



# STOREY COUNTY BOARD OF COUNTY COMMISSIONERS SPECIAL MEETING

TUESDAY, MAY 24, 2016 10:00 A.M.

DISTRICT COURTROOM  
26 SOUTH B STREET, VIRGINIA CITY, NEVADA

## MINUTES

MARSHALL MCBRIDE  
CHAIRMAN  
ATTORNEY

ANNE LANGER  
DISTRICT

LANCE GILMAN  
VICE-CHAIRMAN

JACK MCGUFFEY  
COMMISSIONER  
TREASURER

VANESSA STEPHENS  
CLERK-

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**Roll Call:** Chairman McBride, Vice-Chairman Gilman, Commissioner McGuffey, District Attorney Anne Langer, County Manager Pat Whitten, Clerk & Treasurer Vanessa Stephens, Planning Director/Administrative Officer Austin Osborne, Deputy District Attorney Keith Loomis, Comptroller Hugh Gallagher, Communications Director Dave Ballard, Director of Security Melanie Keener, Management Analyst Jessie Fain, Recorder Jen Chapman, Community Outreach Director Cherie Nevin, Sheriff Gerald Antinoro, IT Director James Deane, Fire Chief Gary Hames,

1. **CALL TO ORDER SPECIAL MEETING AT 10:00 A.M.**

The meeting was called to order by the Chair at 10:00am.

2. **PLEDGE OF ALLEGIANCE**

The Chair led those present in the Pledge of Allegiance

3. **DISCUSSION/POSSIBLE ACTION:** Approval of Agenda for May 24, 2016

Chairman McBride noted item 6 will be heard after item 3. County Manager Whitten requested item 8 be heard after item 4.

**Motion:** Approve Agenda for May 24, 2016, **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

6. **DISCUSSION/POSSIBLE ACTION:** Consideration and possible approval of appointment of Anne Delahay as the appraiser to appraise the value of the parcels of real property associated with and on which is located the V and T Freight Depot in Virginia City.

Deputy District Attorney Keith Loomis presented this item. The County is moving ahead with possible purchase of the V and T Freight Depot. Two appraisals of the property were done in 2010. A requirement for making an offer to purchase property on behalf of the County is that an appraiser be appointed by the Board to appraise the property. Appraiser Ann Delahay is familiar Virginia City and has done recent appraisals in the area. Ms. Delahay recently presented her background information to the Board when re-appointed to appraise the courthouse parking lot.

Mr. Loomis continued that sometime in the future efforts need to be made to clear the title to the property.

Chair McBride: Ms. Delahay is becoming somewhat of an expert on properties on the Comstock.

Property owner, Pierce Powell, commented that he and Mr. Ward have discussed going on the market with this property. Mr. Powell discussed obtaining quiet title on the property and previous negotiations with the County.

Mr. Loomis reviewed steps that have been taken to clear title on this property. There have been discussions with Mr. Ward who indicated he has quiet title deeds that are not recorded. In order to clear title, the quiet title deeds must be recorded. An alternative way to proceed is with a quiet title action.

Public comment.  
None

**Motion:** Approve appointment of Anne Delahay as the appraiser to appraise the value of the parcels of real property associated with and on which is located the V and T Freight Depot in Virginia City, **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

4. **DISCUSSION ONLY (No Action - No Public Comment):** Committee/Staff  
None

8. **DISCUSSION/POSSIBLE ACTION:** Final Budget Hearings for FY 2016/17

Hugh Gallagher presented a review of the Final Budget for FY 2016/17. Mr. Gallagher discussed changes from the tentative budget to the final budget.

Mr. Gallagher discussed the General Fund budget. Note the Governor's Chief of Staff has indicated that the State of Nevada considers everything as far as revenue to be very static this year.

