



STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

TUESDAY, APRIL 4, 2017 9:00 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-

ROLL CALL: Chairman McBride, Vice-Chairman McGuffey, Commissioner Gilman, Comptroller Hugh Gallagher, County Manager Pat Whitten, Clerk & Treasurer Vanessa Stephens, District Attorney Anne Langer, Sheriff Gerald Antinoro, Fire Chief Gary Hames, Director of Tourism Deny Dotson, Communications Director Dave Ballard, Emergency Management Director Joe Curtis, Director of Security Melanie Keener, IT Director James Deane, Management Analyst Jennifer McCain, Fire Chief Appointee Jeff Nevin, Community Outreach Director Cherie Nevin, Community Chest Director Shaun Griffin, Director of Economic Development Dean Haymore, Public Works Director Jason VanHavel, Administrative Officer/Planning Director Austin Osborne.

1. CALL TO ORDER REGULAR MEETING AT 9:00 A.M.

Meeting was called to order by Chairman McBride at 9:00 A.M.

2. PLEDGE OF ALLEGIANCE

Chairman McBride led those present in the Pledge of Allegiance.

3. DISCUSSION/POSSIBLE ACTION: Approval of Agenda for April 4, 2017

Motion: Approve Agenda for April 4, 2017, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

4. DISCUSSION/POSSIBLE ACTION: Approval of Minutes for February 21, 2017.

Motion: Approve Minutes for February 21, 2017, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

5. CONSENT AGENDA

- I For possible action: Approval of payroll claims in the amount of \$587,369.85 and accounts payable claims in the amount of \$1,279,171.02.
- II For possible action, approval of contract renewal between The Aging and Disability Services (ADSD) and Storey County. A renewal is required for provision of services for children with intellectual disabilities within Storey County.
- III For possible action, approval of Special Meeting of the Board of County Commissioners on April 12, 2017 for the purpose of canvassing the April 11, 2017 Special Recall Election results and potential subsequent actions as may be appropriate.
- IV For possible action, business licenses first readings:
 - A. SOUL HOSPITALITY, LLC (THE) dba The Soul from Seoul - General / 2325 Kietzke ~ Reno (food)
 - B. BAXTER & SON MECHANICAL CO., INC. - Contractor / 35 Stokes Dr ~ Moundhouse (contractor)
 - C. DOS CO., LTD - Contractor / 1-15-27 Nishi-ku, Osaka City JAPAN (contractor)
 - D. SQUAW VALLEY SKI CORP - General / 1901 Chamonix Place ~ Olympic Valley, CA (promos)
 - E. REP PLUMBING, LLC - Contractor / 2528 Business Pkwy ~ Minden (contractor)
 - F. MINO AUTOMATION USA, INC. - Professional / 1670 Harmon Rd ~ Auburn Hills, MI (consulting)
 - G. PHOENIX INSTALLATION & MGMT CO, INC. - Contractor / 347 Have a Hill Rd ~ Shelbyville, KY (equipment installation)
 - H. NIKON METROLOGY, INC. - Professional / 12701 Grand River Rd ~ Brighton, MI (consulting)
 - I. CARDINAL CONTRACTING, LLC - Contractor / 2300 S Tibbs Ave ~ Indianapolis, IN (contractor)
 - J. EAST FORK ROOFING, LLC - Contractor / 260 Freeport Blvd ~ Sparks (contractor)
 - K. VARIATION REDUCTION SOLUTIONS - Professional / 14901 Galleon Ct ~ Plymouth, MI (engineer)
 - L. JSJ VENTURES, INC. - Contractor / 1111 S Roop ~ Carson City (septic system cleaning)
 - M. MERCIER ELECT & MECHANICAL, INC. - Contractor / 115 Mayhew St ~ W Point, MS (contractor)
 - N. CSC SERVICEWORKS, INC. - General / 303 Sunnyside Blvd ~ Plainview, NY (coin oper. machinery)
 - O. TEAMTECHNIK MASCHINEN UND ANLAGEN GMBH, LLC - Professional / Planckstr 40, 71691 Freirergamneckar GERMANY (consulting)
 - P. ODAWARA AUTOMATION, INC. - Contractor / 4805 S County Rd ~ Tipp City, OH (machinery)
 - Q. RSI INSTALLATIONS, INC. - General / 13524 Vintage Place ~ Chino, CA (staffing)
 - R. DERIK JONATHAN MURILLO-VAZQUEZ - Contractor / 1850 Selmi Dr ~ Reno (contractor)
 - S. FULL OF HEART SPIRITUAL HEALING - General / 164A South C St (life coach) VC
 - T. SILVER SPOON EATERY, LLC dba Silver Spoon Eatery - General / 171 South C St (restaurant) VC
 - U. PACIFIC INTEGRATED HANDLING, INC. - Contractor / 10215 Portland Ave ~ Tacoma, WA (contractor)

V. IMES GROUP, LLC - Professional / 6601 Vaught Ranch Rd ~ Austin, TX (engineer)
W. PENTA BUILDING GROUP, LLC (THE) - Contractor / 181 East Warm Springs ~ Las Vegas (contractor)
X. KING BEE CONSTRUCTION, INC. - Contractor / 804 Mill Street ~ Reno (contractor)
Y. TEAMTECHNIK PRODUCTION TECHNOLOGY, LLC - Contractor / UL ZA GORA 23, PL 32-040 POLAND (contractor)

Public Comment:

County Manager Whitten: The Special Meeting on April 12, 2017 will be held at 10:00 AM.

Motion: Approve Consent Agenda for April 4, 2017 with the addition of 10:00 AM to item III, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

Commissioner Gilman joined the meeting.

