

Approved May 17th, 2018

The Special Meeting - Budget of the Douglas County Board of County Commissioners was held on April 2, 2018 in the meeting room of the County Administration Building, 1616 8th Street, Minden, NV, beginning at 11:00 AM. ***The minutes below has been transcribed.***

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
Cynthia Gregory, Deputy District Attorney
Kathy Lewis, Clerk/Treasurer
Miguel Camacho, Deputy Clerk

Call to Order

Chairman Thaler speaks:
Good morning, everybody. We will bring this Board of County Commissioners meeting to order. Today is April 2; it's a little bit after 11:00am, apologize for the technical difficulties there. We're trying to get everything fired up and loaded up in the computer.

PLEDGE OF ALLEGIANCE

Chairman Thaler speaks:
I'm gonna ask Ms. Lewis if you wouldn't mind leading us in the Pledge, please. Thank you, Ms. Lewis.

PUBLIC COMMENT (No Action)

Chairman Thaler speaks:
At this time, we're going to start out with Public Comment. Public Comment is limited to three minutes; the Vice Chair will start the clock when you come up and put your name on that clipboard up there, state your name for the record. The clock will start with green and it will go to yellow when you have 30 seconds, and when it goes to red, that means your time is up. Public Comment is limited to any item that is not on today's agenda. Public Comment is now open. Better hurry up, Mr. Slade. Okay, seeing none, Public Comment is now closed.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

APPROVAL OF AGENDA

Chairman Thaler speaks:

Move down to Approval of the Agenda. Motion by Commissioner Penzel; second by Commissioner McDermid. All those in favor say “aye”; motion carried unanimously.

MOTION to approve the Agenda; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barry Penzel, Vice Chairman
SECONDER:	Nancy McDermid, 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 approve the Fiscal Year 2018-2019 tentative budgets for Douglas County and Douglas County Redevelopment Agency Funds. Tentative Schedule of funds to be discussed: NV Cooperative Extension Fund, Airport Fund, 911 Emergency Services Fund, General Fund, Risk Management Fund, and Dental Insurance Fund. (Julie Andress)

Chairman Thaler speaks:

Before, Ms. Andress, I ask you, we’re going to go through this for everybody that's following, we’re going to start out with the Airport, go down to Emergency Services, Nevada Cooperative Extension will be third, Assessor fourth, Clerk/Treasurer fifth, Recorder/Records Management will be sixth, GIS Telecommunications and GIS will be seventh, Human Resources, Risk Management and then last would be Self-Insurance. Most likely, we’ll go to about 12:30pm and take a short break between 12:30-1:00pm, 1:15pm, and then pick it back up. We’re gonna try and get as many as these done today as

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

possible. Ms. Andress, if you would mind walking us through these new binders we have, I'll let you have the floor.

Julie Andress speaks:

Good morning, Chairman and Commissioners; Julie Andress, Budget Manager. I just wanted to walk you through quickly what you're looking at today. These here are the budget worksheets for each fund and department that we're going to be discussing today. On the left-hand side upper corner, you'll be able to see the fund number that we're discussing and then if it has an associated department number, you will see that right below that. On the left-hand side, you will see all of the line items for both revenues and expenditures in the same format. Up at the top on the headings, we're going to start with Fiscal Year 16-17 Adopted Budget. The next column you will see is Fiscal Year 16-17 Amended Budget. This includes all transfers and augmentations to the budget. The third column over will be Fiscal Year 16-17 Actuals; these are year-to-date numbers. The fourth column over is going to be Fiscal Year 17-18 Adopted budget. The fifth column is Fiscal Year 17-18 Amended Budget, including augmentations and transfers. The next column is Fiscal Year 17-18 Actual amounts year-to-date so far. And finally the last column is Fiscal Year 18-19, this is our tentative budget that we're bringing forward or requested. It's also labeled here as Finance Officer and this is the column that we'll be focusing on. Thank you.

Chairman Thaler speaks:

So real quick, when you say "year-to-date", that would be as of the time that's timestamped on the bottom left when you run the report?

Ms. Andress speaks:

That is correct.

Chairman Thaler speaks:

And is that usually current by quarter or by month?

Ms. Andress speaks:

It will be by date that the report was run.

Chairman Thaler speaks:

Any questions before we get started?

Vice Chairman Penzel speaks:

I just wanted to thank the folks in Finance because I'm sure that you spent most of your weekend doing this and I appreciate that. I know there's a lot of effort gone into this and we've changed a lot of these things. So thank you for the effort; we appreciate it.

Ms. Andress speaks:

Thank you.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Chairman Thaler speaks:

Any further comments? Commissioner Walsh?

Commissioner Walsh speaks:

Just a clarification; the second to last column on the right, 2018 Actual amount, that's Fiscal 17-18 actual through today or is it projected through the end of the Fiscal Year?

Ms. Andress speaks:

They should be actuals through the date the report was run.

Commissioner Walsh speaks:

Okay, thank you.

Chairman Thaler speaks:

And then real briefly, I think everybody's got it figured out by now; it's not necessarily in numerical order, but it is in today's order. And then you'll follow-through and we'll see March 3, or excuse me, I'm a month off, April 3 and April 4. So in the future, we'll see this in numerical order, but this is set up this way for, to make it easier so we're not going back and forth trying to find funds in departments. And just a little housekeeping, these are not very cheap to put together. In fact, I think Finance probably got every tab in the Carson Valley and Carson City, so we might want to think about consolidating some of these tabs, returning them to Finance so that they can reissue them as we work through the next budget period. Okay, so I think will turn it over to Ms. Thompson, Airport Fund. Yes and just in case anybody wants to follow along with us, if you can't see what's up there, I think there's one or two copies out on the table outside, please return them, and if I'm not mistaken as well, there should be a PDF file, very large PDF file online, so anybody watching from the video feed could access that PDF. Ms. Thompson?

Bobbie Thompson, Airport Manager, presented the following regarding the Airport Fund:

- Budget
- Programs
- Supplemental Requests
- Capital Improvement Projects

To view Ms. Thompson's complete presentation, please see the Board Packet and the Supplemental Materials.

Ms. Thompson speaks:

Good morning, Bobbie Thompson, Manager of the great Minden-Tahoe Airport; as we start to go through the Airport Budget, some things may look off but you'll have to remember that our budget is greatly dependent upon federal grants, so you'll see that fluctuation. I'll be happy, of course, to answer any questions. So what you have here is the basic budget as adopted so far with the 17-18 numbers compared to the 18-19 tentative ones with the change. And the change you see there is exactly what I just mentioned, has to do with we're

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

doing fewer projects this year, so there's a slight difference with the grants that will be applied for the year.

Vice Chairman Penzel speaks:

This is an administrative kind of thing; if the slide is going to be different than what we have on, that was sent in the background data, I would appreciate knowing that. Like this slide Ms. Thompson had before is different than the one I have on, that they sent us on the background.

Chairman Thaler speaks:

So, I'm gonna take a stab at this as to rely on your Budget workshop, worksheet report because this is the most current. Anything that department heads or elected officials provide what they show up there, and again, they should be able to point that out but there may be difference but I would tell everybody just refer to the budget worksheet report if you want specific numbers.

Ms. Thompson speaks:

And we will, of course, be going into details there. I wanted to just slightly touch on some of the Programs Categories that we're mostly involved with. Here's the categories that we have, which are: Promoting/Community Relations, we have Maintenance for Land and Maintenance for Air. Air is not actually air; it's runways and taxiways; it's things that lead to air. And then of course, a big part of our responsibility has to do with the almost 200 land leases that we have at the airport, the hanger, there are 78 hangers that are owned by the County that we manage and of course, the tie-down. Then Airport Administration, which is all the paperwork side of things and the General Management and Marketing of the airport and then the Capital Projects, which come from federal grants and then in the last few years, we've also received a small state grant as well. And if you remember, earlier this year, we talked the Capital Improvement Projects for this year, those are the three projects we'll be working on and then we also, you will see in the budget line items, we have some carryovers from last year. We were simply waiting on whether to get better and they are underway as we speak. So if we have no questions on that so far, I'd be happy to go into some more information.

Chairman Thaler speaks:

Questions from the Board? Can you go back to your first slide, please Ms. Thompson? Thank you. Can you walk through your revenues real quick? You have your Intergovernmental, which is a fairly small amount and then Charges and Interest and miscellaneous and I guess somewhere in there is probably revenue from the Air Show, I guess.

Ms. Thompson speaks:

Yes that's actually covered in the Miscellaneous; that's in the Miscellaneous item.

Chairman Thaler speaks:

So the Air Show brought in \$1 million?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Thompson speaks:

No, there's several other items in there.

Commissioner Thaler speaks:

That's what I was hoping and get drawn out. So if you could walk through that real quick. I'm not looking for exact numbers but just what that Miscellaneous covers.

Ms. Thompson speaks:

So included in Miscellaneous are Special Events which would be the Air Show and if we remember, we also do a number of things for children there as well. It includes any Finance Charges that we've received, finance charges on credit cards and so forth, because some of the tenants pay by credit cards and as you know, the County does charge a fee for that. Then Reimbursements, our Rent and Lease income, which is a big item; that's over \$250,000 each year and then Building Rental Income, which comes from the hangers and the buildings that the County owns that we rent out. And then the Land Lease would be the last one in the Miscellaneous column.

Chairman Thaler speaks:

Thank you. Any further questions? You do on your on your computer. So, the answer would be yes.

Ms. Thompson speaks:

If you look at your budget worksheet that starts at the bottom of page 1 and continues the top of page 2. This is Miscellaneous revenue which starts with Special Events.

Vice Chairman Penzel speaks:

While they're doing that and finding that sheet, I noticed that on expenses you have Runway Maintenance as a separate account but you also showed Projects for \$300,000 for Runway Maintenance. And so my question is why would you have two accounts for Runway Maintenance?

Ms. Thompson speaks:

One is where we have grant money and we also received money from the State, as I mentioned. The other is actually maintenance that we take care of ourself; striping and that sort of thing.

Vice Chairman Penzel speaks:

And that accounts for the small number, \$2000? Okay, thank you.

Chairman Thaler speaks:

Further questions? Last but not least, Bobbie, on your expenditure side, obviously there's a little category called Work Designated and what plans do you have for us, for that?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Thompson speaks:

I'll let Kathy explained that one because I've never quite understood it.

Kathy Kaiser, Senior Budget Analyst, speaks:

Thanks, Kathy Kaiser, Senior Budget Analyst; Board Designated is basically for any unanticipated projects that we've used for in the past. So if there is any needs that came up or any unanticipated projects that would come up, those would be brought forward to the Board as needed. We are no longer using that line item anymore; basically, the State treats it as reserve so that's removing that money now to unanticipated projects. So any projects, usually for the airport that's for grant match, so we'll set that money there because she usually has a 6.75 as match on all of her projects, so we'll put those in unanticipated, not knowing exactly what that amount will be, but we'll do an estimate and put it there.

Commissioner Penzel speaks:

Well, I think last year, didn't we put money there for the Air Show, because you couldn't get, you had to pay something upfront?

Ms. Thompson speaks:

\$15,000.

Chairman Thaler speaks:

And again you have \$10,000 going into promotional this year?

Ms. Thompson speaks:

Yes.

Chairman Thaler speaks:

Okay. Any further questions? Seeing none...

Ms. Thompson speaks:

I had one other thing that doesn't show in our budget that, I guess I want to brag a little. You know, I'm always happy, as I like to tell you, that we don't come to you for money; that we like to be self-sustaining as we have been. But one number that I got from the Assessor's office this morning, I was wanting to know what we were actually contributing to the County, because most of our funds, as you know, were tied up because of federal obligations, so they have to be used in improvement of the airport and maintenance of the airport. And several years ago when the PALS, the Parks, Airport, Library and Seniors account was created for the County, airports were in there, but just almost 7 years ago now, we opted out of that program so that TOT (Transient Occupancy Tax) section of money now goes to Parks. And then the other thing that we have, in checking this morning, over a three year period, our contribution in this most recent taxing cycle was almost \$600,000 back to the County from building improvements and the aircraft that are based on the airport. And with

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

all the applications we have for land on the east side of the airport as utilities are going in as we speak, which is now pushing 400,000 ft.², I look for that number to take a pretty significant jump in the future.

Chairman Thaler speaks:

Thank you and keep up the good work.

Ms. Thompson speaks:

Thank you and I wish you the best in these next very long days.

Chairman Thaler speaks:

Okay, we're going to move on to Emergency Services Fund 255, Mr. Sagen. I believe you have the floor.

Ron Sagen, Emergency Communications Director, presented the following regarding the Emergency Communications Fund:

- Budget
- Programs
- Budget Worksheet report

To view Mr. Sagen's complete presentation, please see the Board Packet and the Supplemental Materials.

Mr. Sagen speaks:

Mr. Chairman, Commissioners, good morning; Ron Sagen, Emergency Communications Director. So, we will get right into this. So, just to outline, under the revenue, the taxes, as you all understand that we are budgeted with a 4.75 cent Ad Valorem tax, property tax, for funding and also \$0.25 surcharge on landline and cellular devices. And then the remaining, to cover the remaining Services and Supplies budget, we allocate user fees to our Public Safety agencies, our Police, Fire and Medical Services in the County. You see we do have a increase in the taxes, that's good because that will offset our Charges for Services. You'll see the Charge for Services that we had a decrease there because of the offset of the tax recovery on the property tax. Again, no changes in the 911 surcharge. Interest revenue remains the same and the reserves, we did go down in the reserves for the Debt Service of the radio consoles from the Motorola radio system to pay for the Debt Services.

Chairman Thaler speaks:

Real quick, Ron, on your Charges for Services, under your revenue you said you revenue went down; you want to correct that?

Mr. Sagen speaks:

I misspoke; revenues didn't go down. The Charges for Services went down because revenue went up on the taxes for the Ad Valorem tax.

Chairman Thaler speaks:

So why wouldn't your charges be the same?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sagen speaks:

That, because of that, because of that increase was significant enough to where the charges didn't have to. So we have a balance; we didn't increase anything in Services and Supplies.

Chairman Thaler speaks:

So when taxes go up, then you try to balance everything out.

Mr. Sagen speaks:

That is correct, is a benefit to the user agency.

Chairman Thaler speaks:

And later on, are you gonna talk about that \$0.25, or no?

Mr. Sagen speaks:

Yes, I can.

Chairman Thaler speaks:

Okay, thank you.

Mr. Sagen speaks:

And we'll go on to the expenses category, the Salaries and Wages. You can see that the Salaries and Wages went down. The employee benefits went up. The Services and Supplies, that is pretty significant right there. You'll see that the 911 System Services cost went up in that Services and Supplies. The Capital Project, since the Unanticipated Projects, instead of the Board Designated fund, we're putting that money into the Unanticipated Project category. The Capital Outlay, I'm sorry, Other Financing is the transfers out for repay the interfund loan for the Motorola radio system that we purchased. And the reserves went down by \$29,000.

Vice Chairman Penzel speaks:

Ron, if I can interrupt you, Mr. Sagan, you have what I think is a fairly significant number in overtime. At what point do you say, "Okay, we need to hire another person"?

Mr. Sagen speaks:

And Mr. Chairman, if I may, I would like to, Mr. Penzel, I would like to go that into detail on that under the Programs, if I might? I'd like to explain exactly where we're at and give you an overview where the Centers at right now.

Vice Chairman Penzel speaks:

Sure.

Mr. Sagen speaks:

In the funding, under the Continuing Funding Sources for Non-registered Services, we have 20.03 FTEs (Full Time Equivalent). That's 19 FTE in the

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Communication Center itself and the Center also pays partial, a half of the System Administrator for the Spillman Application and I also have a part-time office assistant in the department.

Vice Chairman Penzel speaks:

So you get money allocated to you from other government agencies, and then you allocate money back? Is that, am I looking at that correct?

Mr. Sagen speaks:

That is correct. Under the Programs, this is where I would like to explain where we're at in the department. And you'll notice, on the 19, the 20.03 FTEs, we fund that so that we can fill positions without delay. The Center's currently down three, we have three current vacancies. I have two personnel in training, so technically the Center's down five positions. I am happy to report that we did just complete our recruitment and interview process last Monday. Out of 18 applicants, I believe I have about eight that will go on the eligibility list. I will fill one of those positions immediately, and in our world, when we say immediately, it will take six weeks to fill it. But I'm very confident that when I report back to you, hopefully, in next year, early 2019, we will be fully staffed. That's all dependent on how the training goes and if the candidates are, actually do the job well.

Vice Chairman Penzel speaks:

Mr. Chair, you know, Ron, I mean Mr. Sagen, I realize that you have a high-pressure group. They take a lot of pressure and stress. I would be interested in the year-over-year turnover rates or percentages and obviously, I think the turnover causes problems, both with staffing immediately as well as overtime, as well as morale. I think it's important to understand that, to see if there's things that we can do to make it less stressful, minus not having any calls. So I would think that would be a handy thing to know, just in management. Do you happen to know that off hand?

Mr. Sagen speaks:

Off the top of my head, sir, I do not know what the official turnover rate is. Our, and I hate to use the word failure rate because is not always failure; some candidates will come in, in fact, the majority of the candidates coming in and it's a self, "I don't want to do this." They get into the training, six weeks into it or their first serious call and they decide "Okay I don't do this any longer." And we do have a failure rate, also; it's not as high as the self getting out of it, but I do not have that number, but I certainly can get that figure for you.

Vice Chairman Penzel speaks:

Well, mostly for you because then we go from there and say, "Okay let's understand this better or where can we better assist you to do this?" Not that you're not been a good job at what you're doing right now.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sagen speaks:

And I think another point to add there as far as decreasing stress, we decrease stress by ensuring that personnel are trained. That's our key. You see that I have a pretty high training budget and I expend every cent of that training budget. Trainings, number one, we, if we don't, if we don't training this, that's one of the reasons why we purchased the protocol and why we implemented the protocols. It truly does help in the retention and the training of personnel because we're doing the same thing with the same call, always, and we have protocols to standby. So that in itself, even though the protocols can stress you out and stressed me out, it works; overall, it works. And we can prove it works because we just got reaccredited under our Medical Program this year and will be reaccrediting in our Fire Program in 2020, or excuse me, in 2021, so we're on target. We submit our numbers on a monthly basis to the international academy that does the accreditation so we are on top of that. We know when we are identifying issues and we take those as training issues. We don't take those, it is very rare to discipline an employee from using the protocols; we take those as a training opportunity and do the training; refocus all that energy on the training as opposed to discipline, to help reduce on some of that stress.

Commissioner McDermid speaks:

Thank you. In looking at your budget, you're using reserves because your revenue wasn't exactly high enough, correct?

Mr. Sagen speaks:

Correct.

Commissioner McDermid speaks:

So, what is the potential to increase your revenue?

Mr. Sagen speaks:

The only way we're gonna increase the revenue is, one, either we add more user agencies or we look at raising the 911 surcharge from the current \$0.25 charge.

Commissioner McDermid speaks:

And what is allowed by law?

Mr. Sagen speaks:

The legislature allows up to a dollar for the counties. You can charge up to a dollar on the landline and cellular devices.

Commissioner McDermid speaks

Land line and cellular? Is that a residence and commercial?

Mr. Sagen speaks:

That is correct; on the, if you're using the trunk, if a commercial is using a trunked system, a PBX type such as in casinos, is it's \$1.25 per trunk line; so,

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

the trunk line can have numerous lines and so it's not every room gets charged \$.025 cents.

Commissioner McDermid speaks:
Currently we charge only \$0.25?

Mr. Sagen speaks:
That is correct, yes ma'am.

Commissioner McDermid speaks:
And what about other jurisdictions that provide as many different agency services as this, as you all do?

Mr. Sagen speaks:
For surrounding, I can only speak for Carson City and Washoe County. Washoe County just recently increased theirs to an \$0.85 charge. However, they're also using that money, I can't speak for exactly what the 911 Center is charging or what the cost is for the 911 Center, but they increased it to \$0.85 in order to help offset the cost, also, for the body cameras. And Carson City increased theirs to the full maximum dollar amount.

Commissioner McDermid speaks:
And how many service entities, users does Carson have?

Mr. Sagen speaks:
It's just the city itself, the municipality itself. I know they do some dispatching for the Legislative Police, but I don't know to what extent and I don't even know if those are charged services.

Commissioner McDermid speaks:
So by law, how do you increase the \$0.25? What is the process?

Mr. Sagen speaks:
I would have to present that to the Board, obviously, showing exactly what, where we're at and where we would like to go. I would provide a recommendation to the Board and it would be up to the Board to decide at what rate would they like to increase the fee to cover costs or projected costs. And in my 911 services, I do not have, I am not budgeting for texts to 911. That is coming, that will have to, we will have to get on board with that. In this particular cycle, I do not know what, I still don't know what the final cost is for bringing text to 911. So again, that an unanticipated project line will really come into play when I get those figures, which I do not know when I'm going to get those right now.