- There are very few changes from the tentative budget. There is a decrease in Ad Valorem because of the 10-year rule being imposed.
- Revenue from charges for services increased significantly due to \$846,000 from negotiations with Tesla and additional income from a BIA contract.
- Changes from the tentative budget have been made to Buildings and Grounds, Pools and Parks, and Roads.

**RECESS TO CONVENE AS STOREY COUNTY WATER AND SEWER BOARD**

9. **DISCUSSION/POSSIBLE ACTION:** Final Budget Hearings for FYE 2016/17 for the Water and Sewer services in Virginia City, Gold Hill and Silver City.

Mr. Gallagher continued:

- Water System and Virginia City Sewer remain the same as the tentative budget.

Public Comment:

None

Commissioner McGuffey: How is the approximate \$56,000 void filled on the Water System?

Mr. Gallagher: The year to date this year shows the Water System is in very good shape. This is an estimate of what the operations will be. Although the estimate is a negative, there is more than enough ending fund balance to cover.

**Motion:** Approve Final Budget for FYE 2016/17 for the Water and Sewer services in Virginia City, Gold Hill and Silver City **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

#### **ADJOURN TO RECONVENE AS THE STOREY COUNTY BOARD OF COMMISSIONERS**

10. **DISCUSSION/POSSIBLE ACTION:** Final Budget Hearings for FY 2016/17

Mr. Gallagher continued with review of department budgets beginning with the USDA Fund. Changes from the tentative budget have been made to the following departments:

- Community Development, Community Relations, and Sheriff. Most of the changes are reductions in expenses.

#### **RECESS TO CONVENE AS THE 474 FIRE PROTECTION DISTRICT BOARD**

11. **DISCUSSION/POSSIBLE ACTION:** Final Budget Hearings for FYE 2016/17 for the NRS 474 Fire Protection District.

Mr. Gallagher reviewed the 474 Fire District Fund. Expenses were increased to cover the anticipated cost of property and casualty insurance. No change in the Fire Emergency and Mutual Aid Funds.

Public Comment:

None

**Motion:** Approve Final Budget for FYE 2016/17 for the NRS 474 Fire Protection District, **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

#### **ADJOURN TO RECONVENE AS STOREY COUNTY BOARD OF COMMISSIONERS**

13. **DISCUSSION/POSSIBLE ACTION:** Final Budget Hearings for FY 2016/17

Mr. Gallagher proceeded with the next General Fund Departments beginning with Equipment Acquisition Fund. All departments remained the same with the exception of:

- Equipment Acquisition: Increase in expenditures over the tentative budget as a result of transferring vehicles from the Community Development and Sheriff Departments;
- Administrative: Appropriations decreased as a result of transferring the cost property casualty insurance to Sheriff, Roads, and 474 Fire District.
- There is a reduction of \$38,841 in the Contingency Account.

Chairman McBride: The reduction in the Administrative budget is a bookkeeping clarification in moving the insurance into the departments where it is actually used.

Mr. Gallagher: This is the first step when looking at cost allocations where those expenses in the General Fund are applicable to the special revenue funds which may be adjusted from time to time. This is done by many governments.

The final budget has a deficit of \$889,000, down from a deficit of approximately \$1.7 million. The reasons:

- Capital Outlay has increased with the majority being BIA (Bureau of Indian Affairs) expenses attributed to the BIA contract. The County does receive funds;
- Services and Supplies increased and includes a historical grant in Building & Grounds;
- Community Development increased for personnel services for building maintenance;
- District Attorney increased for professional services;
- TRI Payback increased in anticipation of payment of the public/private partner.
- Contingency is at \$371,000.

The County has been in the negative before. Funds will only be expended on items that are needed. Every department head understands this is the process. Expenses need to be anticipated, but based on the past quarterly actual to budget meetings, the County has been very frugal on expenses.

Mr. Gallagher continued that this budget is as good as it can get at this time and does not anticipate this will be the bottom line on June 30, 2017. The budget should be in a positive unless there is some sort of catastrophe.