6. DISCUSSION ONLY (No Action - No Public Comment): Committee/Staff Reports

Community Chest Director Shaun Griffin:

- Thank you to Commissioner McGuffey for helping with water issues at the Community Chest.
- April 14th is the annual fundraiser featuring Rodney Crowell. This event is fully underwritten with all ticket sale proceeds going to Community Chest.

Community Development Director, Dean Haymore :

- Groundbreaking took place yesterday in TRI for Studio 6 Hotel.
- Things are very busy in TRI, especially with Tesla and Switch.

Public Works Director Jason VanHavel:

- There has been a rash of water leaks over the winter. All of these issues are being addressed.
- The “to-do” list for Six Mile Canyon is getting shorter and there is optimism that the road will open sooner rather than later.

County Manager Pat Whitten:

- Recognized County employee Janet Arnold, Office Manager in the Assessor’s Office, who is retiring after 22 years. Ms. Arnold will be missed.

7. BOARD COMMENT (No action - No Public Comment)

Commissioner Gilman: Read a prepared statement: “The purpose of this memo is to recuse myself from any agenda item concerning the appointment of an interim County Sheriff between April 11th, 2017 and November 6th, 2018, if the “For Recall” side prevails in the election on April 11, 2017. I also ask to be excluded from any interview process of applicants for the position of Sheriff during that same time frame.

While there is no conflict of interest present which precludes me by law from participating in the appointment process, I hope my recusal will provide reassurance to the public that any appointment of an interim Sheriff in the event the Recall succeeds will be done by the County administration and Board of Commissioners using arms-length vetting and appointment procedures without favor or prejudice to any purported private interest.”

Vice Chairman McGuffey:

- NACO news: President Trump signed an Executive Order to repeal BLM’s Planning 2.0 Initiative, intended to bring counties together with BLM to be part of the process in decision

making in the counties. It was clear that BLM would do what BLM wanted to do. NACO jumped on this to “kill it” - which the Executive Order does.

- With the help of Jay Carmona and James Hoyt of the Highlands HOA’s, the first steps towards building a community center have been taken. A lot of groundwork still needs to be completed.
- Parking and speeding issues near the school bus stop in the Highlands have been discussed.
- A meeting will be held once a month to talk about issues in the Highlands.

8. DISCUSSION ONLY (No Action): 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 SB 57 which staff has expressed full support and bills AB 271, AB 350, AB 354, SB 88, SB 289, SB 314, SB 389, and SB 477.

County Manager Whitten reviewed:

- SB439, the 5 cent diesel tax option has committee meeting today. This would allow each County to institute a diesel-sales tax up to 5 cents. Diesel sales are currently tax-free.
- SB57 is a bill that is in peril and is currently stalled in committee. This bill has been discussed at previous meetings. Washoe and Douglas Counties have advised the Chair, Senator Parks, they do not want to be on the Commission anymore. Attempt will be made to get this out of committee and on to the floor.

Mr. Osborne reviewed:

- AB271- Re: Collective Bargaining Agreement. This bill would make the fact finder have the final say in an arbitration. This bill would eliminate the opportunity for the parties to come to an agreement prior to arbitration.
- AB350-Re: Employee Orientation. This bill requires a Union representative be present during 30 minutes of orientation to do union business. Mr. Osborne feels union business should be conducted as has been done and not during the orientation period. This bill makes orientation subject to collective bargaining.
- SB88 - Body camera fund. This bill is moving along - a State level fund allowing jurisdictions to tap into to fund body cameras if the body camera program becomes a requirement.
- SB289 - Out-of-network. Currently under health benefit insurance, there are in-network and out-of-network doctors. This bill requires the County/insurance companies pay for an out-of-network doctor up to the 80% of other out-of-network doctors in the State.
- SB314 - Wind energy bill. A county could not put height limitations on wind energy.
- SB389 - Alien info bill. Prohibits local employer from providing certain information to the Federal government regarding alien status of an employee. This does not appear to be getting any traction.
- SB477 - Residential-care zoning bill. Contains provisions for disabled persons, drug rehab centers, halfway houses, and group homes, which would eliminate the counties’ decision to eliminate or deny a Special Use Permit. This bill would also define these uses as “single family, residential uses”. Potentially this bill could cause water issues in areas such as the Highlands, as well as zoning implications.
- SB244 - Historic digging bill. State tribal organizations are having issues when remains are found in construction sites, or otherwise. Currently the State comes in and will shut down a project and require permitting for archaeological dig. The State doesn’t report digs to the tribes and remains are going to museums, storage, or places the tribes feel are inappropriate. There are some issues with wording in this bill which need to be clarified.

9. DISCUSSION/POSSIBLE ACTION: Consideration and Possible action to authorize Public Works Department to commence proceedings to remove obstructions on Sutro Springs Road located on property bearing APN 004-291-28 and having a street address of 269 Edith Lane in the Mark Twain area of Storey County.

Deputy District Attorney Keith Loomis presented this item regarding an obstruction at 269 Edith Lane, an extension of Sutro Springs Road - a road existing since 1869 and still showing on a 1923 map.

