

Approved March 1st, 2018

The Special Meeting of the Douglas County Board of County Commissioners was held on January 23, 2018 in the meeting room of the County Administration Building, 1616 8th Street, Minden, NV, beginning at 2:00 PM.

Call to Order

Commissioners Present:

Steve Thaler, Chairman
Barry Penzel, Vice Chairman
Nancy McDermid, Board Member
Larry Walsh, Board Member
Dave Nelson, Board Member

Commissioners Absent: none

Staff Present:

Larry Werner, County Manager
Doug Ritchie, Chief Deputy District Attorney
Kathleen Schmidt, Deputy Clerk

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Chairman Penzel.

PUBLIC COMMENT

Bob Ballou stated that he spoke as an individual, not as a spokesperson for any group. He apologized for his misquote yesterday of the NRS (Nevada Revised Statutes) law in regards to affordable housing. He rejected fallacious arguments against multi-family residences as being havens for criminals and believed that the cost of housing is a real issue that needs to be addressed.

To review Mr. Ballou's complete comments, please see the Supplemental Materials.

Lynn Muzzy reported that casinos have had increased income so there is no need to change redevelopment funds. He suggested that money could be used for infrastructure.

To review Mr. Muzzy's complete comments, please see the Supplemental Materials.

Jim Slade agreed with Mr. Muzzy. He commented on the January 4, 2018 request for Planned Development Overlay and Variance, where the applicant requested a continuance and was approved. He was concerned with the reasoning why staff allowed or recommended the variance.

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To review Mr. Slade's complete comments, please see the Supplemental Materials.

APPROVAL OF AGENDA

Commissioner McDermid suggested that Item 2 be presented first.

MOTION to approve the Agenda, with the presentation of Item 2 before Item 1; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Dave Nelson, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh, Nelson

ADMINISTRATIVE AGENDA

The Administrative Calendar will be handled as follows:

- (1.) The Chairman will read the agenda title into the public record.
- (2.) Staff will introduce the item and provide a report, if any.
- (3.) The applicant, if any, will have an opportunity to address the Board.
- (4.) The Board will then discuss the item. Once the Board has concluded their discussion, public comment will be allowed.
- (5.) Public comment will be allowed and is limited to three minutes per speaker.
- (6.) Once public comment is completed, the Board will then ask any follow-up questions and take action.

On agenda items that are agendized as a "presentation" with no action listed, public comment is not legally required and must be made at the beginning of the meeting.

1. For possible action. Discussion to direct staff on local road maintenance funding. (Lawrence Werner)

Larry Werner, County Manager, presented Local Road Maintenance; County Roads; Regional Road Maintenance; Road Operating Maintenance, Regional Roads; Road Operating Maintenance, General Maintenance on All Local Paved Roads; Road Operating Maintenance, General Maintenance on All Local Grinding Roads; Road Operating Maintenance, General Maintenance on All Local Gravel Roads;

To review the complete presentation for Item # 1, please see the Agenda Packet.

Chairman Thaler stated that he appreciated the time for questions.

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Vice Chairman Penzel asked how much of the work is outsourced and how much is done by the road crew.

Jon Erb, Transportation Engineering Manager, informed that all crack sealing and some paving is done in house; slurry and chip seal projects as well as any large projects are outsourced.

Vice Chairman Penzel asked if the County road crews did culvert cleaning.

Mr. Erb clarified that they clean all culverts under County roads but no private driveways.

Vice Chairman Penzel clarified that if the culvert is parallel to the road, they don't clean it, but if it's at 90 degrees they will clean it. He wondered if they contract on culvert cleaning for flood events.

Mr. Erb answered yes to both questions. There have been five flood events recently and they did outsource some of the culvert cleaning.

Commissioner McDermid asked for the approximate maintenance cost per mile across the board and if they did snow removal on gravel roads.

Mr. Erb responded that they have a snow policy in place and don't remove snow from gravel roads unless it's a severe amount. They spend \$20,000-24,000 cost per year grading gravel roads every 6 weeks.

Commissioner McDermid asked if they were changing the PCI (Pavement Condition Index) on any roads by doing this maintenance.

Mr. Erb responded that in regards to local roads, the PCI is improved when a newer road is slurry sealed, which extends the life of the pavement. After a certain PCI, there's no value in doing slurry or chips.

Commissioner McDermid questioned the PCI on local paved roads.

