



STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

TUESDAY, JULY 19TH, 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

VANESSA STEPHENS
CLERK-TREASURER

Roll Call: Chairman McBride, Vice-Chairman Gilman, Commissioner McGuffey, County Manager Pat Whitten, Clerk & Treasurer Vanessa Stephens, District Attorney Anne Langer, Sheriff Gerald Antinoro, Director of Tourism Deny Dotson, Communications Director Dave Ballard, Community Relations Director Cherie Nevin, Community Development Director Dean Haymore, Senior Planner and Administrative Officer Austin Osborne and Director of Emergency Management Joe Curtis.

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

The Chair called the meeting to order at 10:03 a.m.

2. **PLEDGE OF ALLEGIANCE**

The Chair led those present in the Pledge of Allegiance.

3. **DISCUSSION/POSSIBLE ACTION:** Approval of Agenda for July 19, 2016

Motion: Approve Agenda for July 19, 2016, **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

4. **DISCUSSION/POSSIBLE ACTION:** Approval of Minutes for June 21, 2016

Motion: Approve Minutes for June 21, 2016, **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

CONSENT AGENDA

5. For possible action approval of Payroll Checks date 06/24/16 for \$74,084.69, check date 06/24/16 for \$122,069.76, and check date 07/01/16 for \$491,161.95. Accounts Payable Checks date 06/30/16 for \$536,105.55 (not including check number 85985), check date 06/30/16 for \$16,257.38, and check date 07/08/16 for \$158.00.

6. For possible action approval of Justice Court Quarterly Report.

7. For possible action approval of Treasurer Report for June 2016.
8. For possible action approval of the amended Summary Report for the Primary Election held in and for Storey County, Nevada on June 14, 2016.
9. For possible action approval of Assessor's Recommended Corrections to Tax Roll for Exemptions.
10. For possible action approval of Business Licenses First Readings (Sheriff's Office):
 - A. **RELIABLE RELOADING** - Home Based Business, Austin Swift, 2161 Diablo St., Virginia City Highlands, Nevada 89521 (Firearm and ammunition Sales)
11. For possible action approval of Business Licenses First Readings:
 - A. **FULCRUM SIERRA BIOFUELS, LLC** - General / 350 Saddle Court (feedstock facility)MCC
 - B. **PYRO GUYS, INC.** - General / 1440 Riata Cir ~ Reno (fireworks company)
 - C. **THE TIBERTI COMPANY, LLC** - Contractor / 4975 Rogers St ~ Las Vegas (fencing company)
 - D. **J. T. THORPE & SON, INC.** - Contractor / 1060 Hensley St ~ Richmond, CA (equip install)
 - E. **YIM'S PRODUCE & SEAFOOD, LLC** - General / 1210 N Rock Blvd ~ Sparks (Asian food delivery)
 - F. **EXPRESS SERVICES, INC.** - General / 9701 Boardwalk Blvd ~ Oklahoma City, OK (staffing)
 - G. **ACCULOGIC, LTD.** - Contractor / 6475 Sycamore ~ Maple Grove, MN (equip install)
 - H. **BRYANT SURVEYS, INC., A SANDIS CO** - Contractor / 5117 Johnson ~ Pleasanton, CA (contractor)
 - I. **HP ENTERPRISES, LLC** - General / PO Box 251209 ~ Plano, TX (IT)
 - J. **THERMO ELECTRON NORTH AMERICA, LLC** - Pro / 1400 Northpoint ~ W Palm Beach, FL (equip)
 - K. **NEWTRON, LLC** - Contractor / 815 Arnold Drive ~ Martinez, CA (contractor)

END OF CONSENT AGENDA

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

12. **DISCUSSION ONLY (No Action)** : Presentation from Mike Kazmierski of Economic Development Authority of Western Nevada.

This item was heard after Item 14.

County Manager Whitten presented Mike Kazmierski, CEO and President of the Economic Development Authority of Western Nevada (EDAWN). Mr. Kazmierski will review the goal objective of not only bringing quality businesses into the region but also bringing headquarters.

Mr. Kazmierski gave a slide-show presentation on how the organization promotes the area with the focus being on job creation and workforce development. Highlights of the presentation included:

- Workforce development - a very important and is an intense focus of EDAWN. Without workers to fill positions, businesses will stop coming.