- A request was made in 1995 to divide the area north of Mark Twain into 40-acre parcels.
- The tentative map shows Sutro Springs Road crossing the 40-acre parcels.
- It was removed from the final map, except for a small portion in the northeast corner - identifying it as a travel roadway.
- Since then, it has been identified on a number of maps, including USGS, as an existing road.
- Two landowners have identified this roadway as access to their property.
- The road has been used by a number of people to gain access to BLM lands before and after 1995.
- The parcel at 269 Edith Lane was purchased in October 2016 by Mr. and Mrs. Thomas. The owners began to exclude people from using the roadway where it crosses this 40-acre parcel.
- The owners filed numerous complaints to the Sheriff of trespassers using this area.
- The District Attorney's office sent a letter to the Thomas' advising that obstruction of a roadway could potentially be a misdemeanor charge, requesting removal of the obstruction.
- A letter was received from the Thomas' attorney advising of their position.
- The D.A. responded that people using that roadway would not be prosecuted for trespassing as it is a public roadway.
- There is provision under NRS 405 advising if the obstruction is not removed in five days the Public Works Department has the authority to remove the obstruction. There is also opportunity to recover costs for the Public Works Department as well as attorney's fees and costs incurred.
- This item could result in litigation to determine whether or not this is a public roadway.
- The District Attorney's Office does not have the authority to tell Public Works what to do.
- The Board is requested to authorize Public Works to remove the obstruction in concurrence with the DA's office.
- The question is should a private landowner litigate this issue because it is access to certain private parcels.
- The road is used by a portion of the Mark Twain area and seems to be more of a community issue than a private landowner issue.

Vice Chairman McGuffey: Does the (Thomas') attorney agree with this?

Mr. Loomis: No.

Vice Chairman McGuffey: What are the reasons?

Mr. Loomis: It seems because the large parcel map approved by the County does not show the roadway except in a small, northeast corner of the map.

- Does approval of that map eliminate the public roadway that existed? That will be the issue.
- A statutory process for vacating a public roadway was not utilized in the course of approving the 1995 map.
- The roadway has been used consistently by the public after that map was approved.
- There is a prescriptive right as well as a RS2477 roadway never properly vacated in the process of approving the large parcel map.

Commissioner Gilman: How much damage might the opening of the road do to the 40-acre parcel?

Mr. Loomis: The landowners' attorney has asked the title company to look at this to see if they will get involved in any litigation.

- Most Title Insurance policies do not insure items that are open and notorious on the ground. The roadway has been there over 100 years - it is open and notorious.
- If not covered by Title Insurance, it is not - by itself, a damage. It is an existing right-of-way.
- The owners contend it is not an existing right-of-way - that it's private property. So re-opening of the roadway out could affect value to the property.

Commissioner Gilman: Is there a picture of how the roadway affects the property?

Mr. Loomis showed a tentative map of the large parcels on the power point screen indicating a roadway that has been there for some time, which would be considered an extension of the Sutro Springs roadway.

- This map was recorded in approximately 2002.
- This was recorded by the Harpers to show that they had access to their parcel to the northwest.
- A similar map was recorded by Mr. Zachary showing access to his property further to the northeast.
- A record of survey recorded in 2002 or 2003 by Jack Randell shows the access road across the 40 acres down to Mark Twain.

Mr. Loomis continued showing pictures of the area including pictures of the obstructions on the roadway which were placed in the last couple of months.

- This is not a maintained road. It is a county access road as referenced in NRS 405 and 403 that the RS2477 roadway goes back in history. In 1866, mining laws were passed stating any public highways and open use are hereby conveyed by the federal government to the states.
- This is (a road) that can be traced back to 1869. Title to the property belonged to the federal government at the time the roadway existed, making it a conveyance under the 1866 mining law - later known as statute 2477.
- This (road) was conveyed from federal land to private ownership approximately in the 50's.
- The road is used to this day.

Commissioner Gilman: Is litigation imminent on this roadway?

Mr. Loomis:

- The property owners have filed for temporary protective orders against three of the neighbors requesting the neighbors be kept off the property.
- This will not establish title to the roadway.
- The process that may be initiated today is what Mr. Loomis would see as establishing title to the roadway.

Commissioner Gilman: What is being requested today is to have the barriers removed?

Mr. Loomis: To authorize Public Works Department to remove the barriers in conjunction with request from the D.A.'s office. How to proceed is not clear, but the District Attorney would like to have the authority to have those barriers removed if that looks like the best way to proceed.

Chair McBride: Is there any indication the most previous recorded map was an oversight that this road was eliminated on it or was it deliberate that this road was eliminated?

Mr. Loomis: This was discussed with Mr. Haymore, Planning Director at the time.

- One of the conditions on the approval of the large parcel map was that there be cul-de-sacs at the end of Sutro Springs Road and that the developer place “no trespassing” signs so the people using the roadway would be residents of the 40-acre parcels.
- Mr. Haymore indicated he was unaware that Sutro Springs Road was a public road at the time.
- Looking at the maps, Mr. Haymore would agree that it looked like a public roadway.

Chair McBride: How far is the residence from the roadway?

Mr. Loomis: About 300 to 400 feet.

Commissioner Gilman: The County will be taking a position in this settlement forthcoming - is that enhanced by removal of the obstructions or is the County doing, as Mr. Loomis sees it, our responsibility under the requirements of County government?

Mr. Loomis: It's the interpretation of the District Attorney's office that Sutro Springs Road is a public roadway not subject to being blocked by the owners of the property with due process. We could initiate it by leaving the barriers there, but (the owners) took the action to place the barriers rather than seeking to get title to the property established. This has been a burden to people in the area. This is why the (District Attorney's office) thinks it should be removed and then have the title established.

Commissioner Gilman: It appears there is NRS statute that directs the Commission to follow that direction.

Mr. Loomis: Does not think it says you have to. It is the opinion of the District Attorney's office that this is a public roadway. There is authority within the statute to ask the Public Works Department to remove the obstructions.

Vice Chair McGuffey: Has access been restricted to property owners beyond this property?

Mr. Loomis: The obstructions are on 269 Edith Lane. People are not prohibited from getting up to the obstructions and then going back.