Commissioner McDermid speaks:
You have an Advisory Committee, correct?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sagen speaks:
That's correct; 911 Surcharge Committee.

Commissioner McDermid speaks:
So wouldn't the Advisory Committee recommend to the Board if, in fact, you were going to, by necessity, raise the rate?

Mr. Sagen speaks:
Absolutely correct and we are going to be working on, we're opening the Master Plan right now because the new equipment is being built as we speak. We're looking at going live in mid to late June on the new Vesta product from AT&T and we will be working on the Master Plan to ensure that all the actual components are listed in the Master Plan. And at that time, we'll also be looking at what we do we need to do for, to make the system whole for funding.

Commissioner McDermid speaks:
So when do you think the text 911 will be done?

Mr. Sagen speaks:
It will be after the install and after I get final figures, so we're looking at probably in August or September implementation, all depending on what the cost is. Again, I do not know what the cost is to be.

Vice Chairman Penzel speaks:
Thank you, Mr. Chair; Ms. McDermid identified that you're operating out of the reserves to an extent. I saw the figure but I couldn't pull it up quickly. What is that deficit that you're taking out of reserves?

Mr. Sagen speaks:
\$225,598.

Vice Chairman Penzel speaks:
Okay and that does include the increase in Ad Valorem that you have?

Mr. Sagen speaks:
Correct.

Vice Chairman Penzel speaks:
And do you have projections beyond next year on the increase in Ad Valorem?

Mr. Sagen speaks:
I do not; I have worked with Finance to see where we're at with that. This is also because of the Debt Service for the Motorola radio system.

Vice Chairman Penzel speaks:
So it's not just the 911. And the other question is you have, it appears to be, a fairly large reserve going down but is there a certain number, percentage wise,

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

8.3% of your operating budget should be in reserves, is that part of, our policy is to do that. Is that maintained in this particular area?

Kathy Kaiser, Senior Budget Analyst, speaks:

8.3% is budgeted for Ending Fund Balance and anything from 1.5 to 3% is budgeted for Contingency.

Vice Chairman Penzel speaks:

What do you have for Contingency?

Chairman Thaler speaks:

Go to that third page, you can pull that up, so that'd be page three of four, shows a contingency of about \$70,000.

Ms. Kaiser speaks:

That's correct, it's \$70,047.

Vice Chairman Penzel speaks:

Between the increase in Ad Valorem and the contingency, you should have about \$140,000-150,000 additional funding available in the next budget year, is that correct?

Mr. Sagen speaks:

Correct.

Vice Chairman Penzel speaks:

And/or this year, you should have at least \$70,000, if that text cost is...

Mr. Sagen speaks:

Correct.

Commissioner Walsh speaks:

I don't have that in my packet; I have this, which is just a little bit different than that...

Ms. Kaiser speaks:

That I'd have to look into.

Commissioner Walsh speaks:

Those online shows reserves of ...

Ms. Kaiser speaks:

Kathy Kaiser, Senior Budget Analyst, we did make some corrections on that and this could be it. Some of the formulas weren't carrying over so that maybe the difference but I can definitely get back to you and see if that was the cause.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Commissioner Walsh speaks:

Ok, you might've seen me fumbling around here because I don't have that. Sorry.

Chairman Thaler speaks:

Just so you know, the version here's different than what's up there so that's, and that's why I am trying to get people to pay, what we're gonna see up there is gonna be different than what the budget workshop is but focus on the budget workshop. There are going to be times when they are going to differ. It's good to point that out so that we can flush that out. Commissioner McDermid?

Commissioner McDermid speaks:

2019, you would be fully staffed?

Mr. Sagen speaks:

Yes, ma'am; that is the goal of the department.

Commissioner McDermid speaks:

So here you've got full-time equivalents of 20; does that include the full staffing?

Mr. Sagen speaks:

Yes, ma'am; that's the full authorized staff.

Commissioner McDermid speaks:

So then, you're, the different, so you've already got your Salaries, Wages and Benefits figured in for the new employees?

Mr. Sagen speaks:

That is correct.

Commissioner McDermid speaks:

But you have, you have not requested any additional funding, supplemental. The only way you really could, which is through the \$0.25 going upward, until you know about the text 911 and until you know about the equipment that's being installed. Is that correct?

Mr. Sagen speaks:

That is correct.

Commissioner McDermid speaks:

So would you then come back and augment your budget based on the numbers and recommend how much more than \$0.25 should be charged?

Mr. Sagen speaks:

Well, that's exactly what's going to have to happen, once we get those final figures and the AT&T system is really the hinging point there. Once I get those final figures then, yes, that's exactly what I'm going to have to do.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Commissioner McDermid speaks:

Because, there, I understand until you know, you don't know what to request, but that's a real reason a lot of times for budget augmentations is because you're going to have to augment in order to cover the cost for those, for that equipment and that text 911.

Mr. Sagen speaks:

Correct.

Commissioner McDermid speaks:

Okay, thank you.

Chairman Thaler speaks:

So maybe I missed it but I noticed you transferred out about \$65,000; where's that go?

I'm on page three of four.

Mr. Sagen speaks:

So that is the transfer out for the \$390,000, is that where we're at?

Chairman Thaler speaks:

Well, that's what it was but I'm, you're requesting a smaller transfer out of just \$65,267. What would that be?

Mr. Sagen speaks:

And that is for the loan on the radio system as well. That is the principal and interest. Thank you.

Chairman Thaler speaks:

So that's not the total amount, that's just what you're transferring out of your department?

Mr. Sagen speaks:

Correct.

Chairman Thaler speaks:

Okay. And then did you say, so under the, go back up to revenues; your Charges for Services, that's a flat fee that you charge everybody, but you could raise that if you wanted to, through contract?

Mr. Sagen speaks:

Technically, that is correct. Yes, technically, we could. We do have a formula that we use that is based on use, 60% of that is personnel and 40% of that is actual use of the system, meaning calls for service is how we calculate that.

Chairman Thaler speaks:

But if your expenses go up, you could raise that contracted amount, correct?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sagen speaks:
Correct.

Mr. Sagen speaks:
And I guess the reason I'm going there is you chose to lower it because you spoke earlier that your Ad Valorem taxes went up, and I get you, that what went up you took down so that you wouldn't have to go back to and who would, it would be East Fork?

Mr. Sagen speaks:
East Fork, Tahoe-Douglas, Washoe Tribal Police Department, Douglas County Sheriff's office, which is the General Fund, it comes under the Sheriff's office, but it's for Animal Control, everything in the County, and Tahoe Fire, and Alpine County Services.

Chairman Thaler speaks:
So it's almost like a rate stabilization?

Mr. Sagen speaks:
Exactly.

Chairman Thaler speaks:
But, and I'll leave it up to you and your board to make that difference between raising that \$0.25 fee or raising user fees, I imagine all those are options, correct?

Mr. Sagen speaks:
That is correct.

Commissioner McDermid speaks:
Any commitment might require a combination of that.

Vice Chairman Penzel speaks:
In the 625-105 account, you have equipment reserve; if I'm reading this correctly, for the budget year coming up. You have \$139,930 and that, can that also be used for the text change.

Mr. Sagen speaks:
Yes sir, it can.

Vice Chairman Penzel speaks:
So then you have more money available than what I was originally computing.

Mr. Sagen speaks:
It is my understanding that if we, for example, if we implement the text 911, it's my understanding that they could not expend from the reserve until the next Fiscal Year. So that's why I was putting this money in the unanticipated.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Vice Chairman Penzel speaks:
This is the next...

Mr. Sagen speaks:
But it won't go into effect until the 18-19 Fiscal Year.

Vice Chairman Penzel speaks:
Right and that's what I was quoting, \$139,000, 18-19.

Mr. Sagen speaks:
Right, so yes, it could be used.

Chairman Thaler speaks:
We got that all right? We're all good? So continue on.

Mr. Sagen speaks:
So, shall we move to the budget worksheet report? So, if it's okay with the Board. I would like to just point out also, the revenue from the, under the Charges for Services, you'll see that in the previous years, the line items for each of the agencies that we serve is not showing the cost of what they were charged. This year we changed that to ensure that we're reflecting exactly what the agencies are paying, so we can do that year after year now and every agency has paid 100% for the Fiscal Year. Just to outline that so we're exactly showing what they're paying.

Vice Chairman Penzel speaks:
So the far right column with all information? Good to have the information.

Commissioner McDermid speaks:
I'm assuming the first one, 911 Service Internal Users, that includes the County, all of the County, the Sherriff, Animal Control, everyone?

Mr. Sagen speaks:
That is correct and you'll see in the previous years that number up in the 906 is because all the agencies were listed under that internal and they shouldn't. That's why we had, we split those out, so individual,

Vice Chairman Penzel speaks:
So is it additive at least to that point, so you could show for your revenue up to that point \$2,400,000? So if you took that Ad Valorem lines and you took the 911 down to the 911 surcharge and added them all together, that would be your gross revenue, is that correct?

Mr. Sagen speaks:
That's correct. And just to point out, under the miscellaneous you'll see the revenue there; we do have approved by the Board of County Commissioners a fee structure for documentation requests for outside attorneys and so forth. So

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

it's a minimal amount but it's a fee structure to recover the cost of producing those documentation tape requests.

Vice Chairman Penzel speaks:

So you could raise that?

Chairman Thaler speaks:

Potential... so I think the hardest part, Mr. Sagan, is so much stuff that's out there and trying to figure out what to put in the next year's budget. Obviously, this is the first look we have at the budget. I'm not sure if you'll have all this finished by May; that's what we have to turn our final in. So I get, its, you got a lot of lot of moving parts out there so but for us, it's kinda looking at this and trying to be as conservative as we can. But you have the future to look at. So, a lot of good questions up here about different sources, reserves, contingency and all that stuff. So, it's kind of like trying to figure out what's gonna break on your car next year and plan for it.

Mr. Sagen speaks:

Under the expenditure columns and I don't know if you have specific questions or, I'm not sure how, Mr. Chairman, how you like me to present this or do you want to call out items?

Chairman Thaler speaks:

Just walk through whatever you please and if that generates any questions, we're pretty good at doing that.

Vice Chairman Penzel speaks:

I would think take the highlights that fall within, you know, they're not normal to other agencies.

Mr. Sagen speaks:

Perfect. One thing to point out here is the overtime. You see, even though that is not an outrageous amount, my supervisors are covering a huge amount of that overtime costs, which is also a detriment to the Center because if the supervisors covering the position, they're not supervising. They do their best in supervising while they're covering but it's taking its toll. So we are able to maintain or keep that cost down by doing that specific item. On page 2, to point out under the Vehicle Maintenance, you'll see I budget \$2,000 for the Mobile Communication Center which is called Comm 1, you'll see a huge amount. There was an unanticipated car breakdown, it broke down on us on Highway 395 and it was an \$8,000 repair plus \$2,000 in tire replacements for that vehicle. That's why that stands out like a sore thumb there. And some of these items were charged against the line item by mistake, or just added the charge out of the line item by mistake. There's areas where certain things out that was charged against it should come out of a different line item. For example, our Xerox rent. You see it, there is an increase that was the computer lease increase for our copy machine; that was anticipated, but think that charged out of the rents and leases. We had two other items charged against that, that should've went to a different account.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Vice Chairman Penzel speaks:

It would be helpful if you could give me a number, either the budget number or the account number.

Mr. Sagen speaks:

I apologize; the line item number there was 520.136. The next notable one, here's 520.170, Memberships; we do not have \$5,000 worth of memberships. Again, items were billed against that line item incorrectly.

Vice Chairman Penzel speaks:

Okay. What about the software?

Mr. Sagen speaks:

533.802?

Commissioner Walsh speaks:

Could we go in order? How about 521.500, Admin & Overhead? That's \$40,000.

Chairman Thaler speaks:

That's your cost allocation and just so everybody, that Admin & Overhead. That's that Cost Allocation Recovery program. So if you remember, on every budget we've seen so far, those numbers have gone up because we're collecting what, 20% more now than before. So, this was a big year so that's why most of these categories are gonna go up.

Vice Chairman Penzel speaks:

I was just gonna piggy back on what Commissioner Walsh was talking about. Cost allocation is becoming a bigger and bigger issue and it would seem to me that there should be an account that you charged out the expense to the charge it to cost allocation, so we can easily track it. There is nothing that says that in Admin & Overhead, you couldn't have some actual Admin or Overhead costs. Am I making sense and asking for that account?

Chairman Thaler speaks:

But that would just be your cost allocation so that creates that Admin & Overhead.

Commissioner McDermid speaks:

So why not call it cost allocation? I mean, we do it for Towns and different entities. So why would you do within the County departments? Why wouldn't you call it out as cost allocation if every penny of it is cost allocation?

Ms. Kaiser speaks:

Kathy Kaiser, Senior Budget Analyst, I think historically, it's always been called Admin & Overhead just for that purpose. No other departments really typically

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

use that; they do know is an internal line item for Finance to use, so we can definitely look at maybe changing if we need to. But I think most departments know that it's typically for cost allocation.

Commissioner McDermid speaks:

Well we know it now but I'm just suggesting that when you see it go up like that, you think, "Oh, what's going on within the department?" Well, it's really not within the department. It's coming from the County assessing the department cost allocation. So that's how I think makes more sense.

Ms. Kaiser speaks:

And we can definitely look into that and bring it to Finance and see if we can change that for the future.

Vice Chairman Penzel speaks:

And now can we go down to 533.806 and talk about the software.

Mr. Sagen speaks:

Yes, sir, and if I could just point out really quick, on the 533.800, I just want to point out on that we had to replace the chairs, the consul chairs at the Communication Center and they were billed against Office Supplies, clearly not an office supply; should be billed in Small Equipment or Office Equipment. So, again, that was billed against the wrong line item. The software, we're on 806, correct? We share in the cost of the Esri product from GIS (Geographic Information Systems) so it's cost sharing. So we're a consumer of using the products and the Communication Center and CAD (Computer Aided Dispatch) system so we do share in the cost of that software. We have a tremendous amount and I do have transaction listings for that to be specific, if you're if you're interested in seeing those, we do have a tremendous amount of software that we use in the Communication Center, such as alarm monitoring, the GIS equipment, just to name a few. That comes under that particular line item there.

Vice Chairman Penzel speaks:

Is that not cost allocation?

Mr. Sagen speaks:

The GIS portion?

Vice Chairman Penzel speaks:

Well, you're paying another agency within the County. It's a cost. How is not a cost allocation?

Mr. Sagen speaks:

That's a good point. Yes, it's allocated to me because I'm sharing into that cost and on the flipside of that coin, I don't charge any of the County departments cost for monitoring their alarm system which I will be coming to the Board, asking for, again, a fee structure for how can I charge the, how should I charge

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

the County departments for monitoring their alarms and we're in the same, it's the same situation, going back and forth.

Vice Chairman Penzel speaks:

It means in the future, probably gonna have to break down cost allocation because it's gonna become one of the greater parts.

Commissioner McDermid speaks:

I totally agree, because if you're sharing in the cost for GIS they're going to be sharing in some costs that you have. But if you're monitoring the alarms throughout the County, correct? Yeah, that's, and you're not receiving any credit for that, I mean, in cost allocation or otherwise, then that's out of balance, totally out of balance. So that's something that I think should be corrected, certainly going forward, because if they were, if it was a private company that was monitoring the alarms, there would be a cost.

Mr. Sagen speaks:

Absolutely correct.

Commissioner McDermid speaks:

So I think that something needs to be addressed as soon as possible.

Chairman Thaler speaks:

Yeah, it would probably have to go in the next year's budget, if you guys remember, we have a private firm that tallies up all the cost allocation and that was presented, I think, a month ago. Those are the numbers that we agreed upon.

Vice Chairman Penzel speaks:

Apparently, they're not as good as we thought they were.

Chairman Thaler speaks:

Well, no because cost allocation can be a moving target and moving target, meaning that new stuff comes up whether it be the ADS (Advanced Data System) system that the Clerks got, whether, all sorts of stuff that comes up whether comes down from the Legislature, so that target moves and as we just pointed out here, is that Mr. Sagan pointed out, that he is not getting credit for whatever. I'm sure if we move into next year and we talk to the company that we contract with and add that into the program, cuz there's so many variables to the cost allocation program as we learned a month ago. So, because that programs already set, for us to go in there and reset that today would be resetting it with every department that brings a request in and that's why we have that company come in and set those rates, right?

Commissioner McDermid speaks:

Yes, but they should have recognized that the 911 service is monitoring all of the alarm systems throughout the County because that's critically, a critical component of security and it just blows my mind that they would not have

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

recognized that and the other thing is that, you know, instead of them paying, going for \$92,000 to \$162,000, that might change dramatically.

Vice Chairman Penzel speaks:

The other thing is, question I have is the cost of this company that comes in to do this cost allocation, is that amortized throughout all the County departments?

Chairman Thaler speaks:

Yes, we went through that a month ago when they brought the cost allocation program to us.

Vice Chairman Penzel speaks:

Their cost? Their contract?

Commissioner McDermid speaks:

Yeah, the cost of hiring them.

Larry Werner, County Manager, speaks:

Yes, it's part of Finance's budget so it gets cost allocated.

Commissioner McDermid speaks:

Is this the first time we used this particular firm?

Mr. Werner speaks:

No, I think it's fourth or fifth year maybe.

Ms. Kaiser speaks:

I think it's at six or seven.

Commissioner McDermid speaks:

So the 911 service for six or seven years has been doing the monitoring without receiving any credit for that.

Mr. Werner speaks:

That's potentially the case. Yeah, the issue is too, though, some of these things get direct costed as opposed to being cost allocated. It's a little, it differentiates between how we do that, so there may be direct costs that go to departments vs. cost allocations. We need to look at that; that may be in a more appropriate way to do that, but that's something we'd have to look for next year as well.

Commissioner McDermid speaks:

Well, I'm just saying, I think that is whether that's a direct cost or cost allocation, it needs to be addressed sooner not later and there needs to be some understanding of what that cost is, whether it's direct or however you want to do it.

Mr. Werner speaks:

We got the message.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Chairman Thaler speaks:

So any further comments, questions? Real quick, Ron, how much involvement do departments have in the cost allocation? I mean, do you have the ability to, when they're doing that program that we just got a month ago, tell them that "Hey, wait a minute! I'm not getting paid for X,O, N, Z.". And my guess is they didn't know and now they do because we just made it real public and my guess is next year, you gonna ask them, correct?

Mr. Sagen speaks:

Correct, Mr. Chairman, I'll throw myself on the sword on that a little bit because I didn't bring that up either, so I didn't, it's always been the cost of doing business and how do, and I'm gonna go a little step further, do I charge Technology Services? Do I do the cost allocation for using, they use the power in the Communication Center building? I mean how far? Some of this is the cost of doing business. How far do we go with this? So, quite honestly, the alarm monitoring I just do it.

Vice Chairman Penzel speaks:

That is the problem with cost allocation and it's a slippery slope. I started doing that in hospitals, cost center allocation cuz you always want to make sure that the Emergency Room gets reimbursed, surgery gets reimbursed because then I am a direct relation. I find it becomes insidious.

Chairman Thaler speaks:

Anybody else? Ms. McDermid?

Commissioner McDermid speaks:

I just think when you see your cost allocation going up that much and yet you always done the alarm monitoring, and as far as the charge IT (Information Technology) for using your power, I don't know how you would do that, but my point is, you do know that if, I don't know, give me some entity that you monitor their alarm, County Managers? So there's a cost to that and if we were to go out to the private sector we have to pay that cost. So if our 911 department is doing that and their cost allocation is going up dramatically, it seems that needs to be looked at.

Chairman Thaler speaks:

So, maybe what we do next year when the cost allocation program comes back to us. we can all make those little notes and remember them next year but I agree with Commissioner Penzel and to some extent you can cost allocate the heck out of everything and so where yours might go down, someone else's going to go up and where those persons are gonna go up and those persons are going to go down. We, I think as a Board, are gonna have to make a decision on exactly what we want to cost allocate or not. My guess is, the more we add to that list is the more that's gonna cost us. So no fault of yours, Mr. Sagen, I will tell you, you didn't need to fall on the sword for that. I don't think that was our intention because, I mean, there's just some things that we all do. It's the cost of doing business. The fear for me would be we get to cost allocating every

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

penny and I think, like the Chairman said, we would be just like the hospitals, you pass out and aspirin and who pays for that aspirin. And I don't know that we want to go there, but we certainly can look at it as we address our cost allocation program again next year. That's why it's always done before we start doing budget. Anything else?