- Skills of workers need to be upgraded to meet the needs of these jobs.
- Community Development attracts more people to the area which allows growth of the economy.
- “prospect businesses region”, which shows people what there is in the region so they get a feel for what is here. The number of businesses that visit and stay is growing. Every year the numbers go up.
- EDAWN representatives visit Tahoe Reno Industrial Center aggressively in order to support growth in Storey County.
- Manufacturing is now a top priority for the region. The problem is the education system to produce the talent to meet the needs of this workforce. EDAWN works closely with schools to help them understand that manufacturing is a great opportunity going forward and how it is different than years ago.
- Reno ranked number one in the top mid-size cities for new and expanding business in a recent magazine. A dramatic improvement compared to national numbers.
- Great progress is being made in the business expansion program. 85% of the companies in this region are growing.
- Workforce Consortium: Assembled all the players that can help on the workforce side. Growth in the region will stop if there isn’t a developing and additional workforce - the right kind of workforce.
- Entrepreneurial eco-system: To help create an environment where entrepreneurs can connect and grow in this region.
- The projection report is out and tracking reflects 52,000 new jobs. Tesla, Panasonic and Switch really have not started hiring, but new jobs are averaging 1,000 new jobs for this region every month.
- A billboard welcoming Tesla has been set up showing that everyone wants Tesla to succeed.
- This region does not succeed without Storey County and Storey County doesn’t succeed without this region.

Mr. Whitten: Copies of this presentation are available and can be requested by email or by contacting Mr. Whitten.

Mr. Whitten acknowledged the work of Nancy McCormick from EDAWN.

Commissioner McGuffey: In relation to the numbers presented, are there other companies that haven’t gone through EDAWN?

Mr. Whitten: Yes. Often times Mr. Haymore gets calls, does an assessment, determines the best approach, it may or may not involve EDAWN. It depends on what the companies want. Often times, it will be EDAWN calling or EDAWN referring companies to call. Referrals come that way. The County may determine that a company is eligible for tax incentives, abatements and other programs and will refer the company to back to EDAWN.

Commissioner McGuffey: Actually, numbers are larger than what is being seen here?

Mr. Whitten: Absolutely. There is a company right now that may generate new revenues and EDAWN hasn’t been brought into play yet. This will be done if the support is needed.

Chairman McBride: The County appreciates the working relationship with EDAWN.

Dean Haymore: Seeing companies that have invested and then re-invested in the County in different times. With EDOWN's help and the economic development team, companies are coming back, there are sub-companies, and expansions. The whole team makes it happen.

13. **DISCUSSION/POSSIBLE ACTION:** Action for possible approval of Melissa Reed Settlement Agreement for \$45,000.00 and consideration arising out of the employment of Ms. Reed with the Storey County Sheriff's Office and authorizing the County Manager to sign the agreement. Discussion of the matter may include Board involvement in settlement of cases in general.

District Attorney Anne Langer presented this item. This is a proposed settlement agreement with Melissa Reed. Ms. Langer read Ms. Reed's requests as presented in the proposed agreement.

County Manager Whitten: This settlement was negotiated with the understanding it would release the County and all of its officials from any, and all, claims.

Administrative Officer Austin Osborne: There is one other provision in the agreement that there would be no re-hire of this employee.

Commissioner McGuffey: This is the second action the County has had in the last twelve months. Are there other pending actions? Adverse actions or complaints filed against the County.

Mr. Osborne: Being aware of confidentiality, Mr. Osborne knows of five pending actions, three possibly from one person.

Commissioner McGuffey: Is it possible to periodically report on employee pending actions to keep the Board up to date?

Mr. Osborne: This can be done - perhaps at the time of fiscal reports by Comptroller Gallagher. A report can be given on items that are not confidential.

Mr. Whitten: Compliments and thank you to Attorney Kathy Parks and District Attorney Langer for the great job in drafting and reviewing this agreement.

Public Comment:

Kris Thompson : This is the second apparent major settlement of an employment out of the Sheriff's Department. At \$45,000, there must have been high risk of liability in this case. The Commission should consider looking into what's going on in this department with some transparency. Perhaps have a hearing in a public forum. These settlements are costing taxpayer's money - coming out of the general fund, as was a prior settlement. There's a thought that if it's an elected official, the County is powerless and can't do anything. Mr. Thompson does not believe this is accurate. The County has a lot of tools in order to investigate to determine causes and remedy behavior. Tools in terms of the Ethics Commission, in terms of making things public, publicizing, training, appropriation - there is a wide variety of tools to correct behavior of this department and the Commission is encouraged to do so.

Vice-Chairman Gilman: The Board has been active in reviewing and analyzing with the desire to lower the tax burdens for the community and County. It's possible to lower County property taxes or some other forms of rebate. In order to accomplish this, a great deal of fiscal responsibility needs to be seen from all departments. The County is working very hard at running a lean and mean, fiscally responsible County government. Mr. Gilman suggests that the County "drill down" on how to approach these types of issues. Writing these checks is a direct, negative impact on

the County's goal to work with County folks and voters to see rebates. Money spent on this kind of issue dilutes the opportunity. It is time to "soul search" on how the County is run carefully and how money is managed.

Chairman McBride: The legal team has done a great job in negotiating this (settlement) and this is the best time to put this item to rest.