Vice Chair McGuffey: There are properties north of (the obstruction). Does closing this road eliminate access to property owners to the north?

Mr. Loomis: Yes.

Vice Chair McGuffey: That was the intent of the law in 1889, to allow miners access to their mines/property.

Mr. Loomis: Any public way it was being used, is conveyed.

Chair McBride: Are the Thomases here today? Anyone representing the Thomases?

Public Comment:

Tom Zachary, owner of 80 acres at Sutro Springs: Mr. Zachary has used this road over 44 years. Looking at the power point map, Mr. Zachary indicated where the roads give access to his property and Mr. Harper's property.

- These roads are the only access to Mr. Harper's property.

- Another access to Mr. Zachary's property has been established, but this road was the only access until 1973.
- Mr. Zachary has used this road a lot. If it is allowed to be blocked, you can't get there.
- Mr. Zachary uses Pine Nut Road, a private road established by Baselite who bought the easement. Baselite can stop use anytime.
- Houses were on those properties and the roads were being used before this courthouse was built. Surveys were done in the late 1800's. There were houses on both properties in 1875.
- Those roads were established to access our properties. The roads do not go through the property, only to the properties.
- The roads are shown clearly on the 1923 map which is in County offices.

Jason Van Havel, Public Works Director: Whatever action is taken today, Mr. VanHavel wants to be sure there are no unintended consequences to the County of having to maintain this road in the future.

Mr. Loomis, referring to the map, pointed out areas that are BLM land - public land. A lot of people use that road for access to that area, section 16. Section 17 is private land.

Looking at the map, Mr. Zachary pointed out where the obstruction is on the road.

Commissioner Gilman: The evidence suggests this is a public road and this Board would have the authorization to have the barriers removed until such time as this road is identified in some formal process.

Mr. Loomis: Agree.

Motion: I move to authorize the Public Works Department at the request of the District Attorney's Office to commence proceedings to remove obstructions from the Sutro Springs Road located at or near 269 Edith Lane, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

10. DISCUSSION/POSSIBLE ACTION: Possible action to require first reading of an ordinance to repeal chapter 8.32 of Storey County Code addressing hazardous materials and toxic substances.

Mr. Loomis stated this item came about as the result of a meeting with AUECC, a company proposing to relocate in the old Alcoa building at TRI. This company intends to refine highly hazardous materials. Mr. Loomis reviewed County ordinances and came up with chapter 8.32 dealing with hazardous materials and toxic waste. This chapter creates a Hazardous Materials Board, including Fire Chief, Sheriff, Director of Public Works, Emergency Management coordinator, as well as a couple of others.

Fire Chief Hames believed this ordinance had been repealed. After research, the Fire Chief's office found that it still exists.

The Board has the authority to issue permits for use of hazardous materials within the county and to take policing, inspection, and regulatory actions and are authorized to adopt regulations to control use and handling of hazardous materials within the county. The ordinance has apparently never been utilized.

Emergency Management Director Joe Curtis indicated his office is in favor of repeal of the chapter as is the Fire Chief's Office.

Vice Chairman McGuffey: Is there something in place to handle these issues?

Mr. Loomis: The State has the authority to address hazardous materials operations within the County. The State was at the meeting with AUECC and explained the (State) process for issuing hazardous materials permits.

There is authority within the State and Federal governments to regulate uses of hazardous materials.

Public Comment:

None.

Commissioner Gilman: This regulation appears to set a board within the County regulate the County's own environment with a certain level of control of what comes in to the County. Without this chapter, the County will rely on the State to "oversee our destiny" with development.

Mr. Loomis: True to some extent. Under the International Fire Code, 2012 Edition, the Fire District has additional authority over hazardous materials being utilized within the County.

Chief Hames: This ordinance was developed in 1989. There were a lot of issues with hazardous materials in the '80s and there was rush to write ordinances and statutes.

- At the same time, the State started writing ordinances and implemented the permitting processes. The County felt it was not fair for companies to come in and have to have two permits.
- The Fire Department has direct input to the State and monitors the field inspections.
- Through Emergency Management, there is a board in place that functions well and additionally there is a special use permit process. This is regulated through the 2012 International Fire Code with very specific regulations, which circumvent the existing policy (ordinance). Instead of 8.32, modern fire codes have been adopted. This is controlled locally with the State tracking on a statewide basis.
- The responsibility given to the local fire department through an interlocal agreement with the State and the use of the International Fire Code.

Commissioner Gilman: In the event GOED and the State identified a company they would like to see specifically in Storey County, would they have the ability to override and place that company in the county?

Chief Hames: No. This is where the 2012 Fire Code comes in. It is strictly and solely in the County's control. The State approves through a SUP or if not required, once the Fire Department has given approval the State tracks it.

Commissioner Gilman: Based on the County's placement in the industrial world, there is a high probability of having to deal with these kinds of elements. Just want to be certain that a control level is not given up that would be important to health, safety, and welfare to the County and all of the businesses.

Chief Hames: Agrees. This process is followed well as shown when fines and citations have been issued, all through the 2012 International Fire Code. Chief Hames thought 8.32 had already been dropped.

Austin Osborne: As part of the special use permit process and the list of uses, the State agencies are going to regulate the use but not necessarily going to stop the use or place a use where appropriate

that's going to be referred to the local jurisdiction. The local jurisdiction is going to use its ordinances for that purpose.

Chief Hames: AEUCC has to go through the chemical use process through the State. The State will not hear this matter until AEUCC has a special use permit issued by the County. This gives reassurances the County is in control.