Mr. Erb stated that a PCI of 70 was the standard set by the Board; the average PCI is 55 or lower.

Commissioner McDermid reiterated that the maintenance presented doesn't necessarily improve the PCI; it's just the routine maintenance. She wondered the annual cost of the routine/general road maintenance.

Mr. Erb answered it was about \$1million per year.

Commissioner Walsh asked if the road crew employees worked fulltime through year.

Mr. Erb replied that all of the employees were full-time and worked year around.

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Chairman Thaler asked why we wouldn't maintain a local road and wondered about resolutions that restrict the County from doing such.

Mr. Erb informed that there were numerous reasons such as roads built by a developer not to County standard through a variance; those roads are not our responsibility.

Chairman Thaler suggested the recent proposal on Kimmerling as an example.

Mr. Erb reiterated that roads not built to County standards are not the responsibility of the County to maintain.

Chairman Thaler queried how we get from gravel roads to grindings roads.

Mr. Erb remarked that it was an effort in the 90's to reduce dust and there was no cost to the County for materials due to Hwy 395 being put in. The Ruehnstroth area roads are gravel roads that have a double chip seal on them, which is less than grindings.

Chairman Thaler wondered if an upgrade from gravel to grinding still didn't meet County standards, which doesn't have a PCI and is not required for the County to maintain.

Mr. Erb stated that if the County put in the grindings, then they would maintain them.

Chairman Thaler noted that less maintenance is required as the quality of the road decreases.

Mr. Erb explained that regional roads are collector and arterial roads that connect population centers (Johnson Lane, Centerville, Waterloo). Arterial roads are just a bigger collector (Muller Parkway, Lake Parkway). Local roads are residential streets.

Chairman Thaler asked if a map depicting road designation was available for public use.

Mr. Werner answered that there was such a map but the problem is making it accessible to the public through GIS (Geographic Information System)/Public Works.

Chairman Thaler informed that the majority of calls received regarding roads involve explanations to residents regarding the difference in road designations and their location.

Mr. Werner commented that staff has access to that map and is a priority to make it available to the public.

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Commissioner McDermid noted the 10.34 miles of roads in the report that are not maintained per BOCC (Board of County Commissioners) resolution and asked if there were roads that have been accepted by the Board but are not maintained by the County.

Mr. Erb responded that if a road has been accepted by the Board, then it's maintained.

Commissioner McDermid asked what resolution would specify that they not be maintained.

Mr. Werner informed that the County accepts roads that fall within GIDs (General Improvement Districts) and town and they maintain them.

Commissioner McDermid added that there was a road off Foothill maintained by the property owner.

Mr. Erb replied that the road she meant was Old Kingsbury Grade, which was accepted by the state and then brought to the Board to be removed from maintenance on the lower portion. The upper road was brought to the Board to be designated as not maintained by the County and "drive at your own expense". The only time the County maintains that road is if it's blocked by a washout or similar situation.

Commissioner McDermid questioned what category that road falls under if it is maintained by the property owner but not included in resolutions.

Mr. Werner explained that NRS 408, which talks roads and highways, gives the County the ability to identify public roads not maintained by the entity. It can be declared as an open public road but not maintained by the County and he would like to see signs giving that information. He did not include those roads in his presentation because it could include every gravel road that heads out to the hinterland.

Vice Chairman Penzel noted that there were 235 miles of County maintained roads, not including the roads within GIDs and that they were maintained by eight people.

Mr. Werner continued his presentation with Road Maintenance Funding; RTC 430 Funds, Revenues.

Commissioner McDermid asked if Ad Valorem tax is property tax.

Mr. Werner answered yes, it is specifically set to road maintenance; the General Fund Transfer fund was a decision made by a former Board.

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Commissioner McDermid noted that was the tax that the Board put in one penny of property tax for five years.

Vice Chairman Penzel explained that when they were having the discussion five years ago, when Kathy Lewis was Budget Manager, about what one cent was and they determined that it depends on where you got it but the amount was about \$179,000. That is the General Fund Transfer, which includes \$1million plus 1 cent.

Chairman Thaler noted the breakdown of the RTC 430 Funds.

Mr. Werner presented Road Operating 232 Funds- Revenues, which goes to local operating.

Commissioner McDermid stated that road maintenance in the Tahoe Basin portion of Douglas County is paid for by Tahoe residents and Tahoe money doesn't come from here.

Mr. Werner answered that she was correct; Tahoe road maintenance money comes from the Lake Tahoe room tax.