Motion: Approve Melissa Reed Settlement Agreement for \$45,000.00 and consideration arising out of the employment of Ms. Reed with the Storey County Sheriff's Office and authorizing the County Manager to sign the agreement. Discussion of the matter may include Board involvement - which it has, **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

Revised Motion:

Motion: Approve the motion to approve the \$45,000.00 settlement consideration plus all of the terms and conditions included in the settlement documents and hereby authorize the County Manager to sign the settlement agreement. Discussion of the matter may include Board involvement - which it has, **Action:** Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

14. **DISCUSSION ONLY (No Action - No Public Comment):** Committee/Staff

Director of Emergency Management Joe Curtis :

- CERT volunteers were recently trained in the use of three trailers the County obtained through grants to provide shelter and services as needed on an emergency basis. The trailers are fully equipped with cots, generator, and comfort kits, among other items.
- Another CERT training will be held for volunteers in the Lockwood area.
- The Comstock Foundation for History and Culture will conduct guided tours of the Sutro Tunnel site on September 24th and 25th. More information to come.

Tourism Director Deny Dotson :

- The local car club held a car show last weekend.
- There are over 250 cars registered for the Hot August Nights kick-off this year on July 29th and 30th. Communication is going out to merchants with information regarding street closures and the cruise, time of awards, in order to prepare for this event.
- The "Bull-nanza" event scheduled for August 13th has been postponed for a year.
- The marketing campaign for "The Way it Was Rodeo" has been kicked off and has been extremely well received.
- At a recent VCTC board meeting, the "Below the Surface" video campaign was discussed. Three of the ten videos have been promoted - each video has received over 100,000 views.

Commissioner McGuffey: Has there been a conclusion regarding the July 4th fireworks?

Mr. Dotson: Fire Department investigation is still pending. Most likely there will be a credit and any funds returned would go to next year's 4th of July.

Community Relations Director Cherie Nevin :

- The County has received notification of several grant awards:

1. State Emergency Response Commission - funds for this grant come from the hazardous materials permit fees paid by Nevada business - in the amount of \$25,700 to purchase a communications tower in TRI and which will improve public safety communications in that area;
 2. United We Stand - funds for this grant come from the United We Stand license plates. The County receives \$25,000 from this grant to purchase a video surveillance system for the County Courthouse and narcotic lock boxes for the Fire Protection District;
 3. The Fire Department received a grant in the amount of \$150,000 from FEMA - a Safer Grant - to purchase breathing air apparatus;
 4. The District Attorney's Office received a grant through the Nevada Attorney General's Office - Violence Against Women Act, in the amount of \$20,200 - supporting the victim's services units.
- Ms. Nevin, along with Joe Curtis, will be going to Alabama for a Historic Preservation Training Conference.

Commissioner McGuffey: Is there a possibility of obtaining a grant for cell service for emergency situations in the Highlands where there is no cell service. There really needs to be cell service out there.

Ms. Nevin: There is a tower in the Highlands - the challenge has been finding a provider for the service. There may be grant opportunities for bringing in a portable cell site and this could be looked at.

Mr. Whitten: There will be challenges as this is a private enterprise. The grant funds are usually meant for local governments for emergency services. This can certainly be looked into. Austin Osborne and Jason VanHavel work frequently with the tower people out there. It takes time to get in the company's queue.

Commissioner McGuffey: There really needs to be help out there (in the Highlands).

Mr. Whitten: There is a total of \$279,000 in grants - not including USDA grants for the sewer project and countless others received over the years. This is a lot of money and came in in less than a week. It is hard to get these grants and harder to stay compliant. Non-compliance leads to no more grants and possible return of funds. Thank you to Cherie Nevin and everyone who has worked with Cherie on these projects.

Senior Planner/Administrative Officer Austin Osborne :

- Representatives from the United States Geological Survey (USGS) will speak at the August 2nd Commission meeting. Water quality and quantity surveys have been conducted since the 1990's of Mark Twain Estates and the Highlands. A summary of findings have been provided. The details will be given at the August 2nd presentation. Notices have been sent to Mark Twain and Virginia City Highlands representatives. A presentation will also be given at a Planning Commission meeting.
- The United States Geological Survey representatives are surveyors - not regulators. The purpose is not to regulate or fine, but to let people know what's going on.
- The USGS will share its findings and staff will come up with recommendations on working with residents to determine what can be done to make things better.
- The Marlette Water System will be providing "no cost" tours of the Marlette-Hobart Water System and will include Marlette Lake, the pumps, the flumes, and all that goes along with it. This is scheduled for September 18th at 9AM until approximately 3:30 PM. Four-wheel

drive, high clearance vehicles are required. For additional information, contact Jay Howard at 831-0494, or call Austin Osborne

- Work continues on the details of the Master Plan. The Master Plan will be heard by the Planning Commission for adoption on August 4th, and presented to the County Commission on August 16th for adoption or further review.
- Collective bargaining between the County and the union for general employees is proceeding and moving forward.