Mr. Sagen speaks:
No, I'm open for questions.

Chairman Thaler speaks:
Further questions?

Vice Chairman Penzel speaks:
Actually, Mr. Sagen, you should be complemented because you brought up these questions and we need to discuss them and get some direction or give some direction so everybody's on the same playing field and I think it does level the playing field throughout the County. And that's one purpose behind this whole thing. So, thank you for doing it; you didn't fall on your sword. Thank God, that would hurt.

Chairman Thaler speaks:
Thank you, Mr. Sagan. It looks like will move to, is Cooperative Extension here?

Mr. Werner speaks:
Chairman, I just got an email saying that Steve Lewis is stuck in the Sacramento airport.

Chairman Thaler speaks:
So let's go ahead and move Cooperative Extension to later on in the day and maybe have Karen come up and do Assessor? I'm sorry, I just wanted to put that instant moment of panic. Doug, Mr. Sonneman, you don't want to Karen to do your budget for you?

Vice Chairman Penzel speaks:
Is somebody recommending to combine the Assessor and Recorder?

Chairman Thaler speaks:
The floor is yours, sir.

Doug Sonneman, Assessor, presented the following regarding the Assessor's office:

- Budget
- Programs
- Supplemental Presentation

To view Mr. Sonneman's complete presentation, please see the Board Packet and the Supplemental Materials.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Doug Sonneman speaks:

The first item on the fees is the Assessor Tech fees. This really isn't a change. This 58,000 is still going to remain constant, it's just really not a budget item for my budget. That 58,000 goes into the Assessor Tech Fund; that Fund is being used to replace the computer system that we're required replace for the Clerk/Treasurer, principally, and the Assessor's office and that one will be dealt with in this budget process as far as expense. Part of the expense will be met by the Assessors Tech Fund.

Chairman Thaler speaks:

So help me out again, so I see it as a revenue in this year's budget, but it's not a revenue in next year's budget.

Mr. Sonneman speaks:

It's an ongoing revenue, it's just not part of my budget.

Chairman Thaler speaks:

So where would we see it as revenue then?

Mr. Sonneman speaks:

Don't know, I'm not a budget guy.

Kathy Kaiser speaks:

Kathy Kaiser, Senior Budget Analyst, I believe this is a restricted revenue. We normally do not budget for restricted revenues.

Chairman Thaler speaks:

How would it be a restricted revenue? Okay.

Mr. Sonneman speaks:

As you look at the, and I'll get a little bit into the staffing, because of a retirement, a restructure or a slight reassignment, we're actually down slightly, on not only in our Personnel costs but in our Service and Supplies costs. Basically, for all intents and purposes, they're about the same but on the bright side, they're actually down a hair. The next two pages kind of detail as far as our principal functions; Property Appraisal, Land Improvements and Personal Property. That's where the money is generated for your budget. It, kind of a continuum, the documents are recorded in the Recorder's office. We process those documents we look at new construction; that goes into the valuation process and that valuation then goes on to the Treasurer's office and it gets billed out, which is significant fund generator. If we could go to...

Commissioner McDermid speaks:

When I see the Property Appraisal etc. improvement, when a single-family home or condo or whatever, goes through Douglas, this is in the Tahoe Township, goes through Douglas County Community Development and gets a permit to be a Vacation Home Rental, does that change how that property is assessed?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sonneman speaks:
It does not.

Commissioner McDermid speaks:
Why?

Mr. Sonneman speaks:
It doesn't change the replacement cost new less depreciation of the property and it doesn't seem to have an effect on the land value. That would be more of a land value issue; does that generate a higher land value for a rental type property than would a regular single-family residence and at this point, the evidence points that it does not.

Commissioner McDermid speaks:
So, what, so, because the, so it doesn't change it from residential to commercial, even though a Special Use Permit is required because the land use and zoning is for residential and you are now a commercial enterprise.

Mr. Sonneman speaks:
Commercial actually would be valued lower. Commercial is probably the weak link in Douglas County and so there's a lot of commercial property out there that is still recovering where the residential has done better.

Commissioner McDermid speaks:
Okay. Do you think as we see an increase in Vacation Home Rentals, do you anticipate that there could be a different category for that?

Mr. Sonneman speaks:
I do not. If they show up in the market, because what we have to do is we have to value based on market conditions, if it shows up in the market, we would certainly reflect that.

Chairman Thaler speaks:
So, just for some housekeeping, so General Fund is one big General Fund. So he's part of the General Fund, so you won't see an offsetting revenue right here in this tab but you'll see it in the material on the computer and also we have a last-minute pass out that you guys can refer to, which was interesting. Thank you, Mr. Sonneman for putting that together. I don't think it surprised anybody that and this is based upon your assessments that the median sales price for a home here in Douglas County is 375 and then the average is 499?

Mr. Sonneman speaks:
If you don't mind, I'll go through that. Just to start with, as far as positions, part of the reason for the slight decrease in the cost is we had our Chief Deputy Assessor or Appraiser, sorry, retire. That was certainly cost savings. We promoted from within the department two positions to give them opportunities and the one, what was an Appraiser is now an Appraiser Trainee; that has been a savings and then you also have a further savings next year with my

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

retirement and then again a movement within the office. This is Sales of New Homes in the Same Year as Built; this is kind your brand-new construction statistic, so this really isn't exactly a budget item but it does end up reflected in the budget because new construction comes in as new value, which is outside any of the caps. See you can see in the 2010, 2011 calendar years, there was very few new construction, "spec homes" were almost unheard of and you're seeing a lot more activity now. In 2017, we had 91; still not a lot of new construction. New construction full houses at the Lake, there has been very few, so most of those obviously, would be for the Valley.

Chairman Thaler speaks:

And those 91, you got that information from Community Development or did you develop that yourself?

Mr. Sonneman speaks:

That's our records.

Chairman Thaler speaks:

Did you match that up to Community Development?

Mr. Sonneman speaks:

No, those are new ones that we've assessed onto the tax rolls. So it is what it is. So these are...

Chairman Thaler speaks:

Hang on one second, got a question for you. Mr. Nelson?

Commissioner Nelson speaks:

Doug, I just wanted to make one thing clear. If a person is living in the house, personal residence is a 3% cap. If they change it to an income property, that then would become an 8% cap. So we would see an increase that way, right?

Mr. Sonneman speaks:

You are correct. We have taken those to the Nevada Tax Commission for a determinate ruling that if you rent your properties, they have backed that status up that if you rent the properties out, it does not qualify as owner-occupied. The next one is Annual Sales of Single-Family Residences for the total County. You can see the boom years, the slower years and we're picking back up again, as have the values. We're still not to the values at the peak in the 2006-2007 years, but it has done a significant increase and a lot of those people that were underwater for a while have come back and are now, fortunately for them, no longer underwater and not suffering like they had in the past.

Vice Chairman Penzel speaks:

Thank you, Mr. Sonneman, this is your swansong, I take it, but feel free to come back here and do the same thing. I just don't want you to feel like we're excluding you. I have a question concerning a property at the Lake commonly referred to as the Hilfiger Estate; has that sold?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sonneman speaks:

It sold couple years ago, \$48 million. The one across the street is for sale right now, \$59 million or something like that.

Vice Chairman Penzel speaks:

And what is the real estate transfer tax on those properties?

Mr. Sonneman speaks:

I'm not the Recorder.

Vice Chairman Penzel speaks:

I'll save that for the Recorder but that goes into, that goes to the State because that's part of our C tax calculations, as I understand it, is that correct? You wouldn't know, so I'll ask the Recorder. I don't mean that as a derogatory comment but it's not your area of expertise.

Chairman Thaler speaks:

Any other questions you want to ask him that he doesn't know? If not, continue on.

Mr. Sonneman speaks:

And then this kind of reflects into your budget. When I started in Fiscal 2002/03, the Total Assessed Value for Douglas County was \$1.7 billion. The best year topped out about \$3.6 billion in the middle of the Great Recession. It went down to \$2.6 billion, and this coming year for 18-19, it's \$3.1 billion. You can see the breakdown by Vacant Land, Residential, Tourist/Commercial, Commercial/Industrial, Agriculture, and Other. Other includes Personal Property, Centrally Assessed, which are your Utilities. On the change from the previous year, 18/19 over 17/18, is about 2% and our 10 year running average which goes into the formulation as far as the tax cap is at -1.07% and that's coming back. So given that one's low, the CPI (Consumer Price Index) is at 2.1%. The tax cap, under the 8% regimen, 3% for owner-occupied, it is 4.2% double CPI for all other properties for the 18-19 tax year.

Chairman Thaler speaks:

And then, you used to assess on a schedule every couple years; now you assess every year?

Mr. Sonneman speaks:

Yes, been that way for about 10 years. We do reappraise every property in the County every year.

Commissioner Walsh speaks:

I have a question, Doug. Reappraisal is done by formula, not the actual inspection, right?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sonneman speaks:

New construction is done on actual inspection. We employ the aeriels that GIS (Geographic Information Systems) comes up with the aeriels; we look at changes in properties to try to determine any kind of new value to the roll. We go out, we look at those. We look at anything that the building permit had done each year to come up with that on the improvement side and on the land side, we look at the values of each property countywide based on market sales, particularly bare land sales.

Commissioner Walsh speaks:

Thank you, and these slides, this presentation are very helpful. Thank you.

Vice Chairman Penzel speaks:

On the expense side of the budget, are we going there now? Okay, just out of curiosity, we've had set Salaries and Wages and then we've had benefits; you seem to have broken the benefits out into two separate things because you've got Employment Benefits beyond sick leave, Holiday, Vacation, Vacation Payouts, Salaries Other; I don't know what Salaries Other would be. It would seem to me that in breaking out the benefits, you have group insurance \$89,000; is that the insurance that everybody's paying into? Why did this get broken out so much further instead of just Salaries, Wages, and then a Benefits account, two accounts. We've accepted what the benefits are, we have to approve those also.

Ms. Kaiser speaks:

Kathy Kaiser, Senior Budget Analyst, for the benefits, I'm not sure if I was following correctly...

Vice Chairman Penzel speaks:

This is the first one we seen where we have Salaries and Wages and then we have the benefits all broken out.

Ms. Kaiser speaks:

For vacations and things like that?

Vice Chairman Penzel speaks:

And Retirement, Worker's Comp, Group Insurance, Unemployment, Medicare. Normally it's just Benefits.

Ms. Kaiser speaks:

It is budgeted normally under Salaries and Wages. But then the actuals will be separated when Payroll does their two week process, that is separated out by the Vacation Payout but normally in the budget process, all of that is usually grouped together under Salaries and Wages and then the actuals will be different.

Chairman Thaler speaks:

So it's usually an unknown with your budgeting, it becomes a reality when, for instance, we're six months, seven months, eight months now, so those

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

numbers that you're seeing there, they can actually record what those eight months of history is but when you're budgeting, you don't know how much sick time, vacation time, all that stuff. It's kind of an unknown but now that you're seeing actuals now.

Ms. Kaiser speaks:
That's correct.

Vice Chairman Penzel speaks:
So, if I go back up here to the last one that we had, 911; it says Salaries, Wages and Benefits. No breakdown on it. My question is why are we now breaking it down, Salaries and Wages, Benefits.

Chairman Thaler speaks:
If you look, what if...

Vice Chairman Penzel speaks:
I mean, we have no...

Ms. Kaiser speaks:
Are you looking at between actuals and budget?

Chairman Thaler speaks:
Maybe to help out, direct Ms. Kaiser to where you're looking. So which column...

Vice Chairman Penzel speaks:
I am asking, the others that we've looked at have Salaries and Wages and then Benefits; just those two categories. Lumps all of those things into that; why are we breaking these out for the General Fund?

Ms. Kaiser speaks:
It is broken out for the actual expense, but is not broken out for budget, so typically we budget full Salaries and Benefits, full salaries actually in the Salaries and Wages and then when the actual expense occurs on the actual column, it is broken out per whatever sick time they use, whatever holiday time was used, then it's broken out individually because we do not know that information beforehand. So the total Salaries and Wages would coincide with the actual at the very bottom line.

Chairman Thaler speaks:
Work in progress; so any other questions in regards to the budget worksheet report? Commissioner McDermid?

Commissioner McDermid speaks:
521.100 Professional Services; what is Professional Services?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Sonneman speaks:

Doug Sonneman; it's our computer costs for the ADS (Advanced Data Systems) program, mostly its program costs, our Apex drawing program, anything basically computer related that we pay for.

Commissioner McDermid speaks:

Has a program been selected by the Assessor's/Clerk-Treasurers to replace ADS?

Mr. Sonneman speaks:

You did.

Commissioner McDermid speaks:

Yes, we did but when does that go in?

Mr. Sonneman speaks:

ADS goes out of business the end of next year, end of 2019. So it will be probably late, probably into 2019 that the actual, that the final implementation will be in place no later than December 31 of 2019, but it would more than likely be earlier than that. Hopefully, it would be in place for the start of the 19-20 budget.

Chairman Thaler speaks:

Any further questions? Thank you Mr. Sonneman. Now, we'll move to the Clerk/Treasurer. We lost her but I'm guessing... let's take a break then. She wants a break, we'll take a break. We're going to take a break; let's see everybody back here at 1:10pm.

Chairman Thaler speaks:

I'll bring this meeting back to order; moving right along, we're gonna move down to the Douglas County Clerk-Treasurer; Ms. Lewis.

Kathy Lewis, Clerk-Treasurer, presented the following regarding the Clerk/Treasurer's office:

- Organization Chart
- What we do
- Statistics-Clerk
- Statistics-Treasurer
- Accomplishments
- Goals for Future Projects
- Budget
- Budget Worksheet
- Programs
- Supplemental Presentation

To view Ms. Lewis' complete presentation, please see the Board Packet and the Supplemental Materials.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Kathy Lewis speaks:

Thank you, Kathy Lewis, Clerk- Treasurer for the record; I do have and will be speaking from this presentation from the handout that I gave you guys. So the first part of this...

Chairman Thaler speaks:

Is that different than what we're looking at online?

Ms. Lewis speaks:

The only thing that's different is in the back, the budget numbers were not included online. So the first part of it is not different; it's just that the budget numbers were not included. That's what's in there and that was my fault. When I put it together, I didn't put those budget numbers in there for that. I'll go through this quickly, because I know the focus is you want to look at the line items and talk about it. So just really quickly about our office organization chart, this is the reorganization on that you guys approved a couple weeks ago and we looked at that just couple weeks ago. What our office does; we have three distinct offices in the Clerk-Treasurers office; we have the Valley Clerk's office and that does a lot of the clerking functions, voter registration, elections, passports, the clerking function that Miguel is in is in this office. The Treasurer's office down here in the Valley and then we have a satellite office, Lake office, that does everything that they can in the Valley plus the DMV (Department of Motor Vehicle) transactions, vehicle registration and they are also open Saturdays for Marriage License. The statistics for the Clerks side, Dog Licenses is pretty consistent. We are a front counter for Animal Control, we will issue dog licenses from our counter so people can come to our counter vs. going out to Animal Control if they want. Fictitious Firm Filing, still pretty consistent; it is a five-year filing when they do it, so I'm curious to see these, if we see a trend in the fifth year or if there's a year that's higher that goes back down, but pretty consistent. Same thing with, actually marriage licenses are going down a little bit. The interesting thing to me is you'll see marriage licenses are trending down on but our passports are trending up significantly, so people are traveling but not necessarily to get married. And so this is our, you can see from in 2017-18 through February, we're almost at the same level as we were for 14-15. We are just doing tons of passports in our office. Going back a slide, DMV transactions, this is, we contract with the State to provide DMV services and those are done at the Lake. A portion of the fees that we collect do stay with the County but that is on the DMV transactions. In the Treasurer's office, we collected over \$72 million in property taxes last year; that is Countywide, so we collect property taxes for everybody, all the GIDs (General Improvement Districts), the School District, the Fire Districts and the Towns and us, and then we distribute once a month what we collect to everybody. And then also, we just had a tax sale last Wednesday and we collected about \$360,000 from that tax sale. I will have the results of that tax sale at your next Board member meeting for that. I'm very excited, I say when I first started three years ago, we had properties that had taxes due back to 1984. So we're bringing into this century and keep them, keep working on those collection efforts. Accomplishments that we did this past year is we replaced our Cash Receiving System, very exciting, better reports, better controls, better

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

transparency; love it all. Implemented Automated Name Change on the application for a marriage. The Legislature changed that the way we issue a marriage license and that both applicants can choose if they want on their marriage license, the name they want to go by after they're married, and they can use that information with the Social Security and DMV. That was a pretty big change in our marriage license application that went into effect at the beginning of this calendar year. We updated our investment program. We very actively participated in the 2017 Legislative cycle with great results, not only election bills but also funding for our election equipment. We created the CMaRT team, which I might, I really like; it's a team that now clerks your meetings and make sure that we're following everything that we're supposed to in our office, instead of one person, that helps spread the coverage, but also working as a team for that. Purchased new election equipment, put in a plug if anybody wants come next Wednesday to our Open House from 6 to 8pm in this room, we'll be demo-ing our new election equipment and the reorganization. So going forward, we're, the election, well, early voting starts in less than 70 days from now for Primary Election so we're working on the election, the Primary and the General Election. We're working on implementing the new Property Tax system, the Assessor talked about that. Utility Auto Pay is one of our things that we want to look at and get that going. Review the credit card processing; I know there's been discussion through the budget hearings about that. We do want to see, want to get a vendor that works best with our cash receiving system so we need to look at that. And a big thing is trying to train our employees, get some kind of training, not like the Sheriff's office; we don't need to go places, but we can bring training in for basic Word and stuff like that, so looking to provide that for our staff. And we do need to plan for the replacement of the Fictitious Firm Filing system that is on the AS/400, so, shouldn't be too big of a project but we do need to plan for that. This is the part that was not in your packet; this is the new information, it is the budget. Revenues that flow through our office that we collect is taxes, penalties and interest; that I kept the same. I always think the most interesting thing, and I've said it since I worked here in Douglas County, is we have a high collection rate. So by the end of the Fiscal Year, we collected 92% of the taxes that were assessed for that year, but in the downtimes in the economy, the taxes, penalties and interest went up, so people weren't able to pay their installments on time, but by the end of the year, most everybody did get their taxes paid. Marriage licenses, we saw that decrease that trend, so I projected a little lower marriage license. DMV, these are the max per our contract and we usually collect as much as we can from that contract, so that's \$80,000 there. Treasurer fees are a little amount but now I can't even think what they were, I should've written that down. So just, we're not, we don't collect very much, little like bad check fees or things like that, so not very much in the Treasurer fees, \$1700. Clerk fees, I do have an increase in there, but I do need to work with Finance for our final budget because we will have a bigger increase. The fee we can collect and keep for the County for our passports has increased \$10 per passport so I suspect that's gonna be about another \$27,000 that will come in to the General Fund on passports. So I'll work with Finance for the final budget for increasing the revenue there. Election and voter fees, I'd like to talk about this one a little bit. This is new this year per NRS 293.443 it says that

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

the expenses of the election is a charge, is a charge upon the Municipality, County, District and State. We will start in 18-19, allocating those costs to GIDs and the School District and the Towns and everything for their share of the elections. So that is something new; I haven't talked to our former Clerk-Treasurers, but I've heard that it was at one time a charge and then I'm not sure what was the reasoning for stopping that. But you'll also see that that \$48,000 and the next thing is added to my election budget and I'll explain that in just a minute too. So that's is an increase in revenue for the Election and Voter Fees. The investments...

Vice Chairman Penzel speaks:
In other words, this is another cost allocation?

Ms. Lewis speaks:
It is a charge to the entities, so its not an internal cost allocation; is a charge to the GIDs. In theory, you're right, because it is the actual cost we will be allocating.

Vice Chairman Penzel speaks:
So you would allocate costs to the Towns?

Ms. Lewis speaks:
Yes.

Vice Chairman Penzel speaks:
And the GIDs?

Ms. Lewis speaks:
Yes.

Vice Chairman Penzel speaks:
And was this noted in the cost allocation breakdown that the County paid for?

Ms. Lewis speaks:
No, because that's a more internal for the County and this is dealing with outside agencies, so this is something, and it's based on actual expenditures.

Chairman Thaler speaks:
But its it's driven by the statute?

Ms. Lewis speaks:
Definitely driven by the statute, yes; it says, you want me to read the whole statute in there? It's just real short? It is a charge is what says.

Chairman Thaler speaks:
So if you look at that, Kathy, I don't have it in front of me or maybe we can ask legal counsel, you could probably see when that was enacted. Usually the very bottom of the statute...