Austin Osborne clarified: Under purchasing and equipment acquisitions as told to Mr. Osborne, two of the vehicles under equipment acquisitions for the Sheriff's Office are true 4-wheel drive vehicles to be capable for patrolling in the Highlands and such places. The vehicles are Ford Interceptors. Follow up questions indicated these vehicles were true 4-wheel drive - not 2-wheel or all-wheel drive. Mr. Osborne spoke with a local Ford dealer who indicated that these models are all-wheel drive with the Highway Patrol version. The standard Ford equivalent vehicle is all-wheel drive with selective type breaking. It is not 4-wheel drive and is not meant for off-road.

Mr. Osborne is providing this information so that the Board in clear on which vehicles are being purchased.

Sheriff Antinoro: In checking out the State website, what the bids are and alternative availability, it said that a 4-wheel drive unit is available as an option. Another Ford dealer assured the Sheriff that it was a 4-wheel drive vehicle - that's what he went by.

County Manager Whitten: Through Mr. Osborne's assessment, the vehicles are more than likely 4-wheel drive.

Public Comment:

**Nicole Barde, Storey County Resident:** The (budget) process improves every year - this was very smooth and the materials are excellent. What percent of the 13% increase in expenses is due to Tesla support or TRI impact to the County?

Chair McBride: Looking at the amount from the General Services Agreement (GSA)?

Ms. Barde: Total.

Mr. Whitten: A fair question would be - what are the revenues from Tesla versus the expenses on Tesla through the GSA and ordinance partially abating building plan review and permit fees. Working with Community Development and Chief Hames, it is indicated that even though occasionally we hit the upper edges of revenue meeting the cost, overall it is neutral. You can look at the Government Services Agreement plus the amounts of revenue projected under those partial abatements of review and permit fees, and those should be the County's costs - at most.

Ms. Barde: Is the money received from Tesla under the Agreement on par with the expenses? Potentially, the expenses may exceed what the agreement with Tesla is. This would be detrimental as there is no way to recoup that. If Ad Valorem is going to stay flat, that will hit the County sooner than later. Have revenue and expense cost projections been done for the next three or four years? It does not look like expenses will go down.

Chair McBride: On what are you basing the assumption that the County's expenses due to Tesla will go up?

Ms. Barde: They (Tesla) will continue to "eat, and eat, and eat". So much has been given to them, they are getting used to the County responding in 30 seconds or less. Can the County continue to respond in that fashion? The County has been very good in supporting TRI and Tesla. That level of service has set an expectation that the County continues to perform at that level. Does the County have the revenues to do that - if not, there's a need to start "throttling" back.

Mr. Whitten: Based on what we know today adjusted for the next three to nine years, the answer is "yes". There are inflationary clauses in the GSA for items such as the Sheriff's deputies, both of who are now fully funded under the Tesla agreement, and staffing of the two-person, paramedic-fire crew at Station 75. Should the pace and volume pick up, there are provisions in the GSA and possibly in the ordinance, that would allow the County to re-negotiate with Tesla. The County has just so much staff time for Tesla, if that increases the agreement can be re-opened or the County can put on the brake. Certain items were not abated that could have been. On the average every two weeks there are about 10 to 15 Tesla-related (business) licenses. These are annual licenses that are not abated at all. The County is two years in to the major abatement cycle which are real and personal property taxes. This is an investment that will ultimately reap great rewards in 2024.

Ms. Barde: Between now and then there will be rocky roads, the County needs to at least have an eye on when that may happen and how to react. If the revenue is not coming in or the services exceed the agreement, the County needs to know so the agreement can be re-negotiated.

Mr. Whitten: All of these points are agreed to. This is not just for Tesla but to all projects going on at TRI, with emphasis on the bigger projects. The County's economic development team meets every week to discuss project management at the Park.

Ms. Barde: Mr. Gallagher mentioned that there have been overages in prior years for investment purposes, however there is an expense trend line going up and a revenue trend line that is flat.