Vice Chairman Gilman: Happy to hear that well studies are being done. The word needs to get out to residents that if residents sign on to these studies, issues will be identified that can then be addressed.

St. Mary's Art Center Executive Director A. Perry:

Commissioner McGuffey introduced Ms. Perry as the new director of St. Mary's Art Center along with Karl Gambrall, director of the building and grounds. Ms. Perry and Mr. Gambrall are doing a fantastic job.

Commissioner McGuffey explained the need for new mattresses at St. Mary's. The rooms can be rented and facilities are available for various types of functions - providing funds for the support of the Art Center. Contributions are being accepted for the purchase of mattresses.

Ms. Perry:

- Community support is greatly appreciated and the Art Center looks forward to participating more in the community, focusing more on regional and local artisans.
- A new artisan gallery has been opened. Workshops and classes are being offered.
- St. Mary's also has room rentals.
- Looking forward to the future with St. Mary's being more interactive. Thanks to everyone for the support.

County Manager Whitten: It is important to recognize A. Perry, Vanessa Stephens, Molly Burnet, Karl and the rest of the board for what is being done for one of the County's treasurers. This building is owned by the County with little to no funding provided by the County. Mr. Whitten is very excited for the future and wishes the Director and the Board well.

Commission Board members are appointed to sit on various Boards. This is a lot of work for Commissioners and they are to be applauded. Thank you to Commissioner McGuffey for his efforts at St. Mary's Art Center.

Economic Development Director Dean Haymore :

- Many complaints have been filed since the new Nuisance Ordinance was passed. The second phase - letters of condemnation - will be sent out shortly.
- The new inspectors have been walking the boardwalk regarding repairs, and talking with violators regarding use of trash bins for personal use and reminding of County rules.
- Hard work continues at TRI and throughout the County. There are a few celebrations this month:
 1. The AquaMetals grand opening will be July 28th;
 2. July 29th - a private, invitation only, grand opening at Tesla;
- Tesla has started construction of another 3 million square feet at its facility;
- Power and mechanical systems are being installed on the Panasonic side of Tesla;
- Fulcrum separation facility has been completed, with a grand opening anticipated in August;

- Chewy.com is now moving in with a temporary CFO being issued on its 560,000 square foot building;
- Thrive Markets will be going in where the Zulilly building is;
- Work is being done on the having the first Marriott in TRI;
- A project is in the works to start a buffet luncheon/dinner, 24 hour, food venue.
- Other projects continue in TRI with expansions and new development.
- All companies at Tesla must have a Storey County business license, which also requires a State of Nevada business license. Tesla has advised that one of its maintenance vendors was notified that the State business license would be \$35,000. This will be looked into.

Mr. Whitten: This information will be forwarded to Mike Kazmierski (EDAWN representative) to see what can be done.

- The current Painted Rock bridge cannot carry the weight of fire trucks. Fire Chief Hames has asked if the bridge that was at Mustang could be put at Painted Rock. This will be looked at - there will be costs associated with foundations and so forth. This would be a good thing for Painted Rock and a good use for that bridge, which would be in addition to the current bridge.

Commissioner McGuffey: The V & T has one or two sections of bridge they need to get rid of.

Mr. Haymore: Will look at this for another bridge crossing that is needed near Tesla.

County Manager Pat Whitten :

- Thinking about the companies at TRI and what they do is fascinating. A newsletter has been developed with the thought to put a spotlight on some of those companies.
- Jim Miller, former Sheriff, is selling tickets to the Storey County Jeep Posse annual barbeque. This will be held Saturday, July 30th. Tickets are \$15.
- July 30th is the deadline for bill draft requests (BDR's) to go in for the 2017 Legislative session.
 1. The County continues to have communication and functional problems with the Nevada Commission for the reconstruction of the V & T railroad. Mixed signals are coming from members of the Commission - including amounts to come from Storey County being misstated. These problems have continued for years.
 2. Mr. Whitten intends to submit either as Storey County's one and only bill draft, or through Senator Settlemeyer or Assemblyman Wheeler, a BDR that would ask for consideration to re-configure the V & T Commission.
 3. Mr. Whitten receives reports weekly when the train runs with gross revenue and ridership figures, along with cost figures for the train only. Most of the time, money is lost - just on the train - not including marketing and other items.
- An email was received from Hugh Gallagher saying thanks to everyone who expressed concern during his recent illness.

15. BOARD COMMENT (No Action - No Public Comment)

Commissioner McGuffey :

- Noticed that the Virginia City signs at the ends of time can now be read clearly, especially at night.

Mr. Whitten: Local artist, Nick Fain, was commissioned about a year ago to make new signs. Initially, there was no background beyond the signs making them difficult to see. Nick fixed this

with a darker background, which faded. Mr. Fain did not like the signs and wanted to fix them, which has been done. Mr. Whitten is very proud of Nick for this work.