Mr. Werner presented Road Operating 232 Funds, Revenues (continued); Tahoe-Douglas; Road Operating Crew; Existing Budget Expense for Road Operating Division 232 Funds.

Mr. Erb explained the Service and Supplies expense fund included all the material for crack filling and patch hole repair, new signs and the power to run traffic signals and lighting in the County, among other things.

Vice Chairman Penzel asked if that included stoplights.

Mr. Erb confirmed it included stoplights and some County owned streetlights.

Vice Chairman Penzel questioned if it was only on local roads.

Mr. Erb informed that it included signals on regional roads and streetlights on some regional roads. Some streetlights are owned and maintained by NV Energy and some by the towns and the County.

Vice Chairman Penzel asked if the 232 fund was for road maintenance for local roads.

Mr. Erb replied that the 232 fund was used for all County roads; for example, the replacement of signs or pothole repairs on Johnson Lane comes out of 232.

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Vice Chairman Penzel noted that the RTC (Regional Transportation Commission) fund, which is the larger of the funds, has the least number of roads.

Mr. Werner stated that the RTC transfer has majority of the money and puts money in the Road Operating to offset the activities performed by road staff.

Vice Chairman Penzel indicated that Service and Supplies expense out of 232 includes regional roads and lighting, so the money transferred back isn't one for one.

Mr. Erb observed that 232 fund covers all roads, whether regional or local, so the lighting cost for all roads comes out of 232 fund.

Mr. Werner observed that they are beginning to get a better feel from work assignments whether more time is being spent on local roads or regional roads and can possibly increase the transfer from the RTC to balance the costs.

Commissioner McDermid considered that regional roads are used by more people than many of the local roads, as there is not as much traffic on residential roads. Regional roads shouldn't need as much maintenance once they are reconstructed.

Commissioner Nelson questioned if the figure for equipment reserves was an annual amount.

Mr. Werner stated that it was an outlier for this year and the majority of the amount is the one time transfer for equipment replacement from the RTC.

Commissioner Nelson implied that the combination of the equipment reserve and the employee salary/benefits leaves only about \$1 million left to do the needed work.

Mr. Werner continued the presentation with Local Road Funding Needs, \$2.5 million; \$3.5 million; \$4.8 million.

Chairman Thaler asked who gets the money from the construction tax if a new home or business is built in a town or GID.

Mr. Werner believed the money comes to the County through RTC because those are regional roads.

Chairman Thaler questioned if the money was returned back to the entities through regional roads.

Mr. Werner agreed that was correct.

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Commissioner McDermid reminded that the towns/GIDs receive property tax which they use to cover any services that they provide.

Commissioner Walsh queried how long they would need the \$4.8 million per year.

Mr. Werner responded that the amount would be needed each year as long as you have paved roads. It's an ongoing process to bring the roads up to a reasonable condition. At some point, the road has to be reconstructed and the process starts all over again.

Chairman Thaler wondered if the five cents gas tax was bringing in the estimated \$900,000 in addition revenue as expected.

Mr. Werner replied yes, and it has brought in a little more than expected.

Chairman Thaler considered that if we didn't have that \$1 million dollars, we would need \$5.8 million.

Mr. Werner answered that if you group them together, then that would be correct. But that money was set aside to use a portion to reconstruct the major roads that were failing beyond repair. The other portion is to help fund the ongoing road maintenance.

Commissioner McDermid thought that the \$300,000 of the nickel gas tax went towards the realignment of Highway 50 at the Lake.

Mr. Erb answered yes, until the parking garage at the Lake is paid off in 2021. At that time, the TDTD (Tahoe Douglas Transportation District) funds that are paying for the parking garage will replace that and RTC will get their \$300,000 back each year.

Commissioner McDermid thought that would happen in 2019, but Mr. Erb confirmed that the date was 2021.

Mr. Werner continued his presentation of Funding Options for Local Roads; Funding Options for Local Roads, Utility Operator Fee NRS 711; Road Maintenance 0.50% Sales Tax NRS 377A; Local Road Maintenance Tax District NRS 318.

Commissioner McDermid asked if a gated HOA (Homeowners Association) community would be required to pay road maintenance tax.

Mr. Werner replied that it would be up to Board when they set the parameters of the district.

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Commissioner McDermid wondered if this would be county-wide except for GIDs and towns.

Mr. Werner answered yes, depending on how you draw the boundaries.