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Lewis speaks:

The last time it was reviewed at looks like was in 2011, it was enacted in 1971, no 1960, sorry.

Chairman Thaler speaks:

So it went through probably a major rework that would make sense because there's a lot of stuff going on then.

Ms. Lewis speaks:

And in the other part, the Other Revenue is the interest revenue. I did keep it consistently to see that there is \$99,500 and \$500 and \$100,000 for both those, I did keep it consistently how we budgeted this year, it looks like we're on track for 100,000. I think in prior years, I probably have over budgeted that number a little bit. So this is on track of what we're doing this year. In addition to that, one of the reasons we chose FTN Financial as our investment advisor is because their approach is not to sell off everything and take big losses and try to readjust your portfolio just like that. Theirs is a measured approach and so it will be measured increase as we see going forward.

Vice Chairman Penzel speaks:

Again, we've seen on a lot of these presentations where people are including interest in their revenue and there, that this is a compiled number.

Ms. Lewis speaks:

This is not; this is just what is in the General Fund. So I'm, again, any actual interest as we receive it is allocated to the different funds based on their average cash balance for that month. So this is just what we are projecting for the General Fund to collect based on their cash balances. And the FTEs just went down just slightly, so it's about the same in FTEs. The expenditures the only change, and we'll go to the details so you can ask questions of the details, but as you can see that the changes in the Salaries and Wages was part of the reorg but when I added all those, my four departments together, the increase in Salaries and Wages was 3.19%, and the increases in the Benefits was 1.8%. It looks different here because of the reorg that we did and I'm changing positions around though, and so there's huge increases here and here and then there's some decreases here and so that when you add them all together, the increase is only 3.19% and 1.8% for that. And then the \$48,000 in the Election Expense which we'll go to the details and I'll show you that part.

Vice Chairman Penzel speaks:

On this, to read it correctly, you have Clerk, Clerk/Elections, Tahoe General Service and Treasurer. The Clerk is not the summation of that; the Clerk is just your part of the office, right?

Ms. Lewis speaks:

Correct. So it is, it kind of follows the three offices that I have; the Clerk, those expenses in there and the salaries and benefits are the Clerk's office down here which includes clerking the Board meetings and the staff down here. The Elections, there's not a whole lot of Salaries and Wages for the Elections. That's

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

a part-time person in there but then most of it is in the Service and Supplies. The Tahoe General Services are the employees and the supplies for the Lake and in the Treasurers is the employees and Service and Supplies in the Treasurer's office.

Vice Chairman Penzel speaks:

What I was really getting at is that the expense total down there includes all four of your areas. So basically, given your revenues and your expenses, the General Fund contributes about \$700,000 to the operation of your office or \$800,000? Between 7 and 8.

Ms. Lewis speaks:

That would make sense, yes, and some of these, yes, that makes sense.

Vice Chairman Penzel speaks:

And I was just noticing it was about \$600,000 for the assessor too, so we're contributing about \$2 million to operate these offices.

Ms. Lewis speaks:

And keep in mind, I know that the topic you guys have talked a lot about the cost allocation. The Treasurer's office is, the expenses in the Treasurer's office, a lot of, the majority those expenses are cost allocated to departments because we collect revenue. We provide the banking services. We do the investments for each of those funds and so our cost in the Treasurer's office is allocated, which that doesn't here because it's not part of the revenue line items that we showed here.

Chairman Thaler speaks:

So why wouldn't you include that as a revenue?

Ms. Lewis speaks:

It's a bigger number that's for the whole General Fund and it just isn't something I've shown on here traditionally.

Chairman Thaler speaks:

So, and I'm kind of reading into what the Vice Chair and where he was going is that there are quite a few departments that don't generate revenue because we're in the business of providing a service and so if you're looking for revenue to offset that service, in a lot of cases that's what your property taxes pay for and this is one of many that we have that just don't provide revenue. There are some departments though, that develop a lot of revenue that goes in the General Fund too but I guess to add on his point, thought, because we kind of, even though you're not a revenue generator per se vis-à-vis taxes or transfers in or anything, I think it would be good to show sometime on a slide saying that through the cost allocation program, because you're doing a lot of work for other departments, that is the revenue; we just don't see it on any one your slides.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Lewis speaks:
I see your point.

Chairman Thaler speaks:
Which then shows that even though on paper you're not a revenue generator, but you really are when you cost allocate your services out, because if you didn't do those services, everybody would have to do it themselves at a huge cost, correct?

Ms. Lewis speaks:
I believe so, yes.

Vice Chairman Penzel speaks:
I think that gives a more balanced picture and it's not that, I wasn't going to the point where you need to generate revenue on top of your tax receipts. I was going to the point of at least we should be getting closer to break even without having the increased taxes and fees. Maybe we look at how that's cost allocated out, that's really what I was thinking.

Commissioner Nelson speaks:
I guess where I'd be coming from, since those other departments are showing this allocation as an expense, we need to know where that income is going from those expenses as well; I'd like to see it. Thank you.

Ms. Lewis speaks:
I'll go to the details. It's so hard to see that, I'll ask Kathy Kaiser to help me blow it up so guys can see a little better. So this is the Clerk's Department, 182 in the General Fund; this one there are no changes overall in the total budget. I have, honestly, the past three years, always constantly looking at these and see better, how to better budget in the line items for that. The printing is marriage license, printing, envelope printing and to have our emblems printed. You'll be amazed in the Clerk and the Treasurer's office how many envelopes we go through to mail stuff out, so that is the printing costs there. On that Maintenance Office Equipment, I always put some money in there because we have stuff that breaks and that we need maintenance. We do still have a typewriter but we also have a camera for our passports and equipment like that that we might need maintenance for that. The Software Maintenance Program Maintenance is our marriage license, costs to maintain our marriage license with the Helion software. The Rents and Leases are our computers, we're on the rent/lease program with the County and so we pay a certain amount, certain dollar amount every year for each of our computers and then it's replaced on a four or five year, which I'm sure Sherry can talk about, I think it's a five year cycle.

Vice Chairman Penzel speaks:
Madam Treasurer? Where is the charge for the voting machines?

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

Ms. Lewis speaks:

In the next budget, well, I take that back. It is actually in the 410 fund or the County Construction fund because it's a project, it's money you set aside and it's in that fund; it's not part of the General Fund expenditures. But the expense of the elections are my next, they're in the next budget. Any questions on the Clerk's budget? The Clerk's budget is the one that has the changes. We talked about, when I presented the budget or the approval for the contract for the election equipment, we discussed that I'm not sure if the State will continue to pay for the maintenance of the equipment. They have in the past, they've allocated those expenditures and so part of charging for the elections, part of those funds go in, I put in for the licensing; I'm honestly not sure if it will be an expense of the County for 18-19. I'm not sure if this money will and I'm open to suggestions of how you want to budget it but I would put in there just in case it is but I haven't heard one way or the other. The other new part of this and we've taken it out of, added on is that Vehicle Maintenance. We've asked for a vehicle, a used vehicle that we could use because I have an office at the Lake and down here in the Valley and we clerk up at the Lake and we clerk down here and during elections we're all over the Valley. If we could have a vehicle assigned to our department, but because we are General Fund, that vehicle can be used by anybody; it's a General Fund vehicle but one that we can use to run up to the Lake when we need to. Also, as part of my reorganization, the supervisor position supervises the Valley Clerk counter and the Lake office and so they need, I need to be able to have them go up and down or up and spend a couple days at the Lake too. So that's in addition, is have that vehicle maintenance, vehicle in there and the cost of that vehicle maintenance. Rents and leases, that's the computer that we have assigned for election, specifically for elections, that licensing is the, in case we have to pay for that if the State doesn't pick that up. And then election expenses in general, and this is, when you talk about cost allocation, when we send the bill out to the departments, it will be very detailed. I will say this is how much we spent on our, on the temporary staff. This is how much we spent on ballot stock, this is how much we spent on sample ballots and this is your share of it and this is why we figured out what your share is. Any questions on the election budget?

Vice Chairman Penzel speaks:

Well, the licensing you were talking about, the \$42,620 and of course, if you weren't, if you were, if you didn't have to spend that money on that, where would the money go?

Ms. Lewis speaks:

It would, at the end of the year, because we will have collected the revenue, because we've, because we already have the expenditures to support the revenue, then that money would become part of your adjusted opening fund balance for 19-20. So that would be funds, when you have those funds that are adjusted opening fund balance that you have that are from savings in different areas, this would be one of them.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Vice Chairman Penzel speaks:

Or, you could tell the County Manager that you're not going to need that money and then he could reprioritize the use of that money.

Ms. Lewis speaks:

Happy to do it, as soon as I know for sure one way or the other the direction, I would more than, I would welcome to pass that information on so we know.

Vice Chairman Penzel speaks:

So, Mr. County Manager, you might have \$42,000 more than you thought.

Larry Werner, County Manager, speaks:

Time to ask for a raise? No, I understand, and we do that. That is exactly the process we use, Commissioner Penzel, we do look through those and if it's close to the end of the budget cycle for the coming year, then we just let it flow into adjusted opening fund balance and you get to prioritize it as you see fit. Thank you.

Ms. Lewis speaks:

Any other questions on election budget? Tahoe General Services, the budget up there is just about \$8,000 for the Service and Supplies piece of it and all pretty standard stuff. We have a little bit in Services, I mean, in Office Supplies, we pay for the computers up there, our cash receiving system up there, a little bit of mileage to go drop off the deposit. They do have printing and binding too; the printing is the envelopes, so pretty easy office up there.

Vice Chairman Penzel speaks:

And I noticed that over five or 10 years period now, their Services and Supplies has remained at \$7,900. You could tell the rest of the County the secret of remaining at a level; I think it be good information to be shared.

Ms. Lewis speaks:

This office is, since it's a satellite office, it doesn't have necessarily the contract expenses, to plug put a plug in for other departments, it doesn't necessarily have the contract increases and other stuff that other departments see, so it's four employees up there and a satellite office and so it is an easier one to keep at a standard. Any questions on Tahoe General Services? The last one is the Treasurer's budget. This one, I wanted to point out there are large expenditures in the Treasures budget. If you can see the \$12,500 is that software maintenance, a piece of it; the big piece of that is the ADS (Advanced Data Systems) that we pay for property tax, the property tax system. And I say the large piece of it, if we could continue to only spend \$10,000- \$12,000 on our property taxes system, that would be nice but we will not be able to do that in the future as ADS closes, so that's a big piece there. And then, I want to go to the second page because there are, I'm sorry, on the very bottom, 521.100 Professional Services, this one you'll see an increase in the actual amount and it is something that I do need to work with the County Manager's office, but it will be something that will be part of the cost allocation going forward. So in the past, our previous investment officer netted their fees against the interest

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

revenue that was sent to us. But our current financial advisor bills us separately, which I like because it's a separate billing and we pay for that separately and we get the interest actually earned on the investments. Because it's not netted now with the revenue, I have a bigger, I have an expenditure line item for his, for their services.

Chairman Thaler speaks:

So, are you talking about the bank fees? the credit card processing?

Ms. Lewis speaks:

Further up, Professional Services 521.100.

Chairman Thaler speaks:

Okay, can you move down the 550.100?

Ms. Lewis speaks:

Yes.

Chairman Thaler speaks:

So every year you've budgeted \$42,000 but every year, it looks like you spent about almost \$2,500 and looks like that trend continues; you're gonna budget \$44,000 but like right now, you've only spent \$1,400.

Ms. Lewis speaks:

A mistake in my budgeting because that is more the bank fees in the checking account. If you look at the line below, there's no budget in there, but the bank fees for our checking account is about \$42,000 a year. I just need to move that line, move that budget down. So it is, we do, we are charged a nominal amount for our credit cards for having the actual machines in the service, we do pass the fees on, the fees of actually swiping the card on to the customers, but to have that service, we do pay that nominal amount but then the majority of it is in that bank fees, checking.

Chairman Thaler speaks:

So this is just clean up?

Ms. Lewis speaks:

Yes. If you look at the actual in the checking and this is to maintain our checking account and these are again, we talk about cost allocation, these are the fees that are allocated to all the different funds for maintaining the bank account.

Chairman Thaler speaks:

And you're projecting that to go up half percent or I mean, we're even beyond halfway through the year and we've only expended \$20,000 or so.

Ms. Lewis speaks:

It's a six month billing. So we've only been billed six months and so if you double that, It's about \$40,000-41,000. But I did increase the budget there; I

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

took it out of other line items in the Treasurer's office so that bottom line item, the bottom is the same. I haven't asked for an increase in my budget but yes.

Vice Chairman Penzel speaks:

The last line item NRS 361.420 refund and we had to pay them?

Ms. Lewis speaks:

I would have to look that up, what that \$19 is. I do remember working with Anne Henderson on that and we created that line item to pull that out but I can't remember what that refund was for. It was a refund back to them for something but I can't remember now what it was.

Vice Chairman Penzel speaks:

What is NRS 361?

Ms. Lewis speaks:

I will look that up. That it is a property, 361, I would have to look up before I say anything.

Chairman Thaler speaks:

Further questions?

Ms. Lewis speaks:

That is all I have.

Chairman Thaler speaks:

Seeing none, it looks like we'll move on to the Recorder. Thank you, Kathy. Commissioner McDermid?

Commissioner McDermid speaks:

I have just kind of a general question that might, I don't know who's best answer it but why is it that if you're in the General Fund, you don't have Admin and Overhead, you don't have cost allocation; why is that?

Mr. Werner speaks:

Because what we're doing is costing out what the General Fund provides to other funds. So, for example, we don't cost allocate between General Fund and General Fund. We cost allocate between General Fund and special funds. So if those special funds were not using general taxpayers, Treasurer, HR, they would have to pay for that themselves. So we cost allocate to room tax or to any of the other funds like that. So, but we don't do it between general funds, because then we're just passing money back and forth but because the general taxpayers are paying for the Treasurer's office and those sorts of things, tracking other funds other than the General Fund, then we cost allocate to that.

Karen Ellison and Kathryn Etcheveria, Recorder, presented the following regarding the Recorder/Records Management Funds:

- Budget

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

- Budget Worksheet report

To view Ms. Ellison's complete presentation, please see the Board Packet and the Supplemental Materials.

Karen Ellison speaks:

Good afternoon, Karen Ellison, Douglas County Recorder and with me as Katherine Etcheveria, Records Management Supervisor. The recording, I just wanted to show you the budget sheet briefly because it shows the revenue; Recording fees for 2018 were budgeted for \$310,000 but will come in at approximately \$360,000, which is due to the recording rate went up from an average variable rate per document being recorded of \$18 to a fixed rate of \$25 beginning in October and this was a result of the legislation from 2017 session and it became effective October 1. You'll notice at \$422,000 there. The recording volume continues to decrease due to timeshare shift and so it's a bit of a question mark right now for the Recorder's office because the larger timeshare companies are shifting to a point system versus ownership. So with the rate increase and the volume uncertainty, budgeted recording fees are estimated, in my opinion, for 2019 to come in at \$390,000 rather than the \$422,000 which I had guesstimated on the first week of December. Any questions about that?

Chairman Thaler speaks:

So has that been corrected through Finance?

Ms. Ellison speaks:

No, I talked to them but I missed that opportunity. I will get with them before the final budget.

Chairman Thaler speaks:

Okay, so we'll see that for the next go round.

Ms. Ellison speaks:

Yes, you will.

Commissioner Penzel speaks:

You said the larger timeshare companies are going from ownership to points; what are you talking about?

Ms. Ellison speaks:

Timeshare normally, Douglas County, there's three counties in the state, Clark, Washoe and Douglas, have benefited from timeshare sales, documents of weak intervals. Well, larger companies are gathering these up and they're going to a club type of situation where they issue points and that does not require them to record their documents with the Recorder's office.

Vice Chairman Penzel speaks:

So ownership positions go away and they have credit?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Ellison speaks:

I'm not quite sure how they manage points, but they still get to travel all over the world, there just cashing in their points to do it.

Vice Chairman Penzel speaks:

So there's no real estate transfer tax?

Ms. Ellison speaks:

Well, they're buying back those intervals, but I was told by a timeshare person last week they, there's a one-time fee, because they're shoring up their point system. They own it, but as they're buying it back in bulk, it's not really recognized on a continual basis.

Chairman Thaler speaks:

That could be something that we need to fix at the legislature? No? Because, I mean, points don't have value, but they really do well.

Ms. Ellison speaks:

This is a worldwide industry. I mean, this is following the way of California, Florida; this point system I honestly, I think... Okay, I'm going to move on to the budget worksheet, we'll go to expenses. Labor, it makes up 96% of the budget and it is going to decrease by 7.2% next year. For 2018, 5.25 FTEs were budgeted for the Recorder's office; going forward, I have eliminated a part-time position, so now the budget reflects 4.75. Services and Supplies in 2017-18, you will see large costs for License and Support Fees and Equipment Maintenance fees. These costs are for our recording system equipment and haven't been budgeted for 2019. These funds, once I spend them, are transferred from the Recorder's Restricted Technology fund after the costs are incurred. I usually do transfers two to three times a year, that's for all the software maintenance. I also, like, we had some film and it was in terrible shape. So then I contract out to get it digitized. And the other Services and Supplies are flat to this year's budget, so the net with the recording fee increase, the department should have enough revenues to cover its costs for the year; that's just in the Recorder's office.

Vice Chairman Penzel speaks:

So, when you reduce the revenue to \$390,000, you would increase, I mean, decrease the total revenue but your expenses show \$594,000, but you're reducing those also, is that correct?

Ms. Ellison speaks:

The total \$594,000, when I was talking about covering my office, I just meant the Recorder's office. So that revenue coming in with that because the Records Management does not generate revenue, and it serves the entire County.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Vice Chairman Penzel speaks:

Okay, I wasn't catching the little subtlety. I assume that you hear my question to the Assessor.

Ms. Ellison speaks:

I did and one of my staff members was very kind and got the answer for me because I actually didn't catch the question. Your question about if parcel up at the lake does sell for \$59 million, how much would it generate in real property transfer tax? Our rate is \$3.90 per thousand or a \$1 million purchase would be \$3900. So if it sold for \$59 million, it would generate \$230,100.

Vice Chairman Penzel speaks:

In real estate transfer fees?

Ms. Ellison speaks:

Yes.

Vice Chairman Penzel speaks:

That means that we're generating a lot in the real estate transfer fee. Well down here because we're selling a lot of houses too.

Ms. Ellison speaks:

Yes, we are. Douglas County is the third largest real property transfer tax County collector,

Vice Chairman Penzel speaks:

That poses a question. The C tax, how close does that bring us to parity?

Commissioner Walsh speaks:

That was the question I had; do we get all the back in C tax?

Chairman Thaler speaks:

It's a formula that the State does.

Ms. Ellison speaks:

I honestly don't know that part. I know Douglas County, I reflected on the Admin fee of real property transfer tax, I budget roughly \$18,000 that goes to Douglas County but as far as other taxes that Douglas County benefits from, I do not know.

Commissioner Walsh speaks:

I'd be interested in finding out that formula.

Chairman Thaler speaks:

I imagine if we talk about it enough, someone will go find out that information for us,

Commissioner Walsh speaks:

I'm going to try to find out.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Ellison speaks:

So if you're ready, I'll go ahead and turn it over to Katherine Etcheveria.

Katherine Etcheveria speaks:

Katherine Etcheveria, Records Management Supervisor. My budget has not changed significantly; the same FTE, a slight dip in Services and Supplies but I'm here just in case any questions for me about my program, since we had some really positive dealings recently.

Chairman Thaler speaks:

So you do get cost allocation, correct? Because there are departments that are outside the General Fund that use your services? It just doesn't show up here, correct?

Ms. Etcheveria speaks:

Yes, correct.

Chairman Thaler speaks:

Any questions? Seeing none, I think you may be done.

Ms. Ellison speaks:

It was a pleasure. Thank you.

Chairman Thaler speaks:

Looks like we're going to be moving up to GIS (Geographic Information Systems) Telecommunications, GIS (I don't know why I said that twice). And Ms. McGee, you'll be also referencing the material that she passed out, well, we had two stapled versions that was passed out. So which one should we refer to? What's on our screen or what's on what you passed out?

Ms. McGee speaks:

So the one I passed out earlier will also be the one that's going to be on the screen.

Chairman Thaler speaks:

It's a duplicate, okay, so you can choose your poison.

Sherri McGee, Technology Services Director, presented the following regarding the Tech Services Fund:

- Supplemental Packet
- Budget
- Tech Services Organization in FY 13-14
- Tech Services Organization in FY 17-18
- Programs
- Future Organization Strategic Plan

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

- Supplemental Requests
- Capital Improvement Plan

To view Ms. McGee's complete presentation, please see the Board Packet and the Supplemental Materials.