County Manager Whitten: Would tend to support repeal (of 8.32). A process is on the books that is not being followed and is being addressed through the 2012 code and NDEP. The County is well positioned to control its own destiny and allow NDEP to provide expertise to monitor that the County does not have.

At the request of District Attorney Anne Langer, motion on this item is continued to the next Board meeting as the Ordinance is not available to be read into the record.

11. RECESS TO CONVENE AS THE STOREY COUNTY LIQUOR LICENSE BOARD

12. DISCUSSION/POSSIBLE ACTION: Liquor Board Second Reading:

a. Bonanza Saloon -Liquor License. Operating at 27 N C Street, Virginia City, NV. Tina Perkins, lessee.

Chairman McBride: There was a procedural error at the last Commission meeting. This matter is on the agenda for correction of that error.

Chairman McBride: I have a liquor license at an establishment in proximately to the Bonanza Saloon. My vote on this item no more benefits myself or anyone else licensed in the same manner in that area.

Commissioner Gilman: Same disclosure, as I own an establishment in proximately to the Bonanza Saloon.

Public Comment:
None

Motion: Approve Liquor License, Second Reading for the Bonanza Saloon operating by Tina Perkins, lessee, at 27 N C Street, Virginia City, NV, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

13. ADJOURN TO RECONVENE THE STOREYCOUNTY BOARD OF COMMISSIONERS

14. DISCUSSION/POSSIBLE ACTION: Sheriff's licensing board second readings:

a. Bonanza Saloon -General Business and Cabaret License. Operating at 27 N C Street, Virginia City, NV. Tina Perkins, lessee.

Chairman McBride: I have a General Business and Cabaret License at an establishment in proximately to the Bonanza Saloon. My vote on this item no more benefits myself or anyone else licensed in the same manner in that area.

Commissioner Gilman: I also have a business in close proximately to the Bonanza Saloon and believe I have a responsibility to vote on this issue.

Public Comment:
None

Motion: Approve second reading for the Bonanza Saloon General and Cabaret License operated by Tina Perkins, lessee 27 N C Street, Virginia City, NV, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

Chairman McBride called for recess at 10:13 AM
Meeting reconvened at 10:25 AM

15. DISCUSSION/POSSIBLE ACTION: Tentative Budget Hearings for FY 2017/18

Commissioner Gilman recused himself from any discussion or vote related to the Sheriff's budget.

Comptroller Hugh Gallagher presented and reviewed the 2017/18 Tentative Budget. This has been a difficult budget which gives an indication of where the County is and what is being done.

- **REVENUES:** Total revenues are budgeted to decrease from the previous year. This is based on a decline in Centrally Assessed compared to last year. In addition, Service Charges will decrease due to a reclassification of Tesla Reimbursement payments from the General Fund to the 474 Fire District.
- **CLERK/TREASURER:** Major increase in capital outlay for replacement of voting machines.
- **DISTRICT COURT:** Increase in expense based on anticipated increase in hearings and trials, and the use of a Public Defender.
- **GENETIC MARKER TESTING:** Revenues from Justice and District Court fees. Expenditures are for items such as analytical testing.
- **DRUG COURT:** Revenue is received at the time of sentencing and passed through to the Carson City Alternative Sentencing per Court order.
- **RECORDER:** Increase in services due to retirement of ADS, the main computer program, with additional fees for migration.
- **TECHNOLOGY FUND:** Shared by the Recorder, Clerk/Treasurer, and Assessor who can charge additional fees which can be used to improve technology in those departments.
- **BUILDINGS & GROUNDS:** There is a reduction created by the retirement of the Public Works Director. Expenditures for streetlights and historical preservation adjusted to reflect current projections.
- **POOLS & PARK:** Decrease due to elimination of Parks and Recreation line items picked up by the Park Fund.
- **SERVICE DEPARTMENT:** Increase due to reallocation of all Public Works employees, addition of Assistant Public Works Director, and increase in insurance premiums.
- **ROADS:** Revenue increase due to anticipated import tonnage fees, gas tax, and favorable interest rates. Appropriations revenue decrease based on retirement of road projects and some projects being completed this year rather than next.

16. RECESS TO CONVENE AS THE STOREY COUNTY WATER AND SEWER BOARD

17. DISCUSSION/POSSIBLE ACTION : Tentative Budget Hearings for FY 2017/18 for the Water and Sewer services in Virginia City, Gold Hill and Silver City.

Mr. Gallagher reviewed budgets for Water and Sewer services.

- WATER SYSTEM: Revenue increase due to favorable interest rates. Appropriations will increase slightly due to system maintenance agreements. There is possibility of paying off an outstanding bond, saving approximately \$100,000 in interest.
- VIRGINIA DIVIDE SEWER SYSTEM: Revenue expected to increase slightly due to funds received from USDA and anticipated interest rate increases. Little change to appropriations.