Commissioner Walsh asked how they calculated the 33 cents.

Mr. Werner responded that it was based on the property tax formulas of the state. He asked the County Assessor and County Clerk what general tax rate would need to be imposed to generate \$4.8 million per year. The software calculates it house by house based on the current situation in Douglas County. It's not a simple formula but must be calculated property by property.

Commissioner Walsh asked if the 3% cap per year was taken into consideration.

Mr. Werner answered yes. For his example, he took a family that paid \$4000 in property tax this year and asked what the amount would be next year if the tax was imposed. The 33 cents provides about \$410 in value, but with the 3% cap, it would be capped at \$120.

Chairman Thaler mentioned that the calculations for the Lake are difficult and staff would have to arbitrarily create a district to get the numbers.

Mr. Werner indicated that for the example, they excluded all the properties within a town or GID to show that anyone in a town/GID would not pay that. They have the ability to look at each GID and determine if it would be appropriate to include them for road tax purposes, such as if the GID was providing only water.

Commissioner McDermid wondered if commercial property would be required to pay this tax.

Mr. Werner answered that every property would be included, ag property.

Commissioner McDermid indicated that excluding any properties would increase the cost for others.

Mr. Werner acknowledged that the number can fluctuate but 33 cents was probably the highest at this stage.

Chairman Thaler mentioned that there were four entities that are capped at \$3.66.

Mr. Werner confirmed that entities were Minden, Gardnerville, Topaz and Indian Hills.

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Chairman Thaler responded that those four entities are limited to \$366 by state law and the County can't add to that amount. The County would determine who they wanted in or out of that consideration.

Vice Chairman Penzel replied that cherry picking by the Board who is in or out isn't fair or equitable. The County needs the ½ cent sales tax increase as it generates money across the board. Douglas County is below the average for state sales tax. The first priority is making sure we are spending accurately. The County could take money from regional roads and put them towards local roads but the County has a responsibility to maintain roads. A tax put into effect now is considered permanent; however, a gradual tax increase allows us to take advantage of the federal funding and still increase our tax. He suggested that they either take money out of Supplies and Services or nominate programs that could be suspended or eliminated in order to direct more funds to the roads.

Commissioner McDermid stated that they were talking about local road maintenance and she was not aware of federal funding for local roads, with the possible exception of rural roads. She was not in favor of taking money from RTC; those are the main roads and we need to maintain them at the highest level because they have the most traffic. She didn't think the Board had the authority to approve a ½ cent sales tax.

Mr. Werner responded that the ½ cent requires a vote of the people and could be used for infrastructure as a general usage tax.

Commissioner McDermid thought that was the ½ cent sales tax that the Four County Coalition expanded in the last legislative session to include Lyon County and can be utilized for operations.

Commissioner Nelson noted that the County Manager always suggests raising taxes before considering other option and he preferred Vice Chairman Penzel's suggestions. He thought some residents are concerned that the County pays 100% of PERS (Public Employees Retirement System). The Board needs to look for other options for funding besides raising taxes.

Chairman Thaler clarified that the County doesn't pay 100% of PERS; state law says that when PERS goes up, the cost is divided between the county and the employee. Through negotiations, the last time there was a cost increase, the employees decided to forego their raise in order to offset the increased PERS cost.

PUBLIC COMMENT

Barbara Smallwood understood that the 33 cents was outside of the cap and that an HOA that didn't do any road maintenance should be included.

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Jim Durso said that he lived in an unincorporated area and was okay with paying his part of the road maintenance but was concerned if the new tax collected would be set aside exclusively for local road maintenance in unincorporated areas. He thought \$4.8 million for just local road seemed excessive. The builder put in the roads when he built his house and he didn't think it's fair to ask him to pay for someone else's gravel road to be paid; the cost should be borne by those that benefit. Subcontracting road maintenance sounded like a good idea.

Chuck Hill, Ranchos resident, said that the Ranchos spent \$500,000 on major road repair in that area as well as \$200,000 on signs, etc. He didn't think he should pay for the roads in front of someone else's house. He felt the regional roads should be repaired correctly and the residents on the local roads needed to choose whether they wanted a good road and if they're willing to pay for it.

John Engles, Gardnerville resident, asked if the asphalt zipper requested last year for a line item of \$165,000 was ever acquired.