- The Comstock Car Show was held last Saturday. It was smaller than last year but with a bigger variety of cars. The cars were able to park on the baseball field with permission from school personnel. There were no problems and participants appreciated that parking was on lawn versus pavement.
- Thanks to the County for providing a bounce house for the kids at the car show.
- Attended the Lockwood 100th birthday where there was a very good turn-out. It was a great event.

Vice-Chairman Gilman :

- The Lockwood Centennial Celebration was held over the weekend. Congratulations to the community - the event was well-attended. A DVD is being created tracking the 100 years of development in Lockwood. Hopefully a copy can be showcased in the Courthouse.

Mr. Whitten: This (DVD) could be included in the old jail with other items that are being collected.

Chairman McBride :

- Read a Proclamation from the Lockwood Centennial Committee recognizing Lance Gilman as Honorary Mayor.

Vice Chair Gilman: Thank you to the entire community, this was truly an honor. Most importantly, the community is engaged in taking care of its own, taking care of the community, the seniors, and the Rainbow Bend area.

16. **DISCUSSION/POSSIBLE ACTION:** Approval and acceptance of a Department of Homeland Security Grant award administered through the State of Nevada Division of Emergency Management in the amount of \$58,386.55 for upgrades to the Computer Aided Dispatch System at the Storey County Communications Center and authorization for Cherie Nevin and or Joe Curtis to sign all associated grant documentation.

Community Relations Director Cherie Nevin presented this item. The County has received a State Homeland Security Grant which was applied for in May 2016. In June, the project was presented to the State Homeland Security Finance Committee. Notification was received in July that the County's application was approved in the amount of \$58,386.55, with a small match in the amount of \$13,834.45.

Communications Director Dave Ballard:

- This project is huge - providing technical support, advisors and trainers, and ties the County's CAD system into the EMD (Emergency Medical Dispatching and Emergency Police Dispatching).
- Approximately 20 days of training will be done in October
- The current system is a "flip card" system.
- The automated system will allow every call to be evaluated and adjustments can be made early on.
- Most larger dispatch centers in the country use this system and it will be most beneficial for emergency police dispatching.
- The system will provide a national set of standardized questions which will be asked of the caller, put into an incident report, and pushed out to the officers on the street.

- These funds must be spent by the end of August with the program up and running within 90 days after.
- Hopefully the system will be up and running by October 26th.
- This is a step in the direction of being nationally accredited.
- Douglas County, and possibly Washoe County, use this system.
- The “fire side” of this system may be looked at in the future.
- Liability issues are a big part. If the County does everything it is supposed to, and there is a lawsuit for something that happens, the County is provided defense by legal teams and protected by this priority dispatch.

County Manager Whitten: Thanks to the Sheriff and Chief Hames for being exceptionally supportive of Dave and Cherie in this process. Thank you to Cherie and Dave for the work and efforts in applying for this grant.

Mr. Ballard reviewed the training procedures provided by this system. Dispatchers will be trained and certified. Pool Pact has picked up the bill for a lot of the training.

Motion: Approve to accept Department of Homeland Security Grant award administered through the State of Nevada Division of Emergency Management in the amount of \$58,386.55 for upgrades to the Computer Aided Dispatch System at the Storey County Communications Center and authorization for Cherie Nevin and or Joe Curtis to sign all associated grant documentation,
Action: Approve, **Moved by:** Vice Chairman Gilman, **Seconded by:** Commissioner McGuffey,
Vote: Motion carried by unanimous vote, **(Summary:** Yes=3)

17. **DISCUSSION/POSSIBLE ACTION:** Approval of accounts payable check number 85985, date 06/30/16 for \$4,500.00 to the Bucket of Blood Saloon.

Chairman McBride having a pecuniary interest in this item recused himself from discussion and vote on this item.

County Manager Whitten presented this item. This is the quarterly payment for use of the Courthouse parking lot and the dirt lot. The County is proceeding with the final purchase of this property and with the eventual paving of the lot.

Public Comment:

Virginia City Resident, Mark Joseph Phillips : Reviewed Marshal McBride’s financial disclosure statement filed for re-election as a County Commissioner where Commissioner McBride answered “none” to a question requiring a list of real property valued over \$2,500 owned. Commissioner McBride has recused himself for having pecuniary interest, yet answered “none” to the question regarding real property. Between the Bucket of Blood and family trust there is a lot of it.

District Attorney Langer: Will look into the issue of how a property is held.