Public Comment:
None

Motion: Approve Tentative Budget FY 2017/18 for the Water and Sewer services in Virginia City, Gold Hill and Silver City, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

18. ADJOURN TO RECONVENE AS THE STOREY COUNTY BOARD OF COMMISSIONERS

19. DISCUSSION/POSSIBLE ACTION: Tentative Budget Hearings for FY 2017/18.
Mr. Gallagher continued:

- USDA BOND FUND: Phases 2 through 5 of the Wastewater Treatment Plant to begin this year. USDA has appropriated \$6.1 million in bond proceeds, and \$9 million in grant funds. Bond payments will come from the Virginia Divide sewer.
- COMMUNITY DEVELOPMENT: Mr. Gallagher suggests this budget be approved as submitted due to changes in administration and operation brought on by the retirement of the Director. The budget will be adjusted between the tentative and final when a new Director is in place.
- DISTRICT ATTORNEY: Expenditures increased due to reclassification of the Assistant District Attorney.
- JUSTICE COURT: Salaries increased due to reclassification and step increases. Appropriations decreased due to a decrease in training.
- JUSTICE COURT FUND: Authority for this fund created by NRS 176. There are two revenue accounts that must stay in this fund until statutory time limit has expired. At that time, the balance in the fund goes into the general.
- COMMUNICATIONS: Salaries increased based on a salary study and CBA. Maintenance agreement has been transferred to Service/Supplies from Capital Outlay.
- IT DEPARTMENT: Wages increased - equipment maintenance and communications decreased to reflect current trends.
- COMPTROLLER: Salaries increased due to reclassifications and adjustments. Professional services increased based on the retirement of the CPA that conducted the annual audit since 1972.
- EMERGENCY MANAGEMENT: Services and supplies increased for additional computer equipment and professional services to inventory unreinforced masonry buildings.
- EMERGENCY MITIGATION FUND: A special revenue fund created by Resolution 08-266 to set aside to pay expenses incurred by local government to mitigate the effects of an emergency. There is \$100,000 in this fund. How to increase this amount is to be determined.
- COMMUNITY RELATIONS: Salaries/benefits increased due to addition of directors for Virginia City and Lockwood senior centers. The addition was necessary to have oversight of the operations of the senior centers that are scheduled to receive \$135,000 for operation. Appropriations remain the same 7 of the 11 non-profits. Requesting more appropriation: Community Chest \$30,000; Library \$10,000; St. Mary's Art Center \$14,000; and Health Care Services \$19,000. Request for more information from these non-profits will be made prior to approval of the final budget.

- PARK FUND: As of June 30, 2016, the balance of the Park Funds total \$121,888, broken down as follows:

Virginia City	\$ 6,873
Virginia City Highlands	\$44,618
Mark Twain	\$33,433
Lockwood	\$36,953
- SHERIFF: The County Manager and BOC Chairman were included in the review of the budget. The Sheriff's budget dramatically affects the General Fund. There are issues to be resolved before the final.

Mr. Gallagher continued:

1. A review of incidents shows the lowest since 2012, indicating that 24/7 double coverage may or may not be appropriate at this time. The budget committee would like to see material relating to this issue.
2. There are 16 deputies available for duty. A person can work a maximum of 1,880 hours per year. Double coverage requires 19 deputies; single coverage - 10; in between would be 16. Correctional officers are different.
3. With inclusion of the BIA contract, double coverage is highly suggested.
4. In January, the Sheriff adjusted schedules to have people on 12, and others on 10 -both shifts used for public safety.
5. Going from 12 to 10 increases staff.
6. The budget committee listened to the Sheriff's input which needs consideration.
7. Double coverage does not mean double "plus" coverage. Double coverage for a week is 336 hours. 10 hour shifts is 400 hours, making it double plus, requiring additional **funding for the extra 64 hours, with a potential yearly impact of ¼ million dollars.**
8. The Commission needs to look at double coverage versus double "plus" coverage and make the appropriate approval.
9. Scheduling is inconsistent and needs to be redirected.
10. The BIA contract for housing of Native American inmates needs to be analyzed.
11. Sheriff had requested 9 vehicles but has settled on 3.
12. The problem of deputies picking up vehicles in one sector and going to duty in another still exists. This could be 30,000 miles per vehicle, per year. This needs to stop.
13. Sheriff has a plan to schedule by sector - a great idea.

Based on the above, Mr. Gallagher requests approval of the Sheriff's Tentative Budget. However, documentation needs to be presented before the budget is finalized.

Vice Chairman McGuffey: Has a problem with the 46.7% increase in services and supplies.

Mr. Gallagher: This includes increases in utilities, training, auto maintenance, computer equipment, uniforms, and insurance deductible. There may be adjustment for public safety previously in capital outlay, which is now in services and supplies.

Mr. Whitten: There will be other adjustments prior to the final.

Public Comment:

None

Motion: Approve the Sheriff's tentative budget for 2017-18, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

20. RECESS TO CONVENE AS THE 474 FIRE PROTECTION DISTRICT BOARD

21. DISCUSSION/POSSIBLE ACTION :

Tentative Budget Hearings for FY 2017/18 for the NRS 474 Fire Protection District.

Mr. Gallagher continued.

- 474 FIRE PROTECTION DISTRICT: Reclassification of Tesla reimbursements for TRI fire services provides additional revenue. Appropriations budgeted to increase in training, auto maintenance and tires. The Fire District is currently under collective bargaining which may not be completed by the final budget.
- FIRE EMERGENCY FUND: Created by Resolution 07-240. This fund must be used for emergencies and not for operating expenses. There is a threshold of \$1 million- anything over must be credited to the Fire Operating Fund. This fund needs to be increased as much as it can.
- MUTUAL AID: Created by Resolution 12-356 to account for all deployments and billings outside the 474 Fire District. Items will not budgeted to this account this year due to uncertainty of district deployment. This is basically an in-and-out account.
- 474 CAPITAL PROJECTS FUND: New this year, this fund was created under Resolution 16-435 and is primarily used for purchase obligations within 474 Fire District, including equipment acquisition, building additions, etc.