Bob Ballou complained about the status of East Valley Road. He would be okay with a little more tax but not 33 cents per hundred assessed value; he wondered how the 33 cents compared per mile to what the Towns/GIDs spend per mile. He thought a per mile figure would be very helpful in considering a special district.

Terry Faff observed that it's not an urgent project that has to be solved today. He suggested leveling the playing field by eliminating the GIDs. They serve only two purposes, namely roads and water. The money paid to the GID and the administrative fees needed to run the GIDs could go to the County and level the playing field. He suggested putting together a study group to consider this idea. He also noted that the street sweeper goes down Highway 395 and leaves the street dirtier than when it started.

Bev Anderson agreed with Mr. Faff regarding the removal of the GIDs. She suggested an independent study to get rid of the Road Department and put road maintenance in private industry.

Jim Slade informed that most of his driving in Douglas County is on done on state roads and thought most of this issue was principally about the Johnson Lane area. He believed that sometimes taxes are the best and fairest way to deal with it; he suggested that the County deal with Johnson Lane first and then consider taxes.

Franklin Harry Ernst indicated the common thread that things are getting way too complicated and the County is making mountains out of molehills. He felt we need more money to fix roads and advised the Board take 10% from each budgeted fund in the County across the board and put it in the road fund. He would like to see less talk and more action.

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Chairman Thaler asked the County Manager to address the questions brought up during Public Comment; the Road Task Force, getting rid of GIDs, and what 10% across the board would look like.

Commissioner McDermid stated that some funds are restricted and they can't just take 10% out, although some funds could work that way. She thought it was a nice idea but not possible.

Vice Chairman Penzel addressed the GID issue and agreed with Mr. Faff and informed that they have tried to do that, but it's a state issue now. However, individuals in a GID can present a petition of 51% of the residents to continue or eliminate the GID.

Commissioner McDermid interjected that just eliminating the GID doesn't automatically revert the funding to the County. They would still have to provide the services but might not have the money for it. The County can only do what is determined by NRS and any kind of tax bill requires a supermajority vote from the Board. She thought the ideas were good but needed to be taken to the legislature, as they were the place to make those changes.

Mr. Werner agreed with Commissioner McDermid and Penzel's assessment of the GID situation and noted that no additional funding could be collected with the dissolution of the GID. The money stays the same but the County would inherit the roads, which he saw as a negative situation. In regards to the 10% across the board, some funds are restricted; the general fund would generate \$4.3 million, but 63% of that would come from Judicial and Public Safety. The Road Task Force been done in the past and could be done again but he didn't think it would get anywhere different; the result from the last one was to create a separate district.

Commissioner McDermid noted that the Roads Task Force was convened when Steve Mokrohisky was the County Manager; at that time, they did the one cent per year of the property tax and the County employees voluntarily took a 5% pay cut to balance the budget.

Commissioner Walsh stated that he was a member of the Roads Funding Task Force and said that there was no consensus about a regional GID. An area like Johnson Lane or Ruehnstroth could form their own GID if they wanted to fix their roads.

Mr. Werner regarded that outsourcing a certain category of maintenance could be worth it for certain elements but not for others, as they would lose the emergency response capabilities. Certain GID's would be excluded because they are already at the tax cap of \$3.66 and there's no provision under Nevada law to exceed that. There's no law that allows a voter override of that tax cap, so there would be no impact to residents already at that tax cap.

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Chairman Thaler reminded that their agenda action item was to direct staff on how local road maintenance was to be funded. He noted the options provided by the County Manager and could push it to the budget. He focused on the need to give staff direction.

Commissioner McDermid mentioned private outsourcing and there was talk about NDOT outsourcing snow removal in the Lake Tahoe area. They were concerned that the private sector wouldn't take care of the road as well as the public employees who know what it takes to maintain the road. NDOT opted to contract out the projects but not the snow removal. It's important to make sure the people taking care of the roads care about them as much as we do. She noted the connection between indexing on gasoline and road maintenance. Storm water, drainage and run off are all part of the road consideration and needs to be figured out. She didn't think a ½ cent tax would pass a vote of the people right now. She wasn't fond of raising the utility operator fee because that affects everyone and didn't think the whole 2.5% goes to the Community Center. She reminded that the \$4.8 million was not a one-time consideration but would be needed every year, so there needs to be a revenue stream to provide that funding.

Commissioner Walsh suggested that they scrub the budget and wait until the federal infrastructure bill goes through to see what federal money we can get. He felt the County didn't need to jump the gun until we know what the economy will do. He was in favor of a small regional GID.