Motion: Approval of accounts payable check number 85985, date 06/30/16 for \$4,500.00 to the Bucket of Blood Saloon, **Action:** Approve, **Moved by:** Commissioner McGuffey, **Seconded by:** Vice Chairman Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

18. **DISCUSSION/POSSIBLE ACTION:** Approval of ballot language for Storey County Ballot Question 16-001, “Shall the Storey County Board of Commissioners enact an ordinance to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026, annual

increases in the taxes on certain motor vehicle fuels based on construction inflation not to exceed 7.8 percent annually for the purpose of funding repairs and maintenance of roads (and projects that will reduce traffic congestion and enhance public safety) in Storey County” to be placed on the 2016 General Election ballot.

County Manager Whitten presented this item. NACO recommended language for all Counties from a consistency standpoint with the freedom to adapt the language to specific circumstances in each jurisdiction to better explain to the voters what it may mean. The decision on this item needs to be done before the end of July.

- AB191 of the 2015 Legislative Session provided for a statewide ballot question - “should there be fuel tax indexing” to be applied to every County except Washoe, which already has fuel tax indexing.
- To be successful, this has to pass in a statewide majority. County’s where this issue passes can then initiate fuel tax indexing.
- Historically, tax increase ballot questions do not fare well.
- Mr. Whitten is hopeful as the County has no desire to mimic Washoe County in terms of massive tax rates.
- If this passes on a Statewide basis and in Storey County, it would be the County’s primary focus more on diesel fuel then on gasoline fuel. There are already beneficial factors received from gasoline fuel tax - there is zero from diesel. The County does not want to dramatically increase the cost of gasoline sales.
- (Diesel) fuel consumptions will generate a lot of monies with a one or two cent fuel tax which will go specifically to roads.
- Mr. Whitten is a proponent of this increase. As reflected in the General Fund, “roads” is the bigger user of funds being transferred as there is never enough fuel tax to support the roads.
- An example, the County will be honoring its commitment to cape seal the private portion of Cartwright Road. This is in addition to all of the roads in the other areas, including TRI, which has large numbers of big rigs and employees.
- The impact would not be major, yet the additional revenue source will go a long way for road repairs and will become a factor in the developer payback, allowing the County to get out of debt faster.
- A few questions still need to be worked out with TRI regarding the developer agreement.
- The County would never, and should never, abuse this to any level - it should stay low. Whatever it is, it would be an annual adjustment like a cost of living increase.

Tom Gransberry discussed several points put out by NACO and the Department of Motor Vehicles.

- If the ballot question fails, nothing will change.
- Currently the County receives 10.65 cents for every gallon (gasoline) sold in the County - this will not change.
- At this time, tax on diesel goes to the State and the State highway fund, and the Federal Government. No diesel tax revenue comes to local governments.
- If the ballot question passes, the points to consider are:
 1. All indexing revenue will be under the County’s control working in conjunction with DMV. The County will have a lot of input on what projects would be completed;
 2. Indexing from diesel will come to the County. Fuel indexing from the diesel in TRI would be a good revenue source;
 3. Indexing will include the federal tax on gas, propane, and methane fuel sales;
 4. DMV projections (if the ballot question is passed, it will last for 10 years);

- 1% growth in gallons sold for 10 years - Storey County could see about 9.3 million dollars in revenue. Tracking of 2016 sales shows the gallons have increased approximately 12%. A very real increase in revenue could be seen.

An important item in AB191: If the ballot is passed, the County could take debt out with the indexing as a new source of revenue. In taking debt out, the established rate would have to be kept for 5 years. If debt is not taken out, the indexing factor can be changed every year - it can be lowered to something very minute and still generate revenue.

Lastly, the indexing factor could be increased to 7.8%. On a gallon of gasoline - with the County, State, and Federal taxes, this is approximately 53.2 cents. An increase to 7.8%, would equal an additional 4.1 cents. 7.8% increase sounds like a lot, been looking at 4.1 cents, the increase is not terribly high.

Vice-Chairman Gilman, having a pecuniary interest in TRI, recused himself from discussion and vote this item.

Chair McBride: Thought the tax in Storey County was 4 cents per gallon.

Mr. Gransberry: There are four different levies combined. The County option right now is levied at 4 cents, which could increase to 9 cents - this is one levy. The NACO packet shows all four of the levies. All four were combined when discussing the 10.65 (currently received by the County).

Mr. Whitten: Propane was mentioned. The County is focused on diesel tax. What is the flexibility in either not choosing or lowering indexing to a net sum "zero" practically on propane. A lot of people are forced to have propane in this County. Staff would want to know all of the options in these various areas. A judicious, conservative approach would be taken to minimize impact in regards to propane.

Chair McBride: Currently residential customers do not pay a tax on propane.

Mr. Gransberry: Will ask questions - it may be propane for use in motor vehicles. This indexing is for motor vehicle fuels.

Commissioner McGuffey: Asked this question of NACO - some of the smaller counties are sticking to a 3 cent tax - will the County be able to pick and choose a fuel? Say the County would just want to do diesel.

