priorities, and it is his position that the administrative staff is most important.

Vice Chair Gilman appreciates the Sheriff's approach.

County Manager Whitten said this is a “tentative” budget. The Sheriff and I have had a conversation regarding these matters. The Sheriff was not told that his requests would not be considered. Producing a budget to go out to the Board and the public, necessitates drawing a line. There will be, and are, changes to be made. Mr. Whitten feels everything the Sheriff has asked for can be accomplished. If there is an unfunded mandate regarding body cameras between now and May 18, we can adjust the final budget. The budget can be opened one more time after the final is approved to address any last minute, burdensome acts that the Legislature may apply to the County. In addition, there is a contingency. The issues with the Sheriff’s Office will be addressed.

**Virginia Highlands Resident, Nicole Barde:** Highlands residents have the impression they pay the majority of taxes in Storey County, and complain nothing is received in return. Ms. Barde researched this issue and found:

- The Highlands does not pay the “lion’s share of taxes”.
- The Highlands are not receiving the investment by the County that other communities receive. The County provides funds to other communities with funds for Senior and Community Centers. It is understood that getting the “ones” and “tens” together is a problem.
- It is suggested that perhaps materials be given to the Highlands to even out the discrepancy in what is given to other communities versus the Highlands.

Chair McBride:

- The Highlands, along with the other communities, receives police, fire and school services, and pays their share for the operation of the County. There are limited County roads in the Highlands – all of the secondary roads are privately owned. The Community Center in Virginia City was purchased with a grant and donations – not County funds.

Ms. Barde: Just suggesting that the County could give the Highlands \$13,000 in materials to do the roads.

Chair McBride replied this request is not part of this agenda.

County Manager Whitten suggested looking at the budget to see the costs of staffing the Highlands fire station as an example of what the Highlands is receiving.

**TRI property owner, Gregg McKendle:** Understands an unfunded mandate. Body cams protect not just the police officers, but also the County. We need to protect the police force.

Commissioner McGuffey: Seeing a lot of little things in the Sheriff’s budget that could be addressed. Mr. McGuffey has a list of small items for every department that could be looked at. Everyone that has a “red” number in their budget, should look at it closer.

Vice-Chairman Gilman: This is a tentative budget, looking at tentative numbers, towards a final in a couple of months. Mr. Gilman has reviewed every page of the proposed budget, including explanations from each department, and appreciates the comments received from the department heads, as well as residents, who chose to participate. A lot of individual and team

effort has gone into this budget. Mr. Gilman will be voting yes on the tentative budget, with reservations.

Mr. Gilman suggested that key personnel in County leadership take another shot at the budget and make some serious adjustments. He is not asking to start over, but to look at trimming the huge increase in projected expenditures.

Vice Chair Gilman said he has been made aware of a tendency on the part of local, state and federal governments to grow and grow, and to add overhead expenses, reducing actual value to the community. If growth is needed in a certain department because of growth demands in population or the commercial or industrial base, he believes that growth is very reasonable. If growth in a department is simply growth because there is more money available in tax revenues, that is not reasonable. More money available doesn't mean we have to spend it.

Storey County is on the verge of becoming one of the richest counties. Growth was achieved because we are a small government, being nimble and agile, avoiding all the bureaucracy which handicaps most other counties.

Mr. Gilman suggests this budget assumes a 13 percent in revenues which is very speculative. This is in light of many un-tested assumptions before us. It is troubling that every County department has increased its budget – some as high as 80%. Are we spending money that we don't yet have? He is reminded of 10 years ago when Storey had its first major revenue increase from growth in the industrial companies in the north part of the county. Budgets and payrolls were ramped up and then the recession hit. With fat budgets and very little set aside, revenues dropped and every department had to take drastic steps to avoid going heavily into the red. The County learned its lessons.

Mr. Gilman believes the County must stay "lean and mean" and has ideas that may or may not be palatable. The proposed budget shows a projected deficit in the General Fund of over \$600,000 in a year where our revenues are projected to be up 13 percent. Why are we not planning a surplus budget, or at the least, a minimum balanced budget, in a year which may, hopefully, be fat on tax and other revenues. It is suggested that every department hold their budget to a 5 percent growth. The County puts away 5 percent in a savings and/or contingency funds and lets the residents of the County share in the prosperity of the County by reducing property taxes somewhere between 1 and 3 percent. This is achievable. Overtime pay is an area that has been greatly abused in the past. This represents un-regulated increases with spending in pay and benefits, and is often unnecessary. Overtime should be specifically budgeted by department. This is an easy area to save several hundred thousand dollars without reducing services.

Mr. Gilman asked to keep the small, successful, limited, local government that we have now. This is a huge advantage in attracting investment in the County. Smaller, less regulated and taxing government is a major strength in a new, emerging economy. Mr. Gilman would like to re-look at the budget. Tesla, as well as Switch, are just starting. Switch has not yet signed a contract with the County. The projections are un-tested assumptions and he would like to see caution on the budget.