Commissioner Nelson agreed that the budget needed to be looked at closely and noted that the tire money should be available to spend next year. He asked for a report of line items that have gone up over 25% over the last 5 years and hasn't seen it yet. He felt they needed to look at the budget very carefully and make the tax increases only a portion of the increase, rather than the whole amount.

Vice Chairman Penzel agreed that they should scrub the budget and suggested they try to get at least \$2 million. He could support a ½ cent tax because it would tax people who visit us and be less impact on the residents. He saw a progression of increased spending from the general fund on roads and would like to see data on a ½ cent sales tax increase. He wanted to assure the public that tax dollars were being spent judiciously.

Chairman Thaler stated that he had less faith that the federal government money would trickle down to the local level but was willing to see what benefit the County would receive. He thought that the economy in Douglas County was turning around and thought that there may be revenues that will increase. He felt the priority should be infrastructure and storm water and individual GIDs should be a last resort. The problem is huge and won't be fixable in one year; however, the Board will make a conscientious effort to set more money aside for roads.

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Mr. Werner clarified that he was not making recommendations, just providing options. Scrubbing the budget isn't easy but it does bring in money, although it might mean some programs get cut. The Board needs to decide if they want to keep doing this one budget year at a time or find a sustainable on-going basis.

Vice Chairman Penzel commented that they can shoot for an ever increasing amount, knowing they will have to cut programs. He wanted to get priority based budgeting working, believing that smaller government is better. Budgeting should be done according to County priorities of safety and infrastructure and they may need to have the public vote on whether they want the programs that aren't related to infrastructure.

Commissioner McDermid remarked that the construction tax wouldn't affect as many residents because it's new construction. She thought it was worth looking at and putting on the ballot.

Mr. Werner informed that the statute allows for the construction tax between \$500-\$900 and they could increase from 50 cents to 90 cents but looking at the number of new starts, he didn't know if the cost benefit ratio would be there.

Commissioner McDermid replied that it was money left on the table that doesn't impact a program or department or the residents that aren't building new houses.

Commissioner Nelson stated that he was not against anything that goes to the people for a vote.

Chairman Thaler recommended that they scrub the budget first and use a tax as a last resort.

Vice Chairman Penzel asked if the construction fee was considered an impact fee. He thought that if the County was growing at .03%, not a lot of new houses would be built and there would not be enough residents to pay for the services we provide, unless we raise taxes. He thought their direction should be to plan to cut the budget.

Mr. Werner clarified that the impact fee is a separate fee, and is not very encouraging to implement in Douglas County due to the limitations of the statute.

Commissioner McDermid noted that they have looked at old fees in the past and being able to increase the fee over time to accommodate the cost of living will help. She felt the County needed to solve its own problems as much as possible without waiting for the federal money.

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Commissioner Nelson proposed that the County find \$2.5 million this year and maybe find an additional million the next year due to the increasing economy. He felt they didn't have to bite the whole amount the first year.

Chairman Thaler summarized Commissioner McDermid's comments to raise the residential and commercial construction tax to the maximum allowed amount. He asked the County Manager what he thought the amount would be for the next year.

Mr. Werner informed that he was looking at the number of building permits issued last year, which was 175, so he estimated 200 residential building permits for 2018. The number of commercial building permits is dependent on the number of new commercial startups.

Commissioner Walsh stated that he was ok with drafting something to go on the ballot to increase the construction tax, rather than leaving that money on the table.

Commissioner Nelson advised looking at expense of putting it on the ballot and wondered if it would pay off quickly or how long would it take to make it up.

Vice Chairman Penzel informed that the cost of the ballot question would come from the Clerk budget.

Chairman Thaler stated that the direction so far was to bring a possible tax question for the ballot. Also, find as much money as possible in the budget to bring over to the road fund.

Mr. Werner agreed and understood that they may hear some pushback.

Chairman Thaler acknowledged that was one of the difficulties of cutting budgets and part of the process.

RESULT: FOR PRESENTATION ONLY.
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2. For possible action. Discussion to approve the purchase of a new Caterpillar CAT Model: 926 Wheel Loader with all standard equipment for the Road Operating Department, for a total of \$147,987, as previously budgeted in Fiscal Year 2017/18. (Jon Erb)

Jon Erb, Transportation Engineer Manager, presented the request to approve the purchase of a new Caterpillar CAT model:926 Wheel Loader.