Public Comment:

Motion: Approve the 474 Fire Protection District tentative budget for 2017-18, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

22. ADJOURN TO RECONVENE AS THE STOREY COUNTY BOARD OF COMMISSIONERS

23. DISCUSSION/POSSIBLE ACTION : Tentative Budget Hearings for FY 2017/18

Mr. Gallagher:

- COMMISSIONERS BUDGET: Salaries increased based on step increases, adjustments and NRS requirements governing longevity. Appropriations increased due to purchases of computer equipment and require insurance deductibles.
- ADMINISTRATIVE: Salaries increased due to step increases and adjustments. Benefits projected to increase due to healthy insurance and retiree insurance subsidy.
- HEALTH & HUMAN SERVICES: Salaries increased due to reclassification. Increases in consumer health protection and rural child protective services are anticipated.
- PLANNING: Salary and benefits increase is offset by a reduction in professional services.
- INDIGENT MEDICAL: A special fund created by Resolution 97-26 under NRS 428, Indigent Persons. Revenue is received from the 0.10 rate on ad valorem and centrally assessed taxes.
- INDIGENT ACCIDENT: Directed by NRS 244.160 giving County Commissioners power and jurisdiction in their county to take care of and provide for the indigent sick of the County in a manner only as is for may be provided by law.
- CAPITAL PROJECTS: This fund is used for pre-determined expenditures and emergency operations - such as the Courthouse parking lot, sewer plant expansion, Sheriff vehicles and office fence, and the Five Mile Reservoir. There is an anticipated balance this year of \$2.5 million. Future projects include replacement of the ADS system - the County's entire

accounting software, including the Assessor's Office; communications infrastructure; and body cameras including the effects of same.

- **INFRASTRUCTURE:** A special revenue fund provided with funds from a $\frac{1}{4}$ cent sales tax for expenditures under NRS 377. The plan was finalized in 2016 and expenditures have drawn to the ending fund balance. Projects still to be completed include Courthouse remodel, V&T Restoration, Gold Hill Depot restoration, and community development projects for Mark Twain and Lockwood.
- **STABILIZATION:** Special revenue fund created by Resolution 05-218. Revenues accepted from the General Fund; expenditures fall under NRS 354.6155 guidelines. Balance of the fund must not exceed 10 percent of the expenditures from the general fund for the previous year.
- **TRI PAYBACK:** Created in 2009 to help pay back the County's public/private partner, Tahoe Reno Industrial Park. Funds collected from TRI businesses are dedicated for payback. Funds include ad valorem, building permits, licensing fees, and other fees applied in the Park. Stipulated expenses are deducted, and 35% is paid out.
- **V&T RAIL PROJECT:** Operating under Resolution 11-322. Disposition of this fund has not yet been determined and is attached to the liability of the purchase of the V&T Freight Depot. Current bond debt liability will end December 2027 (year uncertain).
- **VIRGINIA CITY TOURISM COMMISSION:** Revenues projected to increase due to room tax revenue and $\frac{1}{4}$ cent tourism sales tax. Currently, two or three hotels are projected for TRIC. Additional funding is budgeted for special events. The Camel Races will have an additional session this year. Appropriations increase due to salary reclassifications along with promoter commissions and marketing.
- **FEDERAL & STATE GRANTS:** Presently, the County is looking at the following grants: Historical Preservation Fund for \$9,700 with a \$6,500 match; Victim Services for \$20,000, with a match of \$6,667; Hazardous Materials (Emergency Management) for \$3,900, no match; State Emergency Response - \$29,000, no match; and, United We Stand - \$25,000, no match. Also, Landscape Scale Restoration (474 Fire District) for \$238,000, match of \$125,000; Public Land Management (474 Fire District) for \$170,000, with match of \$34,000.00.

Presentation of the Tentative Budget concluded.

Vice-Chairman McGuffey: Expressed concern with some of the hikes in the budget especially with rate increases. Property taxes are anticipated to go up 5.2% but expense is way beyond. Property taxes will not be making a big gain in the next several years.

Mr. Gallagher: Does not like the fact that the County is sitting at a negative percent for revenue and appropriations are increasing. At some point in time, the number of employees will have to expand due to the current level of business being created. It was decided to incentivize current "multi-tasking" employees rather than hire new employees. Salary structures will be reviewed prior to the final.

Mr. McGuffey is right, 5.2% on ad valorem is about the best the County is going to get. There may be some help from centrally assessed. If not, it will be adjusted accordingly.

Chairman McBride: Looking at the percentages, although some seem high - some of the dollar values are not that much and is confident the staff along with elected officials will be able to "whittle" the budget down as in the past. As far as salaries and benefits, a lot is in the equation simply with collective bargaining agreements that are already on the books. Health care keeps going up. There is no control over some of these items. What has been negotiated is what has to be lived with. Hopefully, property values will continue to rise.

Mr. Gallagher: The quarterly review helps tremendously. Department heads do not spend even though it is in the budget.

Public Comment:

Nicole Barde, Storey County Resident: There is a flat to down revenue trend, increasing over the years. Other than salaries and benefits, what are the “drivers” on expenses? How much of the expenses are driven by services and supplies needed at TRI? And, to the extent the “big ones” - Tesla and Switch - have abatements, what is the County doing to recoup the expense to the County of having to support TRI? With the agreement with Tesla - are they paying what it is costing the County to support them, with Switch, any of the

Chair McBride: Abated properties is not what is on the agenda.

Ms. Barde: Why are the expenses increasing? Where is the revenue to offset?

Chair McBride: You wanted to exclude payroll and benefits. This is where it starts. PERS, federal and state unemployment, workers compensation insurance - based on payroll. As payroll goes up - with collective bargaining agreements, longevity, state statute - everything tied to it goes up.

Ms. Barde: Understands this. What is the County paying to support TRI and is the County getting what it should to support TRI?

Chair McBride: The County absolutely is getting what it should out of TRI for tax revenue.

Ms. Barde: Is the County not getting enough out of property tax revenue? Would that make it better?