Mr. Gransberry: Contacted DMV and was told there would not be an indexing factor for diesel and a different one for gas. Additional research will be done regarding this and something in writing from DMV will be requested. Whatever factor is chosen, it will be across the board - gas, diesel, and the other minor fuels.

Mr. Whitten: The County would have no intent to bond (utilize debt) against future revenues where you would have to stay at the same rate.

It is anticipated that a large truck stop/gas station will locate in TRI - this will be a game changer.

Commissioner McGuffey: Most of the trucks stopping there will be interstate. It will not be local folks paying the taxes.

Chair McBride: Everyone else collects a diesel tax except Storey County.

Mr. Whitten: When the County indexes, it is understood the monies will go to multiple places. NDOT will have some revenues that can be applied to projects in Storey County. It can be assumed that it would be NDOT's intent to help the local governments that pass and enact fuel tax indexing by devoting those funds back. It would be in the County's best interests in the eyes of NDOT that the indexing should be passed.

The 7.8% increase is a big number. The County cannot advocate one way or the other. Mr. Whitten would suggest consideration of a lower number such as 3% as a method to better sell it to the voters of the County.

Chair McBride: The Board is not bound to the 7.8%

Mr. Whitten: No, it's a "not to exceed" cap. The cap can be lowered - sending a message to the voters that it will never go above 3%.

Mr. Gransberry: Was the Carson City ballot 3% or "not to exceed" 3 cents?

Mr. Whitten: Pretty sure 3%. The County's competition is primarily Washoe County and Reno/Sparks at TRI. It is staff's recommendation to modify the language of 7.8% down to 3.0%.

Commissioner McGuffey: This is up to the voters. The Commission has been empowered to put it on the ballot and ask if the voters would like to do this.

Mr. Gransberry: Can check with other counties to see what is being proposed.

Commissioner McGuffey: It should be consistent.

Mr. Whitten: A decision really needs to be made today. Looking at 7.8% is an intimidating number that will be difficult for many people. 3% is more palatable - it can even be 1 or 1.5.

Chair McBride: If there was a 3% cap but the street and highway construction inflation rate for a given year was 1.5%, you would have to be at 1.5% - you couldn't go to 3%?

Mr. Gransberry: The producer price index is what DMV will be looking at - this has gone down because inflation has been lower. You can go with something lower than the PPI - but it is a good question, can you go with something higher if the PPI is lower?

Chair McBride: There are a lot of inflationary indexes - here it is highway construction, which has its own line item for inflation. Right?

Mr. Gransberry: The bill was specific on what producer price index would be looked at. The numbers are done for different geographical areas. The 3% would be telling the voters that some new revenue is needed, but that the County is lowering to less than what the legislation allows. Proponents need to discuss the potential of diesel and gas sales at TRI being very high.

Mr. Whitten: The language has been adjusted to provide that information. Other counties do not have the potential for growth in gas stations.

Chair McBride: Would have liked spreadsheets that would show the potential tax collection would be for how many gallons sold. The Commission is going to be setting an arbitrary rate.

Mr. Whitten: It's an arbitrary cap - not the rate at this stage.

Mr. Gransberry: If this could be postponed with a special meeting set, numbers could be run and brought back to the Commission. Mr. Gransberry has been tracking this information for Storey County.

Mr. Whitten: There is no definitive answer on this issue. Different people will give different opinions.

Chair McBride: The County is at a good starting point. With the indexing, what the Commission feels is a reasonable cap might be a good start.

Mr. Whitten: Staff recommendation is to alter the 7.8% as indicated in the Staff Summary to 3%, and in the next line, change "most likely establish a substantially lower rate" by taking out "substantially". Basically, despite the inflationary rate, this will be a governor that the County will not go up more than "X" amount.

Public Comment:

Storey County Resident, Nicole Barde: There was only one attachment in the public packet - two had been mentioned.

Mr. Whitten: That can be provided.

Ms. Barde: There was a comment that Washoe indexes and that the County does not want to do that. Language in this item says "indexing" - how is that different than Washoe?

Mr. Whitten: May have mis-spoken. The County does not want to do it to the degree of Washoe. Looking at Washoe's fuel tax factors, Washoe County is substantially due to RTC support, roads, indexing, etc. Washoe has the ability to index regardless of whether this passes - it was given in a previous legislative session. Storey County does not want to rise to Washoe's rate standards.

Mr. Gransberry: Believes Washoe is tied to the PPI.

Ms. Barde: It was stated the focus would be on diesel versus gas. Mr. Gransberry indicated no, it would be on all.

Mr. Gransberry: The conversation was there couldn't be three different factors - an indexing factor has to be chosen.

Mr. Whitten: The point is, while the County does a lot in gas, a huge amount is done in diesel - that the County gets nothing from. The beneficial factors that would be shown in a spreadsheet would be based on diesel fuel sales, not gas fuel sales.

Ms. Barde: In order to get the money from diesel, does it mean 3% increase on everything?