Chairman Thaler asked if Mr. Erb had a list of all equipment and the turnover dates.

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Mr. Erb stated that he wanted to review each piece of equipment to ensure its best use and whether or not it needed to be replaced. He planned to bring several pieces of equipment to the Board over the next year.

Chairman Thaler asked when they would receive the equipment, if approved.

Mr. Erb said they could be in receipt of the new loader within 2-4 weeks.

Commissioner Nelson reminded the Board about the recent purchase of an asphalt zipper and questioned how much it has been used.

Mr. Erb confirmed that it saves a lot of time and they are making good use of it.

Commissioner Nelson asked if the zipper could be used in Topaz for road maintenance.

Mr. Erb informed that the zipper grinds existing material; this one has a narrow bucket but it's possible.

PUBLIC COMMENT

Jim Slade reminded that the County recently asked for 11 new vehicles for various purposes. Vice Chairman Penzel previously stated that he didn't think any new vehicles should be purchased until "Tiregate" was resolved. Mr. Slade applied those comments to this situation. He suggested more institutional control to prevent a repeat of "Tiregate" and only emergency and public safety vehicles should be the exemption.

Gretchen Walsh would like to see an outside firm do a cost comparison of in house road maintenance vs. outsourced maintenance.

Charles Carroll felt that a zipper would be helpful to the roads in Topaz. He mentioned the possibility of forming a Road Assessment Committee to raise funds for road repair and that some residents were discussing class actions suits against the County.

Bev Anderson wondered if the zipper machine was used on all the cracks on the Douglas County roads. If so, she watched them do Fish Springs Road doing crack repair by hand, not using the machine.

Mr. Erb explained that cracks 4-12 inches wide can be corrected by the zipper; smaller cracks are sealed with liquid asphalt.

Vice Chairman Penzel was glad to hear people commenting on road maintenance and Public Works. He differentiated between passenger vehicles and maintenance vehicles for the County. This request was presented to the RTC (Regional Transportation Committee) six months ago and approved; this is in a controlled environment.

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Commissioner McDermid sits on RTC and confirmed that they transferred money into an equipment replacement fund; the problem is that the cost of maintenance is higher for older equipment.

Commissioner Walsh asked if they actually voted not to purchase vehicles until “Tiregate” was completed.

Vice Chairman Penzel said he thought it was until they get a report.

Commissioner Walsh noted that could take a long time for the case to be resolved.

Mr. Erb mentioned that there is a resale value for the piece that is being replaced that could come back to the County.

Commissioner McDermid imagined that the RTC would like the money to come back.

MOTION to approve purchase of new Caterpillar CAT Model: 926 Wheel Loader with all standard equipment for the Road Operating Department, for a total of \$147,987; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Walsh, Board Member
SECONDER:	Nancy McDermid, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh, Nelson

CLOSING PUBLIC COMMENT

Barbara Smallwood agreed with Commissioner McDermid that the construction fees should be raised incrementally. She believed there was already a ballot issue with the judicial and corrected the amount she pays in road tax. She stated that she was part of the Board of Commissioners that put the gas tax on and when it was removed, the County lost that revenue for a number of years. She thought that the deliberation is enlightening.

Terry Faff stated that he was a strong advocate of not leaving money on the table. He also felt the County needs to pay attention to the revenue possibilities of large businesses and be more business friendly.

Bob Ballou was puzzled by the 33 cents tax, thinking it was per \$100 assessed valuation, yet his tax is capped at 3% increase. He didn’t think they would get very much money from that tax.

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Jim Slade maintained that the County should get rid of excess allocations as slow growth is more manageable. He suggested that staff see what other GIDs are paying for their roads.

Commissioner McDermid noted that the ending fund balance missing from the Existing Budget Expenses for Road Operating Division 232 Fund slide.

Mr. Werner apologized and explained that the 232 slide in the presentation is not the same as what was in the Agenda packet, but the packet version was correct. The salary, wages, benefits show are not just the eight guys on the road crew but includes the director, staff, etc.

ADJOURNMENT

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steve Thaler, Chairman
SECONDER:	Barry Penzel, Vice Chairman
AYES:	Thaler, Penzel, McDermid, Walsh, Nelson

There being no further business to come before the Board, the meeting adjourned at 5:45pm.

Respectfully submitted:

Steve Thaler, Chairman
Douglas County Board of Commissioners

ATTEST:

Kathy Lewis, Clerk-Treasurer