Chair McBride: The County’s ad valorem rates have been flat for the last several years. Without additional revenue coming from increased value of real estate and the cost of salaries and benefits going up - belts have to be tightened. That’s how to get a balanced budget.

Ms. Barde: So the County is getting what was contracted with Tesla from a revenue standpoint to offset that. That’s in the budget.

Mr. Whitten: Absolutely.

Ms. Barde: It’s that the County is not able to increase property taxes, centrally assessed, that keeps us behind....

Chair McBride: Property taxes can be increased, but this is not what the County wants to do. The County would like to collect more revenue by more businesses opening in TRI. As abatements expire and the full share of the tax rate is paid, the County will benefit.

Mr. Whitten: To clarify, Tesla is performing according to it’s agreement with the County. The abatements are different with Switch - there are no abatements on real property taxes, 75% abatements on personal property, and a similar amount to sales and use tax.

There are three levels of abatements: One that is processed through GOED, typically abating personal property taxes up to 50% for 10 years. A list is being prepared by the Assessor to determine which of the companies have these standard abatements and when they expire. There are protection periods for companies that leave prior to the expiration of the abatement.

Under statute, the County is not authorized to generate abatements. The County can “weigh in” on the decision.

Motion: Approve the filing of the 2017-18 All Tentative Budgets to the Department of Taxation, not to include the 474 Fire Protection District Tentative Budget, the Water and Sewer Tentative Budget, the Sheriff's Tentative Budget, and the TRI Payback Tentative Budget, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

Commissioner Gilman recused himself from discussion and vote on the TRI Payback Tentative Budget.

Public Comment:
None

Motion: Approve the filing of the 2017-18 TRI Payback Tentative Budget to the Department of Taxation, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chair McBride **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

24. DISCUSSION/POSSIBLE ACTION : Licensing Board Second Readings:

- A. R. F. MACDONALD COMPANY - Contractor / 25920 Eden Landing Rd ~ Hayward, CA (boilers)
- B. DURR ECOCLEAN, INC. - Contractor / 26801 Northwestern Hwy ~ Southfield, MI (ind. machinery)
- C. EBZ SYSTEC, INC. - General / 22251 Diesel Dr ~ McCalla, AL (supplier)
- D. WAX ON WAX OFF MOBILE DETAIL - General / 2225 Elcrest Dr. ~ Reno (mobile car wash)
- E. W.W. CLYDE & CO. - Contractor / 869 North 1500 West ~ Orem, UT (contractor)
- F. TRADESMEN INTERNATIONAL, LLC - General / 9760 Shepard Rd ~ Macedonia, OH (staffing)
- G. AUTOMATION LOGISTICS CORP - Contractor / 331 Scarlet Blvd ~ Oldsmar, FL (machine install.)
- H. Keith Wallace dba A-SNAP - General / PO Box 3293 ~ Turlock, CA (mobile mechanic)
- I. KING CONSTRUCTION, INC. - Contractor / 2040 Farm District Rd ~ Fernley (construction)
- J. LADA CUBE, LLC - General / 101 Canary Lane ~ Grand Jet, CO (furniture delivery)
- K. TEKNO, INC. - Contractor / One Wall Street ~ Cave City, KY (automation equip.)
- L. BASTIAN AUTOMATION ENG., LLC - General / 10585 N. Meridian ~ Indianapolis, IN (equip sales)
- M. BANNER INDUSTRIES OF N.E., INC. - General / 1 Industrial Drive ~ Danvers, MA (distribution)
- N. TRUMPF, INC. - Contractor / 111 Hyde Rd ~ Farmington, CT (mfg equip)
- O. NEVADA BARRICADE & SIGN CO., INC. / Contractor - PO Box 20459 ~ Reno (road const.)
- P. CME PROFESSIONAL SVCS., LLC / General -- 7100 Cave Creek Rd ~ Cave Creek, AZ (staffing)
- Q. INDUSTRIAL KINETICS, INC. - Professional / 2535 Curtiss St ~ Downers Grove, IL (matl handl equip)
- R. KDDI AMERICA, INC. - General / 21241 S. Western Ave ~ Torrance, CA (translation svcs.)
- S. UL, LLC - General / 333 Pfingsten Road ~ Northbrook, IL (safety training)
- T. BLACK GOLD INDUSTRIES dba BGII - Transportation / 527 North Rice Ave ~ Oxnard, CA (hazardous waste transportation)
- U. OUT WEST BUILDINGS, LLC - General / 7450 Reno Hwy ~ Fallon (deliver portable sheds)
- V. HIRATA CORPORATION OF AMERICA - Contractor / 5625 Decatur Blvd ~ Indianapolis, IN (equipment manufacturing)

On behalf of Community Development, Pat Whitten requested that all items A. through V. be approved.

Motion: Approve all items A. through V., **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

25. PUBLIC COMMENT (No Action)

Commissioner Gilman: There was a recent announcement stating Tesla has passed Ford becoming the second largest company in stock market cap in the United States - second only to GM. However, Reuters has announced that Tesla has passed GM as the most valuable U.S. car company today.

26. ADJOURNMENT

The meeting was adjourned by the Chair at 11:50 AM

27. CLOSED SESSION

Call to Order Closed Session meeting pursuant to NRS 288.220 for the purpose of conferring with County management and legal counsel regarding labor negotiations with the Storey County Firefighters Association IAFF Local 4277 and Storey County Sheriff's Office Employees Association NAFSA Local 9110. This meeting will commence immediately following the regular commission meeting.

Respectfully submitted,

By: _____
Vanessa Stephens Clerk-Treasurer