Sherry McGee speaks:

Okay, thank you very much; for the record, Sherry McGee, Douglas County CTO (Chief Technology Officer). Before I get into the presentation, I'm just going to have a general conversation about where the Technology Service Department has been and where we are today. So I just passed my second year anniversary with the County and when I first came on board, two hours into my very first day, my very first meeting was sitting in the cost allocation discussions with East Fork Fire. Of course, you know, they were pretty upset about that, and I was going, "People do to cost allocation all the time. What is going on here?" So when I left there, I went back and looked to see how Technology Services was cost allocating. Okay, that wasn't then the best practices and I could see why people were upset. One of the things that were being cost allocated was by help desk ticket. Well, sometimes we cause help desk tickets, right? You know, through an implementation or something; it is not a good way to do it. So I spent a good part of that first year, peeling back the onion, redefining all of our services, what went into our services, to get that trued up and make sense to all the different County entities what they were actually paying for was the actual services that we provide. And then another reason for doing that, of course, too, is to benchmark yourself against others and make sure they are providing like services at a value. So with that said, the East Fork Fire split off from the County, but they also decided to stay with our services. So every year, I do three budgets; I do the cost allocation in detail and that's based off of tiers in the rears right? And then I do the budget that we're currently in and then I also have to do a budget for direct chargeback, which is into the future, estimating what East Fork's going to charge. So I do this three times. To answer some of your questions earlier about the cost allocation with 911, so this, the GIS software portion that they use and you'll see a piece of FTE that I have that also supports the Spillman CAD (Computer Aided Dispatch) environment, they chargeback fees to the user entities, so that is why he has that in his budget because it's one-for-one for what they're actually providing. So I don't want to chargeback on that; that's just specifically for those users. In doing those three different models, well it's all the same model, right? It's just one's happening in the past, one's happening in the present and one's happening in the future; it's all based off the same premise. So in the first year, that's kind of what I was focused on, like about the first six or seven months. Then after that, I was going through and saying, "Okay, with our budget, why are these FTEs over here? They need to be here. They need to be in the places where they're actually spending their time. And that the funds in the Services and Supplies actually need to be in actual budgets where the Services are happening". So it was pretty interesting and it's taken me up until this point. Last year I focused on FTE; this year, I'm focusing on my Services and Supplies and getting them lined up. So you're going to see numbers everywhere. Okay, I just wanted to give you heads up on that as we start off. So here if you look at

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

the budget numbers that were given to us as part of the presentation, I took a look at this and I'm like, this is not really accurate with the salaries that are going on and you can see, we pulled the radio and telecom folks out of this budget put in the Telecommunications. This is another area where we charge for fees back to the actual user entities and I wanted those FTEs put back and into where it belongs. It just makes it easier when you're coming up with your budget so you have actually the FTE in the areas where they're actually being expended. With GIS and Customer Service, the Service Desk was sitting as part of that group; that's an infrastructure and operations activity so I moved them back in there. When I looked at these numbers, the bottom line is actually accurate but I went and met with Julie and pointed out the anomalies and they had moved a few things and so she took notes of that. The bottom line is accurate; it's just that some of the FTE numbers didn't get moved into the proper accounts. Anyways, she's got that, she's going to be truing that. So if you want to look at the bottom number here, the \$56,000, that number increased with moving everything around and looking all of our Services and Supplies and what needed to belong where; that number comes from the COLA (Cost of Living Allowance) and the merit increases is part of that. I took one position that was in GIS and I re-classed it to the Database Analyst because we did not have one here, so some of those costs are showing up in there as well.

Chairman Thaler speaks:

Real quick, Ms. McGee, so I'll be honest with you that 6274% increase certainly got my attention and a little sticky note on my computer screen, but on that same, you explain that very well and I get that, that happens. Okay but a 36.2% increase in Salaries and Wages?

Ms. McGee speaks:

So that's in the Customer Service GIS area; that is, if you look down at the Salaries and Wages down in Infrastructure and Ops, when I moved some of those FTE around in there, that's some of the issues that we found. And Julie's go those and she's going to be truing them up. The actual bottom number is probably what you should pay attention to; everything calculates out, it's just that they didn't move them into the proper categories.

Chairman Thaler speaks:

I'll be honest with you, I can do that with the benefits, cuz if you take the 25 up above and the 21, you're going up 4%. But a 36-19 is still is a fairly large increase, and I imagine as we work through these, take 36 minus, I'll call it 20, you're still a 16% increase.

Ms. McGee speaks:

The only thing that's changed in there is I took one FTE that became vacant and made it a Database Analyst and it did not go up by that much. So the other thing I wanted to point out is in FY 13-14, this is what the Technology Services Department looked like; there was 18.2 FTE, and all three, well mostly the GIS and the Information Technology groups needed to go through some transformation. Today we have 15.45 total FTE that is supporting a lot more services than we did back then. Our GIS program is what we're going to go

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

through first and I think you know most of the services or if you want to read about them, they're here. But we do all sorts of geospatial collection and analysis and produce maps, basically, for the County and support all sorts of public safety entities, our Assessor with those GIS services. The FTE that actually supports the GIS services is about 2.75; there is another .25 that is used to do management within that area. And this is not accurate; this is a slide that I put together before you guys changed what you wanted to look at, so let me bring up...

Vice Chairman Penzel speaks:

Mr. Chair, I would correct one thing; we didn't change what we were looking at, we had it explained in English better.

Ms. McGee speaks:

Right. Okay, if we want to look at that, like I said, the things that I've been uncovering over the past couple years, it's been interesting. So in GIS, you'll see in 520.014 Aerial Photography, you'll see that on that first line, what I want to call out is that under Professional Services, which is 521.100, you can see in really large jump in FY 17, some of that 35, well actually, there was \$70,000 in there for aerial photography. So what happened was our GIS manager came to me and said, "Hey, I'm going to be gone that for the afternoon, I'm gonna go ask for donations." And I said, "Donations, what do you mean you're gonna go ask for donations?" And he said, "We're getting ready to do our pictometry flights and I need money for that." And I'm like, "We don't go ask for donations for something that's a critical piece of our business here." So I guess that's what happened in the past and if he could find money, we got it done. If we couldn't find money, we didn't get it done. So I talked to the budget analyst and we are able to get the money in there for the flights and then what I did is I level set that in specific line item for aerial photography and were doing \$35,000 year. We talked to the folks that do the flights and they're splitting those costs out over a biennium so that we don't have those big spikes in our budget or going looking for donations to try to do a flight.

Vice Chairman Penzel speaks:

You know, this particularly seems like it's suited to utilizing drones and drones are a lot cheaper than somebody fly in circles.

Ms. McGee speaks:

Okay, so a drone just takes a regular image; when we do these flights we get a lot of ortho (orthogonal) images, so we get a lot of 3D.

Vice Chairman Penzel speaks:

It depends on what you hang on the drone.

Ms. McGee speaks:

It's not the same kind of quality because you need to be able to zoom in and zoom out and get those really fine details with that and then the maps are in quadrants that are stitched together to make the overall maps. There's a lot that goes on there with those high-end flights that you can't get on a drowned

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

today. Believe me, if we could, that's what we would do. I'll go look and see if there's any other GIS shop that's using a drone to do their full flights and I can bring that back to you. I don't know of any today.

Vice Chairman Penzel speaks:

The military has drones that will do that.

Ms. McGee speaks:

So I'm going to have Eric come and talk to you because he works in that area daily and day out, and he knows all the vendors in that space.

Eric Schmidt speaks:

For the record, Eric Schmidt, GIS Supervisor for Douglas County; presently drone technology is, it's an up-and-coming burgeoning technology, it's very exciting, but for us to do the coverage that we need to do with the elevations that we have to cover, drones are not practical, right now. Not to mention that the amount of storage that would be required to stitched together the number of files that we would have to collect at that elevation or at that altitude as compared to the typical flight altitude now is exponentially larger than what we have now. Right now we're flying, excuse me, we have since 2011 every two years, flown a footprint of the County that covers 99% of addressed locations plus 100% of all federal and state highways. We have over the years, in addition to getting contributions from internal departments as Ms. McGee mentioned, we've also gotten a grant funding in the past. We've gotten good coverage. We have now, this year we're going to do a complete County coverage flight, which this County's never had before, and in two years hence, we're going to go back to the standard footprint. Having that footprint matched up and having not only the ortho, which is a straight up and down photography, but the obliques, which are the 45° angle at four different directions, is critical for not only for the Assessor's office because it saves them a fair amount of field time having to go out and walk around different properties. They can do that work from their desk now, or a lot of it and it gives them daytime eyes. Speaking of daytime eyes, our dispatch center uses these data, SWAT uses these data, we use these data for fire, we use these data for a lot of different purposes, Public Works uses them. We're excited about drones. but as of right now, to do the kind of countywide scale that we require, drone technology isn't there yet at a price point that we can absorb. I'm not saying it won't be but for right now, for us to do this, we would have to do... Because I've talked with several different companies that not only contract it but that also set us up with our own drone systems. Right now we can only operate a drone at 400 feet above ground level and we have to be line of sight the whole time and that's simply not a practical way to try to cover the County.

Vice Chairman Penzel speaks:

That's based on the pilot's license.

Mr. Schmidt speaks:

That depends; it's also largely based on the drone and the airspace.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Vice Chairman Penzel speaks:

We have the technology. I'm not here to argue this and you're certainly not here to defend it. I was just asking what are the restraints because I am talking to the Technology Department so, I would like to see them having the most current technology.

Mr. Schmidt speaks:

As of right now the most current and the most cost-effective way to do it is the way that we're doing it by contracting with Techtometry or Eagleview for the pictometry product.

Vice Chairman Penzel speaks:

A drone could be upgraded IFR (Instrument Flight Rating) up to about 18,000 feet, as long as the pilot has a license to do that.

Mr. Schmidt speaks:

Right but the collector package or the sensor package and I don't want to get into a whole lot of because you talking about RF connections (Radio Frequency Connections) and the real-time data collection because package sensor itself doesn't necessarily have an enormous amount of onboard storage. So I'm not sure if it would be your vision for us as a staff to do this or for us to contract this out, because if we're going to contract it out, there's no savings.

Vice Chairman Penzel speaks:

I would think the uses of a drone in the community are, it's just what your ability to hang the particular equipment on the drone. For instance, if Public Works, instead of driving the car around trying to get all the water usage, they had it that package on the drone and flew the drone over the properties, that be a lot more cost-effective than driving a car or truck, in this case, to every property, so you could use it for that. The Sheriff could use it when you're not using it for, and then he would have his package hung on the drone and the drone would be operated to do surveillance and that could even be the designed to issue citations.

Mr. Schmidt speaks:

The Sheriff's department actually has a package that we're going to be doing some experimentation on 3D mapping and some of the other kind of things that Sherry was mentioning.

Vice Chairman Penzel speaks:

But our County Manager actually has a drone operator's license; how high can you operate it up there?

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

Chairman Thaler speaks:

Okay, we're kind of getting off track here, so let's bring this drone back to the ground.

Vice Chairman Penzel speaks:

My point is that we should be looking at drone operations because they're much cheaper to operate than the individual guy driving around the vehicle.

Ms. McGee speaks:

Thank you, Commissioner Penzel. So, just, Sherry McGee for the record, we look at that all the time because we want to do things in the most cost-effective and efficient way and believe me, with the amount of work we have, we're looking at that daily and on Thursday I'm meeting with state, local and regional GIS professionals and we are going to have a discussion about drones; it's just not there yet. It wasn't there several months ago, but that's gonna be a topic of conversation so I can bring that information back to you after I have that meeting and give you the details. It's not the same type of technology, camera technology, that's being used. So whether we can put that kind of technology on a drone now and fly it and collect it, I'm not sure but that's going to be the definite topic of conversation Thursday.

Chairman Thaler speaks:

Let me add on to this drone theory conversation but I think what Mr. Penzel's talking about is at one level, literally, and then what I have argued, there is a different level for that drone technology, and that is the 500 feet and below and we've talked about it. I think we even mentioned that probably the last year, can't remember if it was last year in the budget process but when we have, what you do for pictometry creates a moment in time snapshot so we can see. What we would like to see, at least for me, what I would like to have the availability of is for when we have floods or pre-floods or after floods, where we can fly over areas today or tomorrow or at the end of the week after we suppress this stream, come through and do our own flyovers and have that information available. So I think that's a whole different level that maybe we need to keep in our, I don't want to call them gun sights, but that would be a fair statement.

Ms. McGee speaks:

For the record, Sherry McGee; I was just saying Eric is working with the Sheriff's office and testing out their drones because we want to make purchaser of what we purchase or it's going to be of value. So he is been doing that for a couple months now, working with the Sheriff's office to get time to test that out. It is something we're looking at, those lower-level flights.

Vice Chairman Penzel speaks:

Well, even the upper ones; I can guarantee the Prowler, which is a drone, flies from here to Afghanistan, flies IFR, flies under a flight plan that controllers on the ground don't even know that it's the Prowler and the other part of that is, it has picture capability that is superior, I mean, it could give you resolution

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

down to the... Now is a cost-effective? That's the question, you now and I don't know where those price points are but it sure would be interesting to know that because, not only what the Chair said, but some of things I was talking about.

Mr. Schmidt speaks:

For the record, Eric Schmidt; it's just not there yet, in terms of price, in terms of cost-effectiveness. The technology is there; you're absolutely right with that, but the cost-effectiveness of product, the price point is just not there yet. We didn't sole-source this this year; we did seek different quotes and this was the best and it's been the best consistently. But to your point, we certainly, and to Sherry's point, we certainly keep our eyes and our ears to the ground to make sure there we're always utilizing technology the most efficient way possible.

Commissioner McDermid speaks:

Well, I would just say that there could be application for the drone type and application for the aerial photography because, you know, you don't want to be totally dependent on one technology, in the event that you put all your eggs in one basket. We already know the aerial photography works. We hope that the drone will come along. But you know, testing these things out... Now, the military, I'm not certain we could afford a Prowler and I'm not certain our residents would like to see the Prowler flying around over them. But my point is that as technology advances, that's you're all's department and I believe that you are, you know, investigating and analyzing and coming up with what is the best course of action for Douglas County at this point in time. That could change after you have your meeting and learn more or whatever but I think you've given us what you know works at a cost that can be supported and so I think the important thing is we're doing it annually. We keep doing it were not just doing it here, you know, every two years or whatever. So thank you for that.

Chairman Thaler speaks:

Thank you, Commissioner McDermid and one final note to let you move on, Mr. Schmidt, but I was one of the few that used to go and Google everything; Google maps, Google this and then I went and met with Mr. Schmidt. He showed me what the spectrometry pictures can do and it's phenomenal; the angles, the everything and I know that's across-the-board as you said, with all the different departments. It's unbelievable what you get for the amount of money that we put, and I don't know if you want to address that.

Mr. Schmidt speaks:

Thank you, Commissioner Thaler; again for the record, Eric Schmidt, GID supervisor; we make every effort, as Sherry has said, to ensure the best return on investment for the County's dollar, and I believe on the GIS side, we're doing that for sure. We're also making sure that the public benefits from us as well because these data are exposed to the public through the viewers that we put out the web and I will continue to do that so that everyone in the community benefits. You know, it's taxpayer-funded so the taxpayer should benefit and

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

they do. Believe me, if our viewers go down. We hear about it and that's a wonderful thing.

Commissioner McDermid speaks:

We were meeting over at the East Fork building, if you remember that, and you mentioned there was some equipment, I believe, there was some equipment you were talking about that if you had, you could do what East Fork needed done. Have we solved that?

Mr. Schmidt speaks:

We are solving that, as Ms. McGee mentioned; I've had conversations with some of the drone operators at the Sheriff's Department and have gotten initial agreement to work on some leveraging the technology to try and resolve those issues. What we're talking about doing is low-level drone flights, kind of ad hoc drone flight over areas that may be impacted by flood or whatever, extracting surface information and then modeling 3D so that we can do quantitative assessment. So we are in the process of investigating that; we haven't actually gotten in the air, we don't have our data yet, but I'm excited about the Sheriff's Department's openness to work with us on that. They have, my understanding is, they have drones, as a matter of fact, I've seen them and so and they're willing to allow us to work with them to pull data.

Commissioner McDermid speaks:

But then that will get you the type of data that we talked about at the meeting that we need?

Mr. Schmidt speaks:

I'll stop short of saying yes until I've seen it but I'm hopeful, yes ma'am.

Commissioner McDermid speaks:

Because I thought at one time, it was like \$138,000 or something that was needed in order to do that?

Mr. Schmidt speaks:

I don't remember that number, ma'am, I was the number that we were talking were significantly lower.

Ms. McGee speaks:

Thank you, for the record, Sherry McGee; is there anything else you want to look at in this budget? I know Professional Services, like I said, there was a lot in there. We had some vacancies and so we brought in some help to get us through that year so that was some of the cost in there. We also currently are running some Charter internet connections to get out to the Internet but we've got an active project to deploy Wi-Fi as a service and we're just now going to be using this building as a testbed for that, so you'll be seeing that coming up before the end of this fiscal year, improved wireless and our hopes is to get rid of a lot of these Charter connections that keep going up and down around the County because it causes us a lot of extra work. And then we moved over to, from two help test systems to a consolidated helpdesk system and we actually

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

have that as a shared service, so our helpdesk runs off that. We also have buildings and grounds that are using that ticketing system as well for getting help from them. And then we're refining some of our onboarding and offboarding with Health and Human, I'm sorry, with Human Resources and so they are using that system as well. So a lot of that work happened during the implementation phase.

Vice Chairman Penzel speaks:

Ms. McGee, I have two questions. I'm on account to 521.230 Semiprofessional?

Ms. McGee speaks:

Yes, I got rid of that because, I was like, "Why is this in here? What is the difference between professional and semi?" We contract out a professional to help us with our services so that line item is going away.

Vice Chairman Penzel speaks:

That's a \$23,000 debit.

Chairman Thaler speaks:

Feel free, if you see any more of those, zero them out.

Ms. McGee speaks:

Where is that? On 230?

Vice Chairman Penzel speaks:

It's 521.230 2015 actual. This was in 2015. This is the change from...

Ms. McGee speaks:

So that we're not using that; we're just using the sheets that I put in there. I was trying to anticipate what you guys want to see, how far back and so I was told that we're going to be working these budget sheets.

Vice Chairman Penzel speaks:

And you went the opposite way of what we had, in terms of years, but from the current year back and that's on the far left.

Ms. McGee speaks:

So, this, so let me see, you look at our, if you look at this presentation, you don't want to look at these that I put in there because you had directed staff to look at the budget this way instead, so that's what I got all my information together for. I know it's confusing; we got our presentations and I try to do the best as I could and then I saw how things were going and I was like, "Okay I'll just stick with my presentation" because I didn't have time to redo it.

Vice Chairman Penzel speaks:

I have one other thing that you brought up that is a broadband and Wi-Fi. One of our goals in infrastructure is to have broadband throughout the County, and I haven't seen a plan on that. Are you working on a plan for broadband

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

throughout the County, because I know we approved \$275,000 for the current reconstruction of Dump Road just so we can put cable in there, broadband in there; well, a conduit, but the cable is... Anyway, the point is that we're looking at putting broadband out there. Do we have other places we're looking at doing that and if so, have we costed that out? Is there a plan of priorities? How are we attacking that?

Ms. McGee speaks:

For the record, Sherry McGee. So yes, we have a Strategic Plan that you guys approved I think, twelve months ago or so. We have that and that's the IT (Information Technology) Strategic Plan and we also have the County's Strategic Plan that has the broadband initiative in it. We have a map of where we would like to see the County's redundant bandwidth, that broadband throughout the County. So we had that all mapped out so that we can get ahead of projects that we see coming up. Well, one of them is the Dump Road project, right? We have five different entities, state and local that need broadband up that road so we're aware that and we track that and we were able to get that in. The other piece of that is the Dig Once policy so that we can make sure it gets in everywhere. I am in the middle of writing that right now; we has some initial meetings on what that's going to look like and then because there's going to be a cost back to builders and things like that, I guess, we've had discussions about who everybody that's gotten a permit to date, you can't really, you know, charge them for something that where they've already gotten a permit in the past, so I'm writing the policy now, I'm gonna run it back through the attorneys and have them look at it and then we're gonna probably have some Countywide meeting so that everybody understands that. So there's like this whole process I have to go through to get that policy in place so that we make sure were getting the conduit in where we need to. That was delayed for a while because we were going to get that language in the Master plan first and then forward with the Code and then the Master Plan just kind of lingered and lingered and then finally Larry said, just do the, just go ahead and do the Code stuff so that's what I'm working on right now. And we do have a plan for County broadband redundant network.