Mr. Whitten: The County has the best budget team ever. The philosophy is to be ultra-conservative in the projections of revenues. It may seem flat-lined, but there is reason to believe there will be increases which are discussed every week. The team tries to be all-inclusive, all-seeing on the expense side. Just because it's in the budget does not mean a department will get it. Larger expenditures require a two-step approval from the County Manager and the Comptroller after assurance there are the revenues to match that the expense.

Chairman McBride called for recess at 10:50 AM

Meeting reconvened at 11:00 AM

Vice Chairman Gilman stated in the interest of caution and at the recommendation of the District Attorney, having a pecuniary interest in the Tahoe Reno Industrial Center, and a personal lawsuit against Sheriff Antinoro, for those reasons recuses from vote and discussion on the budget, and asks the District Attorney to review this decision with Ethics and give a turn-around shortly as to what his decision is or should not be in regards to the budget.

District Attorney Langer: The District Attorney's Office will request an opinion from Ethics on this issue.

**Motion:** Approve the Storey County FYE 2016/17 Final Budget less the Water and Sewer System Budget, and the 474 Fire Protection District budgets , **Action:** Approve, **Moved by:** Commissioner McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, (**Summary:** Yes=2)

##### 5. BOARD COMMENT (No Action - No Public Comment)

###### Commissioner McGuffey :

- St. Mary's Art Center approved its 2016-17 budget.
- St. Mary's has started a mattress drive to replace the old mattresses at the art center. Contact the director, Arika.
- Fourth Ward School is preparing to open for the season on June 10th.
- The V & T Commission met and approved the 2016-17 budget. \$500,000 was removed - \$300,000 for the repair of an engine; \$100,000 from Storey County; and, \$100,000 from Carson City. It was agreed this amount would be matched on an annual basis. This was brought about by the V & T relying heavily on the Storey County ¼ cent tax to keep operations going. Nothing was being spent in Storey County as intended. A new agreement is being developed. The train is starting to run on "its own feet". However, the V & T still relies on some money to fix the old trains.
- A NACO meeting was held last week. The Board was asked if NACO was going to back the ballot question regarding proposed fuel tax. There was no response. NACO has asked the counties to submit pros and cons of putting this issue on the ballot.
- Another issue discussed at the NACO meeting was Planning 2.0 where counties and voters would determine what BLM does with County land. BLM currently has total control of the land. Counties have been asked to submit proposals regarding this issue to BLM.

###### Chairman McBride :

- The next regular Commission meeting on June 7<sup>th</sup> has been cancelled due to the groundbreaking of USA Parkway being held that day. Governor Sandoval and the Director

of NDOT will be in attendance. This is the first highway being built in Storey County for many years.

**7. DISCUSSION/POSSIBLE ACTION:** Worked card appeal/revocation hearing for Cheryl Ray

Commissioner McGuffey indicated this matter should be heard as the Brothel Board.

Donnie Gilman, representative of the Mustang Ranch, presented this item. This is an appeal of the denial of Ms. Cheryl Ray's work card. Mr. Gilman discussed Ms. Ray's work card application and length of employment.

District Attorney Langer: For the record, this is an appeal of a work card, it is heard by the Commission, not the Brothel Board.

Chairman McBride asked Sheriff Antinoro the reason for revocation of the work card.

Sheriff Antinoro: Reviewed the ordinance on work cards and explained the grounds for revocation. In this instance, there were items that were not disclosed on the application.

Chairman McBride asked the applicant for an explanation of the non-disclosure of the issues.

Vice Chairman Gilman, having a pecuniary interest in the workplace indicated, recuses himself from voting and discussion on this item.

Public Comment:  
None

**Motion:** To reinstate the work card for Cheryl Ray, **Action:** Approve, **Moved by:** Commissioner McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

Chairman McBride: For the record, the Motion that was made, seconded, and approved by the Board for the reinstatement of the work card for Cheryl Ray was done by the Storey County Commissioners not the Brothel Board.