Mr. Whitten: Assuming this to be true, this becomes a factor as to what the tax will be is modeled. The 3% is a cap - adjustments can be made with that cap.

Ms. Barde: Understood - but whatever is done will also increase gas.

Mr. Whitten: Yes.

Commissioner McGuffey: The County is already collecting some tax from gas. If this were to go through - say 3% - is this on top of the rate already in place for gas?

Mr. Whitten: It would be 3% on top of it.

Chair McBride: If this legislation was to pass, 10.6% is the floor.

Discussion at the Commissioner's table.

Ms. Barde: This sounds like it has to be passed to read it. It's understood this is up against the clock, but it does not seem right.

Mr. Whitten: There is indication that at least two Counties have taken a 3 cent versus 3% approach. Anyone who has questions or comments, please summarize and submit them as soon as possible to be addressed at the special meeting.

Ms. Barde: If the money stays in Storey County, this needs to be clarified.

Mr. Whitten: There is no adaptation of NACO's language. NACO research has confirmed that monies raised from the indexing would stay in Storey County. It is understood that it is not totally in the County's control - portions go to the State, to the Feds, but used for projects in the County where the indexing happens.

Commissioner McGuffey: NDOT will have access to a percentage of the money to use in Storey County.

Ms. Barde: The different agencies will get the money to do projects in Storey County.

Mr. Whitten: This is what is being told. Bill Hoffman from NDOT, indicated this is a very important ballot question as it will provide specific monies for projects in the counties that pass it.

Ms. Barde: By increasing this tax, will the State stop providing money from other sources. This could be an unintended consequence.

Mr. Whitten: Who knows with the State? The approach of using a "cents" per gallon rather than percentage will be looked at. Staff recommends to continue this item to July 27, 2016.

Motion: Continue approval of ballot language for Storey County Ballot Question 16-001, to July 27, 2016 at a Special meeting, at 9 AM, to be held in the District Court, **Action:** Approve, **Moved by:** Commissioner McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, (**Summary:** Yes=2)

COMMUNITY DEVELOPMENT AND PLANNING

19. FOR POSSIBLE ACTION, LICENSING BOARD SECOND READINGS:

- A. **H2O ENGINEERING, INC.** - Contractor / 189 Granada Drive ~ San Luis Obispo, CA (equip install.)
- B. **CMD, INC.** - Contractor / 4495 Delancey Drive ~ Las Vegas (contractor)

- C. **ONQGLOBAL, INC.** - Professional / 7190 West Red Hawk Drive ~ Peoria, AZ (consultant)
- D. **ITS LOGISTICS, LLC** - Contractor / 555 Vista Blvd ~ Sparks (logistics and transportation)
- E. **GENDIST, INC.** - General / **1200 Venice Drive (distribution center) TRI**
- F. **THE STERLING GROUP NV** - General / 294 East Moana ~ Reno (kiosk food)
- G. **KYOEI ELECTRONICS CO., LTD** - Contractor / SHIGA JAPAN (equipment install)
- H. **SETPOINT SYSTEMS, INC.** - Contractor / 2385 Commerce Way ~ Ogden, UT (equipment install.)
- I. **THE DUBE' GROUP, INC.** - Professional / 316 California ~ Reno (architect)
- J. **CONTROLS & ROBOTICS TECH, LLC** - Professional / 2133 Jill Way ~ Upland, CA (consultant)
- K. **BULB DADDY** - General / 1100 Terminal Way ~ Reno (LED bulb sales)
- L. **STAGECOACH PERCHERONS** - General / 5025 Abilene Drive ~ Stagecoach, NV (wagon rides)
- M. **MCCLAIN'S MOBILE MUSIC & DJ** - General / 1306 Grassland Rd ~ Dayton (mobile DJ)
- N. **SYSCON AUTOMATION GROUP, LLC** - Professional / 8750 South Sandy ~ Sandy, UT (equip install.)
- O. **CO-9 LTD dba TALENT FRAMEWORK** - General / 5596 Longley Lane ~ Reno (staffing agency)
- P. **AQUA METALS RENO, INC.** - General / 2500 Peru Drive (battery recycling facility) **TRI**
- Q. **THRIVE MARKET, INC.** - General / 700 Milan (ECommerce Facility) **TRI**

Vice Chairman Gilman left the meeting.

Dean Haymore, Community Development Director, requested approval of items A. through O., and continuance of items P. and Q.

Motion: Approve Items A. through O., **Action:** Approve, **Moved by:** Commissioner McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

Motion: Continue Items P. and Q., **Action:** Approve, **Moved by:** Commissioner McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

20. PUBLIC COMMENT (No Action)

None.

21. ADJOURNMENT

The Chair adjourned the meeting at 1:01

Respectfully Submitted,

By _____
Vanessa Stephens Clerk-Treasurer