Vice Chairman Penzel speaks:

Mr. County Manager, at some point I think would be good to give us info presentation on that.

Larry Werner, County Manager, speaks:

Certainly.

Commissioner McDermid speaks:

I have a question. So the Regional Transportation Commission is the one that's doing the Dump Road project and worked with you but is we have other projects that will be going forward. One is Tillman and another one is Waterloo. My question is do we have plans for the Dig Once, the ability to put conduit in?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. McGee speaks:

Not for those two projects. So until we can get a Dig Once policy in, I don't think we can make somebody put the conduit in. And then you've got to look at where is that conduit going and what's it going to be used for? So, for example Waterloo Lane, that is not part of our plan for our redundant backup network and so if we did get conduit put in that area, it would be for the private sector, serving those homes along there and so that's not as high priority for me to get in front of as something like Dump Road, and then, like I said, it will have conduit in there, but the County won't have anything running in it. So that's an example of that. And then Tillman, too, I'm not too worried about out there because Charter serves all those residents out there. I'm more concerned about paying attention to any new developments that are coming in and that they're gonna be able to get some conduit in the ground out there, so if a service provider comes in, they'll serve that area. For example, was it Montero or Montanya, whichever one that was that went in and no conduit was put in the ground and is not cost-effective for that provider to go in there and dig up all those roads and do it, so you have a whole new development that has no broadband at all. So you know, so I'm trying to pay attention to all these projects that are going on and making sure it gets to where it needs to be. Part of the Dig Once policy was I get that written and there's a plan that's being followed, they'll be, at the Building department, will be able to look and say, "Okay, you need to provide this as part of your building plans."

Commissioner McDermid speaks:

What concerns me is we have approved projects that may be starting up, but there were no conditions about conduit or broadband, there was no condition about charging stations or anything like that. So my concern is, at what point are we gonna have enough? We know these projects are going to go forward. So how do we, I'm kind of asking the County Manager, how do we play catch up when we don't have policy in but we know that we need it. And we've got people coming in, we are approving projects and everything. So how do we do that? How we help Sherry achieve what she needs, but also how do we achieve it for the different residents?

Mr. Werner speaks:

To answer that, for new developments coming in, it has to be in our development standards to require the conduit. So this Board would have to pass the development standard modification to include that as part of your development standards and that's what Sherry's been working on, the Dig Once policy. Whether that goes over well or not, time will tell. On the County projects, it's a matter funding; if we've got a road project or a sewer line project or anything like that that was within an area that we know that we want to do it for the County, then we look at source we have to get the funding to get the conduit in. But we can't put it in every project that we're doing at this stage because we simply can't afford it but we try to work on both ends of that as it makes sense. And once we get the Dig Once policy, what that means is somebody coming in with a subdivision or development, if it gets in our development standards, then we can require that as part of that development. But that's gonna take in front of this Board to do that.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Commissioner McDermid speaks:

Well, to amend the development standard to say if it's important to have conduit, whatever, put done, that, could you just amend the development standards for that?

Mr. Werner speaks:

Well yes, you can and that's what we're bringing forward but again it's kind of like telephone and cable TV and those things of things; it is not considered in such service. It has to be something that you as a Board will determine that that's important for Douglas County and that's what you want to see happen, but so we'll have the bring in to do an amendment to the Development Code that goes into our County Code process.

Ms. McGee speaks:

Madam Chair, one of the issues too, because I was going gung ho and the wind kind of came out of my sails because when I brought the Building department and Permitting department and the DAs (District Attorney) office in and the DAs office was explaining to me to any subdivision that's been approved already, that we can't really put any new kind of requirements on. So we had all those years of, you know, things being approved but not being built. And then we have to go through a series of meetings with the public, since there will be a cost back to the builders with the new code. So anyway, I'm getting it written and then just say "What do I have to do next?" and then we'll move down that road as fast as we can.

Commissioner Walsh speaks:

I have a question; the requirement to put in conduit, is that put in at the tentative map stage? Is that where it will be, Larry?

Mr. Werner speaks:

That's when the requirement would come and then when they actually build the subdivision, then that would be part of the element they would have to do for part of their approval, yes.

Commissioner Walsh speaks:

So on a tentative map, any tentative map that we have coming forward...

Mr. Werner speaks:

Not until you get into the Code, Commissioner Walsh; remember, we have to have it within our development standards before you can impose that condition.

Commissioner Walsh speaks:

I don't understand why. I mean, seriously, this is a serious question. The Valley Knolls project up on north Sunridge. They've got 300, maybe 400 units up there. And we're saying you don't have to have broadband or you don't have to have conduit; that doesn't make sense to me.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Werner speaks:

Well, you have to have a law that says you can require that. That's the issue. I'll turn it over to the DAs office.

Chairman Thaler speaks:

Ms. Gregory, you want to address that?

Cynthia Gregory speaks:

Cynthia Gregory from the Douglas County District Attorney's Office; so you'd have to relate it back to your health and safety standards and so there would have to be, you're delegated that through 278. Then you need to, obviously, if that's a health and safety, adopt that into your Code; so you make all of those findings and explain why it's necessary and then from there, you could go ahead and place it as a condition. Otherwise it's gonna be seen as an exaction and for a more simple term, a taking, because there is cost associated with that, and so it's gonna be viewed as the government taking the property or having a regulatory taking, as far as forcing them to put in conduit etc. etc. that maybe have should have been paid for by the company.

Commissioner Walsh speaks:

Well, having been in the development business for a long time, I'd be seriously wanting to know that there was no conduit going through my development. I mean, if I go forward with the tentative map and it's not required to have a conduit and therefore, whatever. Okay? I'm going to be scratching my head and say, "Wait a minute, I got 300, 400 people living in this subdivision, they're not gonna have of any services." Why don't we tell them now, upfront?

Ms. Gregory speaks:

I think telling them is one thing, requiring that they put it in is different. Obviously, you know, if that's a benefit to those homeowners and that would make that development more attractive and therefore the developer may want to go ahead and put that in. But there's a difference between saying "you must put it in" vs. "It's not there. You probably, it might be a good feature for you". It's not like water or sewer or those type of things.

Commissioner Walsh speaks:

It's a service that people expect.

Ms. Gregory speaks:

Sure.

Commissioner McDermid speaks:

I think that it's a big mistake to put it off because we're trying to get into the, just into the 21st century, when other jurisdictions are in the 22nd century; they all require it. They all have all of those things. As Mr. Walsh said, people that are coming in are going to expect that they can have broadband, Wi-Fi, Internet, all kinds of things and we're behind times if we don't get on the ball

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

and try and get it to where it gets put in. We've got, I think building has a lot a lot of projects coming forward and I think we're just being, we're going to continue to try to play catch-up, which is always more costly than trying to be proactive and recognizing this is the way that the future is. And it's always harder to put it in after they put in the streets and everything and most of the requirements is they put in the infrastructure first. Well if you're gonna put in the infrastructure, that's, to me, that's a component of the infrastructure.

Mr. Werner speaks:

It is if you make it part of your Code. And that's what we need to bring forward, exactly.

Chairman Thaler speaks:

Commissioner Penzel, you've been patiently waiting, also remember please, people, if you want to speak, just send your message down and we'll all treat each other with kindness.

Vice Chairman Penzel speaks:

And gentleness, faithfulness, fruits of the Spirit. Anyway, the reason I brought this up is because we've talked about Dig Once; I actually thought that we had approved the policy of Dig Once, and I would argue with the District Attorney that people expect broadband capability, Internet capability just as much as they want sewer and water. True, they don't live on it, but they certainly expect it. And I would propose that we don't approve another single project, even the ones we've got coming up on Thursday, until we have this policy in place, because I agree with Commissioner McDermid. This is essential, absolutely essential.

Chairman Thaler speaks:

Okay, so that wasn't a motion and we're not even going there because that's not on the agenda but so let's stick, let's get back to the budget. So it is part of it, I get it and I think it's, let's save it for future discussion. I think we're talking about the Code changes and all that stuff so we could probably spend another hour just on that, but let's save that for another day. Let's stick to the budget. Commissioner Nelson?

Commissioner Nelson speaks:

Yeah, I just had one other question about communications. 5G is just around the corner and what's gonna happen to all of the things we have in the ground, if we no longer need things in the ground?

Ms. McGee speaks:

For the record, Sherry McGee, so 5G is a short hop technology. So you're gonna still need to have the big broadband infrastructure coming in so that you can do the short hops around. So it's, yeah, it's gonna be supercool, you'll be able to have sensors, things everywhere all around you and communications, but that's based off a short hop technology and not the major trunking and things that come through with the Internet. And will that rollout to individual homes?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Maybe but you still have to have a large source to start those hops, does that make sense?

Vice Chairman Penzel speaks:

See, I would argue that we are on topic because the question was, what is our plan for doing broadband in and to all the areas and what's the cost and are we going to have to do any cost and should we budget for that right now?

Ms. McGee speaks:

So we're on budget 152, which is GIS; 192 is where our broadband services are located. And yeah, we could put that in there but we're going 700 feet up Dump Road for \$230,000, so, we can add that all in there, I guess that we can do an estimate. Part of the ring that we want to build through Tahoe, getting up Highway 50 and down and around and back down Kingsbury Grade. I don't know when we'll ever be able to afford to do that and unless we keep an eye on Charter or somebody like that is starting to run new lines, if we can piggyback with them or something.

Vice Chairman Penzel speaks:

Or the RDA (Regional Development Authority) up there would pay for it.

Ms. McGee speaks:

Well, that will be really huge.

Vice Chairman Penzel speaks:

We gotta have some sense of what it costs; we gotta have the plan. It seems to me like this is something that we've been talking, talking, talking about but we're not making any forward movement on it.

Ms. McGee speaks:

So we had put in the Strategic Plan last fall right and then I've been waiting for the Master Plan to get done because that's what...

Vice Chairman Penzel speaks:

It's not waiting. I think the County Manager's right.

Ms. McGee speaks:

He just, he just cut it loose, so that is what I am working on today. I have my first meeting a couple weeks ago with the Building, Permits, the attorneys and myself and sharing the maps and having that discussion and now I'm getting that written. We have sample language out there, so you're going to probably be seeing that. I'm not sure if what the process is, if I bring it to you first and then we have to have all the public meetings or if the public meetings have to happen first. My focus is just getting language in there and getting it acceptable for the various entities involved that will be looking at those projects coming forward and making those approvals. Public Works, Permitting...

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Chairman Thaler speaks:

So let me ask you, I'm gonna try and really not to switch subjects, but it's a matter priorities, and if I remember correctly, and I don't want this to fall off the radar screen. So currently, I don't think it's a secret that IT sits right below us, right? I don't think that's a trade secret.

Ms. McGee speaks:

No, I'll be talking about that in budget 192.

Chairman Thaler speaks:

I just want to make sure we highlight that, because one of the things we, over and over and over again, Groundhog Day-ish, talked about moving downstairs into a safer place, this is critical from flooding and water and all that stuff, so I just thank you for bringing that up in 192. Commissioner McDermid?

Commissioner McDermid speaks:

So you're telling me to put in 700 feet of conduit cost \$230,000?

Ms. McGee speaks:

That's what the bid came back at and that was low cost because they were all around \$230, \$244, \$270,000, conduit, the pull boxes, no fiber. That was my response too.

Commissioner McDermid speaks:

I know this might sound crazy but couldn't we have just bought the conduit and the boxes and when they opened up the site, just put it in? Why do we have to hire someone else? Couldn't our people do it?

Mr. Werner speaks:

We have no people to do it. Those we have are busy maintaining streets and all that other kind of stuff. We don't have time to do that kind of work. It takes a lot, it takes someone who knows what they're doing. And that particular project has a real narrow shoulder too it and that creates another problem. The shoulders real narrow and there's a big drop off there so we would probably be doing damage if we tried to go in there and do it after the road was done or if we did before the road was done, we would probably damage what we had just done. So that particular one has a couple parameters that aren't really conducive to doing that.

Commissioner McDermid speaks:

Well, what I would say is, given that cost that this 700 feet is costing, that's all the more reason to jump on this and when anyone is digging or doing anything, that we make sure that we're able to have the infrastructure put in when it's required.

Chairman Thaler speaks:

Okay, so I can see a question there, so go ahead, Sherry, finish up.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. McGee speaks:

Any other questions about GIS? Okay, the next area that I want to look at, Telecommunications. This group maintains all of the radios, all the towers that are around the County and the communications for Public Safety. We have two, actually it's 1.75, actually about 1.8 telecom techs, the other 2.2, the 20% is used for our telephone system but they support that whole infrastructure; all the radios that all the Sheriff's officers have, East Fork Fire, the whole infrastructure mountaintops and that and then you can see here too, both the managers that I have are working managers and Tammy is working diligently morning, noon and night as part of supporting not only the telecom infrastructure, but also our infrastructure and operations as well. She was monitoring the situation yesterday when the explosion happened across from the Hard Rock Hotel, making sure the radio communications were still happening in that area. So that's who supports that. And then again, don't look at the one that was part of the presentation, the budget information; we're gonna look at the one that was given to you, I guess, today. What I wanted to point out to you on this particular budget, you know this radio telecom budget 190, this is a strict fee-based budget so everything that happens in here gets chargebacks, the entities that actually use the system on a fee structure that's run through the Emergency Response Council and all those rates are set and any kind of improvements or anything have to be approved that Council before anything can be added or taken away. And this is one that I wanted to have the actual radio that, the 1.8 FTE put into this budget so you can clearly see the actual costs going on in there. So I wanted to point out in line item 520.055, oh no, 520.111 Radio Maintenance. We had an extraordinary amount of the radio maintenance that went on this year, a lot of radios that had to be touched and replaced. So that's that little bump that you're seeing there, unanticipated problems to start coming up with some the radios. And then Professional Services 521.100, you'll see there's a \$7,200 expense in there and that is for some grounding that needed to be done for the new Center Con system that went on. We didn't have the proper grounding out there and we had to get somebody in there to fix that so that we can be under warranty with that system. So those are couple of anomalies in that budget. I don't know if you have any questions about our telecommunications group?

Chairman Thaler speaks:

Just one; so if you look at the bottom line, you're going, your expense total from \$146,000 and change up to \$244,000. You said that that was more or less on how you allocate your employees. Is that, was that the increase?

Ms. McGee speaks:

Right, yes.

Chairman Thaler speaks:

Okay, any other questions? Commissioner Walsh?

Commissioner Walsh speaks:

Well over \$146 to \$244, the \$146 is just eight months, right?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Chairman Thaler speaks:
\$146 is where they are today.

Commissioner Walsh speaks:
Well, you made a comparison going from \$144 given...

Chairman Thaler speaks:
Yeah, but the big jump being because how she's allocating her employees. So if you look at six months and double that, \$146 would be, what? \$280? Yeah but it was said earlier it was six months.

Ms. McGee speaks:
Yeah, I think nine, nine months.

Chairman Thaler speaks:
Any further questions or comments for Ms. McGee? What else you got?

Ms. McGee speaks:
Infrastructure and Operations; so this is where are our broadband, email services, our hosting, our cellular devices, our PC's, our service desk, all those infrastructure items are located in here and you can see all the services listed underneath the Programs. I won't go through those, you can read about them and also, don't forget, on our website is our service catalog, so you can see our SLAs (Service Level Agreement) around all of the services including GIS and the telecom, full descriptions who we serve. All that is in there if you need to look at it. What I wanted to point out is we have three computer net techs and a service desk supervisor. The service desk supports all of the calls that come in; so it doesn't matter if it's GIS, if it's the Telecommunications, if it has something to do with one of our other services, they're the first call and they're measured on first call resolution, so they need to have a basic knowledge of all the services that we have so they can try to get things resolved quickly so people can get back to work. Then we got a tier 2 and tier 3 that will work through if it's a severe problem or something that they can't handle, but they have to have a general knowledge of every technology that's in the County.

Vice Chairman Penzel speaks:
Ms. McGee, pardon me, but I heard you say where all our FLA's are?

Ms. McGee speaks:
SLA, Service Level Agreements. So I like to benchmark myself so I want to make sure that we're providing services to a certain set delivery that we've set for ourselves. In addition to that, I also benchmark across like government entities for what we're charging for services and with the private sector as well. I think a good example of that was East Fork Fire signing a five-year agreement because I gave him all the public and private sector entities that he could contract out with and told him, go ahead and see if you can get about better value, you know, because of course, I'm a resident here too, so hopefully, if

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

somebody can find a better rate on something, they should do that. What he found was he could find better rates but nowhere near the service. By the time you add on 24/7; I don't have a 24/7 shop, I just have dedicated staff, you know, that will stay on and a lot of them are exempt so they don't get paid when they're working after hours. So he found that out quickly when he started comparing services. Does that answer your question?

Vice Chairman Penzel speaks:
Yes, thank you.

Ms. McGee speaks:

So the other piece of Infrastructure and Operations, other than our service desk is our Senior Systems Engineer. He manages the data center and all of the servers and that type of thing, infrastructure there, Network Security Admin. He manages the network and the security across the whole entire County, and that last System Administrator, that the .45, so he helps us out with some other projects and for example, he rolled out the digital faxing, the PDF faxing that just went in and the other 55% of his time is totally dedicated to Public Safety and that Spillman Application that gets direct chargeback out to those users through Ron's, Mr. Sagen's budget. And then of course in 13-14, when they redid the whole department, they decided that they would need to be some oversight over these three entities and that's where my position was created to set policy and set direction, and so that's a strictly overhead position so we went from 18.2 down to 15.45 plus added one that was just strictly overhead in that 15.4. And this was the one that I was really trying to true up, so you'll see some stuff we need to talk about in here. So the Telephone expenses 520.055, that's for our two telephone systems that we're currently running right now. You guys approved us to fully fund the VoIP (Voice over IP) telephone system; we've partially implemented that and in the last several years we were running two telephone systems. We are in the last stages of moving off that, with some the spikes there, what you're seeing is that failure of the old system and having the get new devices and keep those that we're still trying to move off of it. What you'll see over time, starting next year, those costs really start to go down once we have the VoIP system fully implemented and we decommission the old analog system. Any questions about the line item? Another one that's pretty large is the 520.126, Software Program Maintenance, that one you're seeing a large spike. So one of the things that happened when I was doing my analysis was we didn't have all of our licensing. I think I talked to you guys about that before, well I know I did because you guys approved the budget last year. So all of our Windows and Office operating, if you look at our Windows and Office software, if you look down at 533 on the second page, 533.806, you'll see a line for software there. I had originally asked for it to be a Software Program Maintenance because that is a yearly cost for licensing and for some reason it got put in straight software, so that jump that you're seeing is just me moving that line item up to where it belongs, so that's that one. Rents and Leases, 520.136 you'll see a fairly large jump there. That was another one of those things that happened several years and we brought in our backup and recovery appliance. That's the yearly lease for that and it was never in our budget; we just had a memo that said we'll find money and move

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

it in and I'm like, "No, we need have a line item for that. I can't plan on what our Services actually are and hope that money becomes available at some point. It needs to be in our budget." So that was moved into the appropriate line item that it needs to be in.

Chairman Thaler speaks:

Can I hold you up there, real quick? I want to make sure I heard you right, so your 533.806, you moved up into 520.126? Why'd you leave \$3,500 in there? Why not just move the whole thing?

Ms. McGee speaks:

Yes, because that \$3,500 is for just like the one-off softwares that we do purchase, so the upgrade, what I'm getting need is I use Visio for diagramming things out. That's just a one-time purchase that just sits on my machine so that's why that's in there. So we have a couple of softwares that we upgrade and keep on our machines that aren't like a regular yearly expense. Does that makes sense? That's the difference between Software Program Maintenance is ongoing yearly, you pay for that particular service or software. The strict software is when you buy something once and put it on a machine and you know, we track to those because we don't want it becoming too out-of-date either. Part of the discussion is cybersecurity. I gave you guys the example article. One thing that, in addition to all the work that we have going on is we really need to stay focused on cybersecurity and that's a lot of research and analysis and looking at what's happened with other entities. So I'm just going to mention, real quick, I gave you the Atlanta article where somebody got in and that was a ransomware, each of these, through social engineering where they get a hold of all your data and that they converted into a language that nobody can interpret and then ask you for hundreds of thousands or millions of dollars to unlock everything; they're currently down and doing things manual. A couple weeks ago, I think it was Baltimore's 911 system was shut down and that was for 24 hours. They had no 911 system and then another report that I just saw and something that's also on my list, I've got so many things on my list I need to take care of its kind of crazy. But 60% of companies reporting data breaches, they've been hopping through, bad actors have been coming in through the network, getting on a printer and then using the printer infrastructure to hop around to get the data that they need because all the printers, all the MFPs (Multi-Function Printers) are smart MFPs, now. They all have hard drives and that is something that we have not done, is go through the whole County, all the printers and look and see what type of devices are on there. Anyway, I don't know how I got off on that tangent, anyway, just things that we need to keep our eye on.