**RECESS TO CONVENE AS THE 474 FIRE PROTECTION DISTRICT BOARD**

**12. DISCUSSION/POSSIBLE ACTION:** Approval of the Nevada Interagency Cooperative Agreement and 2016 Nevada Interagency Annual Operating Plan.

Fire Chief Gary Hames presented this item which is essentially an extension of BLM agreement to encompass the U.S. Forest Service as well. This has been worked on for several years. This will be a State-wide agreement and is no different than the current BLM agreement. This agreement expedites the billing process.

Public Comment:  
None

**Motion:** Approve the Nevada Interagency Cooperative Agreement and 2016 Nevada Interagency Annual Operating Plan, **Action:** Approve, **Moved by:** Vice Chairman Gilman,

**Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote,  
**(Summary:** Yes=3)

## **ADJOURN TO RECONVENE AS THE STOREY COUNTY BOARD OF COMMISSIONERS**

### **14. PUBLIC COMMENT (No Action)**

**Nicole Barde, Storey County Resident:** Asked Chairman McBride if he attended the Supreme Court appeal for Vincent Malfitano.

Chair McBride: It was not an appeal. It was a settlement meeting set by the Court, not the parties. There was no agreement reached at this meeting. The understanding is, at some point, the Court will schedule a hearing.

District Attorney Langer: When a matter is at the Supreme Court either side can request a settlement conference, which the Supreme Court prefers. With no settlement, there will be briefings, potential oral arguments, and the interim Court and then the Supreme Court will make a decision. It's always good if the parties can settle at this type of conference. Deputy District Attorney Loomis will continue to work on and go forward with this case.

**Teresa Charlton, Storey County resident:** Expressed concern regarding preservation of the historical aspects of Storey County. There are tables, chairs, advertising flags and other items on the boardwalk. Have the ordinances been changed? Non-historical items can be seen from the balcony at the Tahoe House Hotel. Questions have been raised about how some businesses are allowed to have items put out obstructing passage on the boardwalk - and others are not.

Senior Planner, Austin Osborne: With all that's going on across the County, the hardest problem to deal with is the signs and other items on C Street. Mr. Osborne has made numerous trips to this area and found what is being described by Ms. Charlton - flags, banners, easels blocking pedestrians, items being sold on the boardwalk. On occasion Mr. Osborne has asked that areas be cleaned up and for items to be removed. Most of the time, the request is complied with - however sometime later it starts creeping back. Mr. Osborne agrees with Ms. Charlton. The Planning Department is updating the sign ordinance which includes doing business on the boardwalk and these sort of activities. When the ordinance is completed, along with the new nuisance ordinances, the process for addressing these signs and illegal items will be enforced stringently. Completion of the Master Plan by the August deadline has delayed the ordinance update. Once done, the sign ordinance situation will be first on the agenda along with some other items. The C Street occupants will be involved when addressing the issues - from neon to numbers of signs, to businesses that have entrances on B and D Street, and other such items.

Community Development Department has agreed to assign the new building inspector to deal with nuisances, signs, and the boardwalk, to at least keep issues at bay until the ordinance can be updated.

Ms. Charlton: Another other issue to note is flooding causing an erosion problem on G Street.

Mr. Osborne: This issue has been looked at for some time. Public Works is aware of the problem and some work has been done to dam the (train) parking lot which works until it starts to erode. Mr. Osborne will discuss this with the team to see if something more can be done. With the up-coming sewer project a lot of streets will be dug up - there is a plan to separate storm sewer from municipal sewer. Maybe this area can be tied in to the storm drain in the long-term plans.



Ms. Charlton: Trees may be lost with the next flood. It's a problem that needs to be solved eventually.

15. **ADJOURNMENT**

The meeting adjourned by the call of the Chair at 11:38

Respectfully Submitted,

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