Chairman McBride said there is approximately six weeks between the tentative and the final budget hearing. If the Legislature does pass something that would affect this budget, it can be re-opened after that. There is time to review the issues. It is unknown what the Legislature will do. Any type of legislation that is passed now could have a financial effect on the County. The budget presented is a good start. There is an ending-fund balance that could be utilized if needed. Overages in some of the departments are unavoidable with step-increases and longevity that people are entitled to. It is more difficult to prepare a budget in a year when the legislature is in session.

Mr. McBride continued that it is the industrial park that is putting pressure on departments to hire additional personnel with the demand on their offices. Work can be done to trim the budget but he does not think it can be cut or balanced.

**Motion:** To approve the Tentative Budget for FY 2015-16, **Action:** Approve **Moved by:** Vice Chair Gilman, **Seconded by:** Commissioner McGuffey **Vote:** Motion passed by unanimous vote **Summary:** (yes=3).

## COMMUNITY DEVELOPMENT AND PLANNING

27. **DISCUSSION/POSSIBLE ACTION:** Approve first reading of ordinance 15-264 an application No. 2014-020 (Continued from 12/02/14) by the Tahoe-Reno Industrial Center, LLC to amend the text of Storey County Code Title 17 (Zoning Ordinance) by adding Chapter 17.39 I-C Industrial-Commercial Zone. The intent of the proposed I-C Zone is to provide for certain mixed-use industrial and commercial uses where found appropriate by the board with recommendation by the planning commission. Additional information including, but not limited to, reports and the draft zone text may be obtained from the Planning Department at 775.847.1144 or [planning@storeycounty.org](mailto:planning@storeycounty.org). **(Continue item until May 5, 2015 board meeting.)**
28. **DISCUSSION/POSSIBLE ACTION:** Application No. 2014-021 (Continued from 12/02/14 meeting) by the Tahoe-Reno Industrial Center, LLC., and Storey County on behalf of The Nature Conservancy, LLC and the Union Pacific Railroad Company to amend the Official Storey County Zoning Map. The amendments will apply regulatory zones to approximately 600 acres of land located in McCarran, Nevada (river District near the Tahoe-Reno Industrial Center) which was in July of 2014 transferred from Washoe County to Storey County by mean of boundary line adjustment. Additional information including, but not limited to, reports and maps may be obtained from the Planning Department at 775.847.1144 or [planning@storeycounty.org](mailto:planning@storeycounty.org). **(Continue item until May 5, 2015 board meeting.)**
29. **FOR POSSIBLE ACTION, LICENSING BOARD SECOND READINGS:**
- CCATT, LLC - Contractor / 2000 Corporate Drive ~ Canonsburg, PA (telecommunications)
  - BLUESCOPE CONSTRUCTION, INC. - Contractor / 1540 Genessee Street ~ Kansas City, MO (contractor)
  - SMC CONSTRUCTION CO - Contractor / 290 Gentry Way #1 ~ Reno (contractor)
  - JAMES S. BRYANT, INC. - Contractor / 12360 Westridge Drive ~ Reno (contractor)
  - SKY SCENES MULTIMEDIA - HB / 1771 Harte Road ~ VCH (consultant)
  - JJK ENTERPRISES - HB / 222 Musket Road ~ VCH (consultant)
  - TMW TECHNOLOGIES, LLC - 200 South Virginia Street ~ Reno (operations management)



- h. S.W.O.R.D. DESIGN - General / 420 USA Parkway (manufacturing molded products) TRI
- i. MDB TRUCKING, LLC.. - Transportation / 905 East Mustang (trucking co.) MCC
- j. IONIX, LLC - General / 222 East Sydney (metal fabrication) TRI
- k. RICH DOSS, INC. - General / 201 Wild Horse Canyon Drive (transportation) MCC

**Motion:** To continue items j and k, **Action:** Approve **Moved by:** Commissioner McGuffey,  
**Seconded by:** Vice Chair Gilman **Vote:** Motion passed by unanimous vote, **Summary:** (Yes=3).

**Motion:** To approve a, b, c, d, e, f, g, h, and i, **Action:** Approve **Moved by:** Commissioner McGuffey,  
**Seconded by:** Vice Chair Gilman **Vote:** Motion passed by unanimous vote, **Summary:** (Yes=3).

### 30. PUBLIC COMMENT (No Action)

Hugh Gallagher congratulated and thanked Austin Osborne and Jessie Fain for excellent work and effort on the budget. All of the issues discussed will be re-visited before the final.

Chairman McBride noted the passing of Robert Miller, a fixture in Virginia City.

### 31. ADJOURNMENT

The Chair adjourned the meeting at 1:21 P.M.

Respectfully submitted,

By \_\_\_\_\_  
Vanessa Stephens Clerk-Treasurer