Vice Chairman Penzel speaks:

A question for you. I appreciate the need for security. We obviously have it because you can hardly get in but nonetheless, is there any central office that knows every program that we've bought, like Spillman and like the Assessor's new one and the new one for the Clerk-Treasurer, so that we have an idea about how much we spend annually on all these programs?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. McGee speaks:

So that would be me or my office. Everything that you hear about from all these departments, we know, whether it's Spillman, body worn cameras, the Assessor system replacement; our staff is involved at some level, either minor or major, managing the project to our website replacement. We have a hand in all that and then because of the cost allocation, there are things that are in our budget that, you know, I need to make sure, you know, is that a natural cost of IT doing business or that something like the financial system that's part of the Finance department doing business? I track to that and then we do have things are being paid for out of other budgets, like the project that's going on with DevNet right now and we're getting ready to set up that environment and buy servers, which Larry's gonna signoff here next week if I can get that in front of them, but yeah, we touch all that, we have spreadsheets and online tools that we have where we track all that stuff just so we know where everything is and want to make sure everything's kept up-to-date because that's one of the biggest problems with cyberattacks is things not being patched, things not being upgraded, environments sitting on old hardware. So yeah.

Vice Chairman Penzel speaks:

So what do we spend annually on all the projects all with different kinds of personal computer system.

Ms. McGee speaks:

We only track a part of it; I would have to go look, like the Spillman software itself is out there of that budget. Once you go live with DevNet, I'm not sure where we're gonna move that. What we've been trying to do is move that stuff into my budget line item under the software program maintenance so I can keep an eye on that. What was happening in the past is departments would be like, "Well, I'm going to use that \$100,000 for something else instead of upgrade now" and then we would have systems out of spec, so every time we see something like that, when a project gets done, we look at moving the ongoing expense into my budget.

Vice Chairman Penzel speaks:

So maybe next year budget time, which is probably the November this year, are you going to have that number?

Ms. McGee speaks:

Yeah, I have it right now, with the exception of Spillman. Spillman's not in there, ADS400, because some of that is been split out, but if you look at the Software Program Maintenance that includes a lot of ongoing systems that we have in there. New World systems is in there. So if you look at 520.126...

Vice Chairman Penzel speaks:

So you're looking at \$514,000 for next year...

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. McGee speaks:

For software, yeah. And except for that usually goes up about, you know, anywhere from 3% to 8%, depending on the vendor, so you know, you get annual increases in that. And that's not including the environment that all that sits on; we have a virtualized environment. Some of the systems require their own particular servers and they can't be virtualized, so we have those costs as well. We break all of that out every time we do cost allocation or direct chargeback so we make sure the people that are being charged their fees, you know, the database administration, all that is all rolled up into the management of the system.

Vice Chairman Penzel speaks:

I must say that that we've had several presentations now. I think what you've done in capturing all this data and being able to say it back to us is really impressive and not relying on somebody from the Finance office to do that. I think that's great knowledge and behooves all the rest of the managers to live up to as an example, so thank you for what you do.

Ms. McGee speaks:

Thank you very much.

Commissioner McDermid speaks:

You mentioned in terms of cybersecurity, printers; so, no department gets a printer that you don't know about, is that correct?

Ms. McGee speaks:

Not anymore.

Commissioner McDermid speaks:

So how do you go about finding all out if all those printers are secure enough?

Ms. McGee speaks:

So most of those are the multifunction printers, like the big Xerox that actually have the hard drives in them and I don't think too many of the newer small printers, we're try to get rid of those, by the way; there's costs, elevated costs associated with those. But we're going to have to go through and touch every single one and do the analysis and see, my preference would be to yank the hard drives out of we don't need them, that solves it but sometimes they might, we might need to be capturing some information there. And I'm not sure with the PDF faxing, how much we're gonna need have those hard drives in there. We're going around, changing all the usernames and passwords because there was a lot of defaults there.

Commissioner McDermid speaks:

So okay, because I think it was couple years ago we got new printers, wasn't it? The one in the County Manager's office? The big one, that's pretty new.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Mr. Werner speaks:

Yeah, I believe those are ongoing, as equipment wears out, leases come up; it's a continual process. And that does go through IT.

Commissioner McDermid speaks:

So I just would, sure you already know how valuable I think you and your whole staff is. I think your, this is much like getting into the, getting Douglas County into the 21st century; we have to be beyond the 21st century. We have to get ahead of everything and so everything you're doing is critically important to the entire structure for Douglas County. So I'm sorry, in terms of being able to move forward because of having to wait on the Master Plan but I don't think the IT department should have to wait on other departments in what they're doing. I think yours is unique to itself and critically important and can be then brought into whatever other plan is being done. Do you see what I'm saying?

Ms. McGee speaks:

Yes, we track to that as well and we have gigantic workloads, which is part of the problem right now and I'm gonna talk about that a little.

Chairman Thaler speaks:

So, are you gonna move to the Supplemental Request and Capital Improvement?

Ms. McGee speaks:

Yeah, we're going to have some discussion on that.

Chairman Thaler speaks:

Any further questions before we move on? Okay, this is big news; fire away. This is where we talk about rubber meeting the pavement.

Ms. McGee speaks:

Yeah, I'm just gonna roll through these; you guys can look at them later. These are some of our projects that are in flight. These are not on any of our, a lot of our infrastructure projects aren't in there; the ones that are in red are behind right now but you can see the different people we're doing some work for there. I just made a list of some stuff it on the horizon that we need to be addressing in the next year or two. I think I sent a letter to or a note to Commissioner Penzel when he was asking about electronic signatures and document management stuff. We don't have the bandwidth to address that until the 19-20 budget. I just want to touch on our Strategic Plan that you approved last year. I'd asked for a Project Manager and a Business Analyst and those didn't make it through and the realignment of our Computer Techs, this is all part of our Strategic Plan and just because I have these green ones on here doesn't mean we're necessarily going to need them. The GIS Tech that's on there in anticipation of what might happen with the Asset Management System. Just like with the body worn cameras, Mr. Howell and I had a discussion when he was putting that system in and looking for an FTE and him and I had a discussion about what that person would actually be doing with the solution that he selected and it wasn't an IT person, so that's when I said, "This needs

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

to be in your budget”, because if they have a problem with the system backend, we’ll take care that but it’s not, we don't need to have an FTE to help manage that. The systems come up and online and I’ll be analyzing the stuff to see where we need the other ones, but for sure, we definitely need a Project Management and Analyst Support because I'm trying to do that, all of our staff is trying to do that while they're trying to hold down the systems as well. So if you look at my Supplemental Requests, you'll see the first two items, Software Licensing Increases, I need \$23,000 and that's part of that \$500,000 line item, just general increases that happened with the maintenance across the board there. And then number two is kind of not an optional item, that's our Virtual Server Environment and I want to get this \$16,500 in our budget so we can start replacing the servers on a five-year rotation. So we have five servers in that environment now, if I get that \$16,500 in there every year, we can replace a new and keep that environment up-to-date. The Redundant Internet Pipe for the Cloud, we're moving to more and more cloud services because it's more cost-effective for the County. We do have an increased pipe out to our Internet to help support that, but we don't have any redundancies. So, if a backhoe rips out a mainline, we're down, so that \$15,000 is to add a southbound pipe out so if something gets cut in the north, we're still out on the Internet on the south and it's not gonna stop our business operation. So those three are important. The next two are equally as important because everybody's trying to do those jobs now; we're spreading that out throughout the department and just picking things off where we can and we're not doing a very good job rolling some of these things out because we're missing things, we're trying to do too much with the staff that we have. So those are the two requests that were part of our Strategic Plan and in addition to the reclass of the net techs. And then an increase in overtime with staff, they need to start planning for that as well. I can't, I have staff that is not exempt that's coming in on the weekends and then not charting their time and I told him, “You have to put your time and because that's the only way I can track on the utilization. You can't just be coming in.” And then too, they're not claiming their time, what if they get injured on the job, you know, so I put my foot down and I say “You have to start claiming your overtime”, so that's what that is, or at least what I think that's gonna be next year. And then of course, what Commissioner Thaler referred to earlier, was our whole data center underneath this commission chambers and being below ground and the issues that that creates as well and the relocation of our staff. We have staff spread out cuz there's not enough room in any one place to have like computer operations going on, so there's a lot of inefficiencies within our own staff as well just because of that. I’m trying to find a place that has a bunch of cubes so we can all talk. So anyway, those are my requests. And then I have one Capital Improvement Request and this needs to happen or Spillman environment is going to be in need of a refresh next year and that's what that cost there is for the capital, replacing all the hardware in that environment.

Chairman Thaler speaks:

Did we not see that in the Sheriff's budget?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. McGee speaks:
That's the software.

Chairman Thaler speaks:
So this is in addition to the software.

Ms. McGee speaks:
That's an addition the software. His software needs to be upgraded and he and that software will get charged back to the user entities and then this Capital Improvement Project, having the infrastructure to support that, is in our budget.

Chairman Thaler speaks:
So when we talk about the data center relocation, do you have thoughts in mind? That's just physically to move them, right? That doesn't include what you would, I mean obviously, unless you're booting someone else, leasing the building or what?

Ms. McGee speaks:
Part of the costs that are in there and you'll see it in the breakdown in the Supplemental is moving a piece of our data center up into Switch; we're doing some of that analysis right now, we were doing it last year so we could come up with actual costs there, so part of that's in there. Also, that's based off, I did a layout with our ideal square footage for our group, and like I said, that's the open cube environment. No more these offices, it's just too much for an IT shop to be cordoned off like that, but I took that times the dollar per square foot for a lease and we were looking a couple places last year but you know they come and go. So I did some initial analysis on that and then I went and checked the price per square foot before I put it back in here, and if it gets approved, then I'll do the legwork, because I've got too many other things to do until it's approved to actually do the legwork and find ourselves a spot.

Chairman Thaler speaks:
So if you were to place a priority on moving IT from downstairs into a more secure place, where would you put on a scale of 1 to 10? Remember this is IT.

Ms. McGee speaks:
I know, well, if you look at the risk factor...

Chairman Thaler speaks:
We talk about this every year and we cross our fingers and we have torrential downpours of rain and we keep talking about moving IT. What I would consider the most important lifeline to running County operations minus law enforcement and public safety and all that other stuff but if we lose IT, right? I mean, we talk about a lot of redundancy, we've been talking about a lot of things that you do to protect yourself from the outside people cutting through lines, X, Y, and Z but we've talked about this every year, at least every year that

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

I've been on this board, about relocating IT and yet we don't do it. Is it because it...

Ms. McGee speaks:

Last year, it didn't make it and I mean, I requested it but it didn't make it to you. This year, I'm making the request to you and if you want me to try to put this in a 1-2-3, I mean, everything is, and I hate to say that, everything is critical. I guess we can keep operating the way we have been with our projects. I mean at some point, I'm at the point right now where I have to say, No, we cannot take on another single project, we're just maxed out. And then with the Business Analyst, I need that person to run the Cloud implementations with our, because we want to roll out SharePoint in the Cloud, we want to do Skype for business and all that's part of that cloud-based Microsoft suite; we need somebody to run that. That's a whole another hands-on, behind-the-scenes, of course, everybody else will be a lot more efficient, but we have things we need to do in that environment. I got a couple of things, that single sign-on coming up, that person will be so that. I mean we could, you know, put those lower down and then address in a couple years but then the cost will be, we'll be duplicating costs.

Chairman Thaler speaks:

I didn't necessarily want to you to prioritize each one of them, I'm just looking for a priority in regards to moving IT downstairs. I get where everything else is going, that's ½ million dollars there, plus or minus but there's ½ million dollars there, I know, but my point being this is that that data center and everything that goes along with it, but the priority for that move and that datacenter into a more secure and safe location. I'll just cut to the chase; I think it's gotta be really close to 10. We're faced with a lot of other issues, and I'll get to the rest the commissioners here, is infrastructure and roads and and waters and all that other stuff is, we have to still operate a business here, that's called Douglas County. Okay, I think Commissioner Walsh had his hand up first and then Commissioner McDermid right after that.

Commissioner Walsh speaks:

Sherry have you thought about talking to the people at JLEC (Judicial Law Enforcement Center), I mean, they're looking for space. It might be efficient, for secure space too, it might be sufficient or efficient talk to them and find a facility that could accommodate their needs and your needs too.

Ms. McGee speaks:

I think Larry was talking about that.

Mr. Werner speaks:

Yes, we have been doing that.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Commissioner McDermid speaks:

That's what I was thinking is, there is talk of leasing space for, to help solve the JLEC problem, which could help IT as well, because they would want security as well as you wanting security but, I'll tell you, for my feeling, we would be in a world of hurt if we aren't able to support these IT requests and I'll tell you why, because if that system goes down or we lose an employee, you talk about doing the County's business? We can't do it without IT. We are in the technology age and we have to keep up, we have to have the staff and we have to, I mean, Sherry's got a ton of knowledge and a ton of work and she needs the people and the place and all these things. Yes, it's about \$484,000 short of \$500,000 but I cannot think of \$500,000 that is more importantly spent, at least for the security, for the safety of Douglas County. So that's my take on it.

Chairman Thaler speaks:

Thank you, I think we're probably all on the same page and we'll find out after Wednesday's hearing. If you, it's kind of like reading the end of the book, I kind of read, I went all the way to Wednesday and looked at the last couple presentations, you'll see all these. I'm not gonna surprise anybody with the answer to that book but you'll see all of these things in order and I think that's where, as you notice, none of us have approved anything as today and we don't plan on doing anything until we get through the first round of budget. So I think the, what we'll be doing on Wednesday will be the, when we start prioritizing cuz I know we sent out manager off on a wild goose chase to find \$2.5 million and I think you came up with 1.8 but we're knocking that 1.8 down, so we got a lot of stuff on our plate to do on Wednesday. So that's kinda, Sherry, when I talk about priorities, I mean, every departments coming through and every department has their priority, but I think that's where the five of us have to come to some agreement and say okay everything sounds scary and everything we have to do, including roads, including local roads and including stormwater including you know every different place we've got to put money in. But let's face it, there's not enough money to go around, so we do need to place a priority, whether it's through priority-based budgeting or us just prioritizing. So that's why I try to push you and saying, "Hey". I went up to Switch and it scared the crap out of me, excuse me, that's French, but it is a secure system and I look at our own securities. Anything further?

Ms. McGee speaks:

Just two real quick things, speaking of priority, I'm not sure what you're doing with the priority-based budgeting, but I was noticing in the list of programs that things like broadband was rated four; just be real careful if you look at that because that broadband is how we get to the Internet and around the County. So anyway, I saw that and I didn't see anything else that just jumped out at me and I went, "Oh my gosh", you know.

Chairman Thaler speaks:

Just so you know, we didn't put that four there.

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

Ms. McGee speaks:

No, I didn't think you did. I don't think I have it here, but in the very back of the handout of the presentation I put the projects that we've worked on since we did our Technology Strategic Plan; everything that's in the dark gray is the stuff that we've accomplished in the year and a half, so you can see those and the things that we're currently working on there that we identified in our Strategic Plan. That's just for you later.

Chairman Thaler speaks:

Thank you so much; any questions before we let her go? So again, thank you. Well done. I wish there was real good news, but we haven't figured that part out yet but keep doing what you're doing and I will tell you and I and I'm sure the rest of staff here, there's not a time that I don't call and your staff jump on my phone, my, you know, everything that I use for business and they get it fixed. It's very much appreciated because the last thing we need is down computer time. Commissioner Penzel?

Vice Chairman Penzel speaks:

That's because you have all that Apple stuff, it's high maintenance.

Chairman Thaler speaks:

Without any further ado, we're going to take a 10 minute break and this will be our last break before we go to the next three departments, I suspect they will go fairly quick, so thank you again and let's come back at 25 till.

Chairman Thaler speaks:

Okay, we'll bring this meeting back to order and it looks like we have Human Resources and then Risk Management. We'll finish off the day with Self-Insurance looks, like we're probably gonna pick up Nevada Cooperative Extension on a later date cuz it doesn't look like Dr. Lewis is gonna get back or something like that, so we'll fill that department in some other time. So, Ms. Lang, you have the floor.

Wendy Lang, Human Resources Director, presented the following regarding the Human Resources Funds:

- Budget
- Programs
- Supplemental

To view Ms. Lang's complete presentation, please see the Board Packet and the Supplemental Materials.

Wendy Lang speaks:

Thank you very much, Chairman; Wendy Lang, Human Resources for the record. I am here, I'll start with the Human Resources Department, 194 General Fund budget and, of course, if you have any questions as I go along, feel free to stop me. I have the PowerPoint on the screen, but I do have available on the computer as well, the line item budgets that were passed out.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

On the slide before you, the overall picture of the budget, there are a couple of notes I wanted to make here. The total FTEs (Full Time Equivalent) and the change in Salaries and Wages is actually a little bit off and I'm working with Finance. That's a matter of reallocation between this budget and the Risk Management budget. There is not an increase in FTE and Human Resources this year. There was, if you recall, last year some slight changes to staffing when we went self-insured with Worker's Compensation and I think that just didn't get recorded properly, so that FTE is flat and any increase to Salaries and Wages, and Employee Benefits, would be the standard COLA (Cost of Living Allowance) and merits that are being budgeted across the organization.

Chairman Thaler speaks:
So it's not the 25%?

Ms. Lang speaks:
No, it's not.

Chairman Thaler speaks:
That was another sticky note.

Ms. Lang speaks:
I thought it probably would be.

Chairman Thaler speaks:
Okay, so long as you're working with Finance on it.

Ms. Lang speaks:
Yes, and that will be resolved before the final. Thank you, Chairman. One other note, there's a slight increase in Services and Supplies, that is just due to estimated increase in our NeoGov software licensing. I think in actuality, the final cost came out a little bit lower than when I had estimated for my budget but I can find those monies within the budget as well, if we'd need to do that. This is an overview of the Programs that Human Resources administers in the General Fund. Salary and Benefits Administration, this last year we processed 95 new hires and 104 separations from the organization. We also processed or oversaw some design changes to our health insurance as well as a carrier switch. We also saw some improvements; we did an online open enrollment this year, which we are able to successfully rollout to the workforce. I also wanted to highlight the Performance Management Program. We have improved the timeliness of performance evaluations; we're able to do that through automated reminders to managers to conduct performance valuations, we have easier HR (Human Resources) oversight to that timeliness and we are now regularly reporting on any tardy performance evaluations to encourage the departments to process those in a timely manner.

Chairman Thaler speaks:
So where you are 60 days or less on all employee evaluations?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Lang speaks:
Yes.

Chairman Thaler speaks:
30 days or less?

Ms. Lang speaks:
Yes.

Chairman Thaler speaks:
15?

Ms. Lang speaks:
I think we're just at about 15.

Chairman Thaler speaks:
That is a huge accomplishment.

Ms. Lang speaks:
It is, thank you, and kudos to the organization for taking that seriously. It is very costly to process retroactive payments and it's just not fair to our employees. Thank you. So other Program highlights I wanted to point out, we're currently working with our emergency managers at East Fork Fire to enhance NIMS (National Incident Management Training) training, targeting new hires earlier on in the process and expanding on some trainings that may have been missed over the years and refreshing some of those that have been done quite some time ago. We currently, Recruitment and Selection is another program to highlight. We currently have 25 active recruitments this year so far, and in the nine months of this Fiscal Year, we processed 133 requisitions for hires, so that's a substantial workload and indefinitely an increase over the previous years. I do have one Supplemental Request, if you'd like to discuss that or if there were any questions about the line by line budget, I'm happy to discuss those as well.

Chairman Thaler speaks:
Questions from the Board? Commissioner Penzel?

Vice Chairman Penzel speaks:
In the HR Professional Services, account 521.100. It's high now and it's going down, what's the difference? Why is it at that level and why is it going down?

Ms. Lang speaks:
Great question. We actually moved \$30,000, about \$29,000 out of that line into the software line just to more appropriately categorize those expenses. That's for the NeoGov software that we subscribe to; its cloud-based software and the software is utilized for recruitment and for performance evaluations.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Vice Chairman Penzel speaks:

Okay and then, is it our policy that we have everybody's that's hired gets a physical?

Ms. Lang speaks:

No, it is not.

Vice Chairman Penzel speaks:

Why is 521.140 \$85,000?

Ms. Lang speaks:

That is actually just physicals for the Sheriff's office, which we are required to do per NRS (Nevada Revised Statutes) and that amount is cost allocated to the Sheriff's office.

Vice Chairman Penzel speaks:

That it seems like an awful high amount. Do they take a physical every year?

Ms. Lang speaks:

Yes, they do. New hires and annual physicals and part of that drives on NRS requirements as well as the heart/lung benefit that's available to police officers. It's important that we monitor their health annually in order to ensure our defensive position with any heart-lung claims that they may have essentially for life.

Vice Chairman Penzel speaks:

So then I take it when East Fork departed, they have the consequent increase for those physicals and we had a decrease, so this represents a lower number?

Ms. Lang speaks:

I would imagine so; I can't speak firsthand since I had just started with this role around that time but I know this number is directly cost allocated in the cost allocation plan to the Sheriff's office and I'd imagine that either East Fork was paying for those directly or there is a similar cost allocation to them when they were working through HR and County staff.

Vice Chairman Penzel speaks:

And so, do you keep those physicals on file or does the Sheriff's office?

Ms. Lang speaks:

Human Resources keeps those in order to comply with HIPAA (Health Insurance Portability & Accountability Act).

Chairman Thaler speaks:

So, good questions, and that leads me, so in previous years, you, for instance, last year you only spent \$52,386 and then you're on target right now for about the same, cuz you're at \$26,000 but yet your budgeting \$85,000 and I see that \$85,000 hasn't changed over the years. So my question is, is that your number

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

or somebody else's number?

Ms. Lang speaks:

Good questions. As you said, it is been the same for number of years and it does predate me.

Chairman Thaler speaks:

Okay, so do we budget based upon what we've been doing year, over year, over year or do we budget based upon, like historical data and we kinda plan... cuz that \$80,000, what scares me is 85, 85, 85 when you really don't need 85 because your historical data only shows probably 50 to 60, correct?

Ms. Lang speaks:

Thank you. Yes, that is a line item that I am paying close attention to in future budgets. This year we will actually come very close to the \$85,000 because we revised our provider and our schedule for physicals, so we will end up having double physicals in order to avoid going more than a year without giving someone a physical, we had to, there will be people who end up twice in this Fiscal Year, and so we are going to come a lot closer to that \$85,000 and actually right to that \$85,000 because of that change.

Chairman Thaler speaks:

Why would people get two physicals in a year?

Ms. Lang speaks:

Because we changed the schedule from spreading the physicals throughout on each individual's anniversary date. Risk management staff worked very closely with the Sheriff's office to change providers to ARC Wellness, which comes on-site once or twice a year with their bus and completes all the physicals at one time. And so with the timing realignment, in order to avoid somebody who, say had a physical in September, are not getting a physical for 15 months, they're gonna have one twice within a 12 month period.

Chairman Thaler speaks:

So can we assume that with you expending \$26,000 today that buses come once?

Ms. Lang speaks:

That bus did come once, just recently, and I don't believe that's reflected here. And then to answer your initial question, another thing that we need to monitor closely is that new hire physicals. The number of new hires can greatly fluctuate this number because that's an additional expenditure beyond the annual physicals.

Chairman Thaler speaks:

So other than the Sheriff's office, who else do you do physicals for?

Ms. Lang speaks:

We do them for other departments, but those departments have those costs in

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

their budget. I don't know the history for this line item being in HR budget. But as I said, it is a direct cost allocation back to the Sheriff's; this is just purely DCSO (Douglas County Sheriff's Office) physicals.

Chairman Thaler speaks:

Ok, so maybe that's some area we want to look into because it really doesn't give us a clear understanding of all physicals, because you just said that some departments have it in their budget. The Sheriff's office as there's neatly protected in yours, which I get, okay.

Vice Chairman Penzel speaks:

I was just gonna say, Mr. Chair. to fortify what you're saying, it should be reflected in the Sheriff's budget. The cost allocation, sometimes, depending on when that's done, doesn't reflect what we're looking at for the total budget.

Ms. Lang speaks:

Makes sense, and certainly some good feedback to evaluate.

Chairman Thaler speaks:

And in your last item up there, your software.

Ms. Lang speaks:

Yes, I do have a Supplemental Request.

Chairman Thaler speaks:

I mean in you budget, you had a whole bunch of three digit numbers and jumped up to the big \$32,100 that you're requesting; is that different software? What software is that?

Ms. Lang speaks:

So \$29,000 of that is monies I pulled from Professional Services to just put it in a more appropriate line item, the NeoGov costs and that's what's going up and I was able to save some monies in other line items to accommodate that increase.

Chairman Thaler speaks:

Okay; further questions from the Board? So, do you want to talk about your Supplemental Request?

Ms. Lang speaks:

Thank you. I do have a Supplemental Request for a software subscription to Korn Ferry Interview Architect. This is a competency-based interview approach that has been very valuable and proven; we've been able to use it a little bit here at the County. We've paid for each recruitment one-off; this subscription would allow us to implement across the organization. It's a standardized interview preparation, execution and evaluation tool that increases the ability to select successful talent and create a focused and effective interview process.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Chairman Thaler speaks:

So my understanding, you used it for the ACM (Assistant County Manager) position?

Ms. Lang speaks:

We did.

Chairman Thaler speaks:

Any other positions that you've used that for?

Ms. Lang speaks:

Yes, we've used it for a couple of Administrative Services Managers; we used it most recently for the ACM interviews, Public Works Director.

Chairman Thaler speaks:

And are our departments now getting used to this or is going to be your intention to, this be our interview process software for all departments?

Ms. Lang speaks:

I think that most departments would see of that benefit to this. One of the most challenging departments to bring change to is the Sheriff's office and we did utilize this with Undersheriff Howell and looking at a new position and he's excited to roll it out throughout their entire organization. He went through the process of identifying the competencies that would be most important in the position, what are most easily available, what are most easily trained and really focusing in on looking for those competencies and going to the process, so he's given it great reviews.

Chairman Thaler speaks:

Thank you. Any questions?

Vice Chairman Penzel speaks:

I was just gonna complement the HR manager for the same thing I complemented the IT (Information Technology) manager; for knowing what's in your budget, not depending on the CFO (Chief Financial Officer) to provide people for that, although I'm sure you consulted with them, but it is good to see the manager actually being able to answer questions. So thank you

Ms. Lang speaks:

Thank you very much. Comments are always appreciated but it is very good team effort here.

Wendy Lang, Human Resources Director, presented the following regarding the Risk Management Fund:

- Budget
- Programs
- Supplemental

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

To view Ms. Lang's complete presentation, please see the Board Packet and the Supplemental Materials.

Wendy Lang speaks:

Okay, moving on to the Risk Management budget and I'll start with the PowerPoint and I do have the line by line budget available as well. Risk management overall budget, just if I could point out again, the FTEs (Full Time Equivalent), this is the budget where some alignment needs to be done still prior to final budget. So this is where you see those offsetting changes. Risk Management is a separate fund, which includes revenues and so another point that I would make is the reduction in revenues to Risk Management is actually representing savings to every other fund and department and that is largely based on our self-funded Worker's Compensation and our savings that we've realized in those areas. Our current ending fund balance reserves is just over \$4 million, as you can see; \$2.6 million of this is Worker's Compensation. There was a settlement from our prior workers compensation carrier, the Public Agency Compensation Trust or PACT, before you at the last regular Board meeting and that settlement was for a value of \$1.5 million. If those monies are placed in this Worker's Compensation reserve, that puts the reserve at the \$4.5 million mark, which was our goal as a self-funded program and so maintaining, as long as we can maintain those balances, we would likely continue to see savings to other funds in departments at the Worker's Compensation rate.

Vice Chairman Penzel speaks:

We have on the computer that was given to us as the backup data off the County website...

Ms. Lang speaks:

This slide?

Vice Chairman Penzel speaks:

Yes

Ms. Lang speaks:

Yes, that's right. This was the presentation that was published initially with the agenda

Vice Chairman Penzel speaks:

No, the number you have for the reserve ending balance is 5.9 and what I see is 4.1

Ms. Lang speaks:

Yeah, you're correct and I have 4.1 in front of me, so I'm not sure what the PowerPoint, it looks like it is incorrect. I'm going off the 4.127 number as well.

Vice Chairman Penzel speaks:

Well, I don't get it, if we got 4.1 in there, are we gonna put 1.8 more in there?

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Lang speaks:

Of that 4.1, only 2.6 is Worker's Compensation reserves. There are Unemployment Reserves and Property Liability Reserves in this fund as well.

Commissioner McDermid speaks:

So, what I'm looking at, it says Risk Management that the opening fund balance/reserves, 2017-18, adopted is 3.691 but 2018-19 tentative, it has 4.3 million not 6.2. So is, where does the 6.2 come from?

Ms. Lang speaks:

I'm sorry, Ms. McDermid, where do you see this? Are you looking at this?

Commissioner McDermid speaks:

No, I'm looking at above at the Opening Fund Balance. All of the numbers are correct until you get to the bottom opening fund balance and it says 4,374,214.

Ms. Lang speaks:

Yeah and that's what I have on my backup materials. Well, I can't speak to the PowerPoint and if there were changes made after it was published, I'm sorry.

Commissioner McDermid speaks:

So you did, you don't, so it's not 6.2?

Ms. Lang speaks:

It's not and I believe the backup materials are correct. Its \$4.3million. It seems that the PowerPoint was altered on the computer. Sorry for the conclusion.

Chairman Thaler speaks:

But if you look at it, it drops from 4.3 down 4.1, so you're gonna drop about \$200,000? Your ending fund balance goes down by \$200,000...

Ms. Lang speaks:

The 4.3 to 4.1 is reduced by 200,000, yes and I'm not sure, I'd have to look into that further with the finance stuff. Thank you.

Commissioner McDermid speaks:

Mr. Chair, so if the funds that we got from POOL/PACT (Nevada Public Agency Insurance Pool/Public Agency Compensation Trust), if we put that into the Risk Management reserves, that would bring us to \$4.5 million?

Ms. Lang speaks:

Yes, for Worker's Comp specifically and the numbers here represent multiple reserves.

Commissioner McDermid speaks:

No, I understand; I'm saying it would bring the risk, the fund we wanted to go to 4.5, bring to the 4.5.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Ms. Lang speaks:
It would, that is correct.

Commissioner McDermid speaks:
And the other, I think you said 2.6 was in unemployment?

Ms. Lang speaks:
Not all of it and it is actually on the line item for the Risk Management, page two of three. The loss provision reserves, there's \$300,000 in unemployment, \$187,000 in the operating reserves and then they've historically combined line 625.100, the loss provision but \$1 million of that is for liability and Worker's Comp, I'm sorry liability and property, so the remainder is Worker's Comp. So that would be 2.6 that we're working with right now, specific to Worker's Compensation with the 1.85, then we would achieve the \$4.5 million goal that Worker's Compensation reserve.

Chairman Thaler speaks:
So when you put that 1.8 in?

Ms. Lang speaks:
When it's received.

Chairman Thaler speaks:
So we know, we already agreed on that, if I'm not mistaken; we got a note from Zach that it was good to come through in a month or less. So this is probably something you could build into the budget before the next...

Ms. Lang speaks:
I believe that's the plan for final budgets and looking to the Board for direction to put it in that reserve in these hearings to approve that.

Chairman Thaler speaks:
I think we pretty much said that in our last meeting. So, Commissioner Walsh?

Commissioner Walsh speaks:
Thank you, Mr. Chair. I just, you might've already covered this but I was looking at something else; what is the Other Financing Uses under \$49,000?

Ms. Lang speaks:
The \$149,000, I believe that represents transfers out to the District Attorney's Office.

Commissioner Walsh speaks:
The Other Financing Uses on the budget presentation, \$149,221?

Ms. Lang speaks:
Yes, that in the line item is item number 618.700 and that is transfers out to the District Attorney's office which was part of the expenses to fund a position in the civil side of the District Attorney's Office when we went self-funded with

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

the Workers Compensation program.

Commissioner McDermid speaks:

Now, is that, would that be an ongoing expense for you?

Ms. Lang speaks:

It is; it's always gonna be a transfers out to the District Attorney's office as long as this Board sees fit.

Chairman Thaler speaks:

Further questions?

Ms. Lang speaks:

And so there are Supplemental Requests, if I can just switch to that PowerPoint presentation for the Risk Management Fund; the Supplemental Requests here and there are some Programs as well, primarily Worker's Compensation and work liability and Risk Management. So the Supplement Requests says none, but I think that the packet said we did have the Fraud, Waste and Abuse Program under Risk. So anyway, there is a Supplemental Request for the Fraud, Waste and Abuse program and the Audit Committee to be paid out of this budget.

Chairman Thaler speaks:

Questions? So, we'll obviously be talking about the Audit Committee; is that the Thursday committee we're gonna approve?

Ms. Lang speaks:

Yes.

Commissioner McDermid speaks:

Why do they need \$100,000? Are they getting paid?

Larry Werner speaks:

Essentially, to make the audit committee functional, one of the things we need to do is have an outside third party auditor, auditor firm, we're looking at Moss Adams, that as the audit committee identifies those ring for a while so that is the audit committee that affords those areas that need internal audits or performance audits, then based on a risk assessment that we would have performed, then this company would actually go out and do those audits to address the concerns of the audit committee saw. So then they become a staff support, third-party staff support to the audit committee.

Commissioner Walsh speaks:

Larry, they would only be used if indeed there was a third-party audit necessary, is that correct?

Mr. Werner speaks:

That's correct. I think we would pay them their fee and ongoing costs, retainer costs; as the audit committee met, they would be expected to have their senior

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

person there at the audit committee meeting, almost become like a staff liaison to the audit committee as well as the CFO. That way, if there's any questions that came up, or if any kind of issues came up, they would provide direction to the to the third-party auditor, which in turn would be forwarded to you as the Board to authorize that. So we wanted to have a budget set aside to be able to do those. Whether we spend the full \$100,000, this is based on my previous experience at other locations; we spent between \$100,000-\$129,000 a year to do things like fleet and like cash handling and all the kinds of different audits that are accompanied. That usually pays for about two audits per year and also for the time then for the representative from the third-party auditing firm to be at the audit committee meetings.

Commissioner McDermid speaks:

This is in addition to regular audit that the County has?

Mr. Werner speaks:

This is in addition to the financial audit performed by the end of the year, fiscal audit, yes, this is totally different.

Commissioner McDermid speaks:

I understand, but does this audit, if there is an audit done, is that then submitted to the, for the annual audit for the County?

Mr. Werner speaks:

Not necessarily; it would be reported back to this Board. This would be more like at operational audit than it would be or ...how do I describe it? The State audit that we do on an annual basis looks to make sure all the paperwork is in place. This is to make sure that the paperwork that's generated is correct and are there efficiencies that we can see in your organization, are there things we could do that would improve the organization.

Chairman Thaler speaks:

Well, you could add that this is, this would be ongoing and it could be complaint driven to where we just sit around and wait for the other audit committee. So the end of the year comes around, we know from July, August, September and October, they come in and audit, but this is more of a possibly complaint driven that could happen anytime of the year. We don't have to sit around and wait for the outside auditors to come in and audit us.

Mr. Werner speaks:

This is correct. There may even be some one that come without a complaint that you want to initiate on; if you're concerned about the operating efficiency of a particular part for the organization. You may want to have them go in and to take a look it to see if it makes sense or if there are ways we can improve our processes. It becomes a very good tool to use.

Chairman Thaler speaks:

Okay, let's move on the dental; let's fix some teeth.

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

Wendy Lang, Human Resources Director, presented the following regarding the Dental Insurance Fund:

- Budget
- Programs
- Supplemental

To view Ms. Lang's complete presentation, please see the Board Packet and the Supplemental Materials.

Wendy Lang speaks:

Douglas County has a self-insured dental fund. That means that we don't actually have an insurance carrier for dental insurance that is available to our employees and their dependents. We have a self-insured fund; it's administered by a third party administrator and that's basically the cost that you will see, our payout on the claims and the administration cost to the third-party administrator to administer those claims and paying for the use of the network. This fund has had some healthy reserves the past few years, so we are running down reserves right now, reducing the reserve balance each year. And every year we do evaluate and project at the rate setting time each year whether we should increase those rates and make a recommendation to this Board whether or not to increase those rates.

Chairman Thaler speaks:

So if you have a third-party, why do you need reserves?

Ms. Lang speaks:

The third-party administrator purely processes the claims and makes a dental, a network of dentists available to us. The reserves are there for any high expenses in a given year. We don't need a substantial reserve; you basically need 30 days' worth of claims. If the insurance program were to end today, we need to be able to pay out all outstanding claims.

Chairman Thaler speaks:

And what does 30 days equate to?

Ms. Lang speaks:

That's a good question that I don't have the answer in front of me for but it's substantially less than what we have in our reserves.

Chairman Thaler speaks:

So your plan is to over the next how many years to reduce that down to a...and you don't do it by or do you do it by rate stabilization within the dental?

Ms. Lang speaks:

Well, we have been, right, those are rate stabilization reserves and we had kept the rate stable, particularly through the economic downturn when we were reducing employee wages and that sort of thing, we were able to maintain the dental premiums and not see an increase. We have a benefits committee here

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

in Douglas County. We also have a health insurance broker and so that brokerage provides guidance. Last we looked, it was about four years that would take us to run down the reserves without a rate increase and what our rate increase would need to look like at that time, what their anticipation is. Last year we elected not to increase the premiums and we will reconsider that this year, reevaluate how we're running, where we're at and what the recommended rates might be.

Chairman Thaler speaks:

And is this, so this is almost like an enterprise fund, the amount of money you bring in can only be spent on dental, correct?

Ms. Lang speaks:

Yes.

Chairman Thaler speaks:

Any questions generated?

Ms. Lang speaks:

All right, thank you. And I think that's all I have for you.

RESULT: FOR DISCUSSION ONLY

CLOSING PUBLIC COMMENT (No Action)

Chairman Thaler speaks:

Okay, that looks like the end of our day with a couple of housekeeping items. So we will have two more days at it; we've got to tomorrow and then we've got Wednesday. Everybody has what you need? We can go home and do homework if you want, but so I'm going to open this up for Public Comment. Public Comment is now open on any of today's activities. Scared everybody out. Do you want to talk under Public Comment or after? So, I'll close Public Comment and bring back to Board. Mr. Werner?

ADJOURNMENT

Larry Werner, County Manager, speaks:

Yes, I think, as far as the Cooperative Extension, we're going to try to squeeze that in on Wednesday right after the Judicial Presentations but before we jump into the Supplemental Requests. Tuesday's full, so we would try to, like I say, Judicial's coming in on Wednesday; we had a specific time set up for them. So what we'll do is try to squeeze right in between the last two elements of Wednesday. I think it's two elements, if I remember right.

Chairman Thaler speaks:

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

And then Larry, can you kinda fill us in on what your goal is for the end of the day Wednesday? Are you looking for us, because there's a whole lot of stuff that we've gone through or will have gone through in two weeks. What specifically are you asking of us by the end of the day? Because the next time we look at budgets is not for another couple more weeks.

Mr. Werner speaks:

Essentially, two things that we're going to need to see is that we'll recommend Supplemental Requests to you that we've reviewed that we think should be funded; either they're cost neutral or they're essential and you've seen some of those. Then there will be a whole list of what we as IRC (Internal Review Committee) have kind of prioritized on the Supplemental Requests. It's up to you folks to decide how far down the line you want to fund that out of the, if it's ongoing cost, it's part of the \$1.8 million. If it's one-time costs, it's gonna be part of the money set aside that we would normally put into the construction funds. So you have those two blocks money there that you can use for Supplemental Requests, and whatever's left of the capital side, then you can determine how you want to spend that one-time money.

Chairman Thaler speaks:

Does that take into account all the, not all, there's not that many, the line items that show Board Designated? Do you include those too? Is that separated from it?

Mr. Werner speaks:

The Board Designated, its, yes.

Chairman Thaler speaks:

Because there's a lot of money in Board Designated and we've always, in years past, we have used that money for one time and what I guess, where I'm going is on Wednesday, we're gonna have to make that important decision cuz you gotta go back and balance this so that when we meet again, we'll see all this numerical order and then be balanced. But to make sure that we pull all this together so we can make a good value decision on Wednesday on where money's gonna go, whether it be infrastructure, whether it be you know, who knows where, cuz we've got some, other than listening and and approve, I would say, tentatively approving budgets. But the bigger issue is that we've got some capital expenses to set up and set aside for projects into next year.

Mr. Werner speaks:

Which you'll see as a breakdown by fund; for example, we only have one Board Designated for each fund. So, for example, anything in the General Fund, all the one-time monies that came through the adjusted opening fund balance, that plopped into there, so you can take out and use that for funding whatever capital you see or one-time costs you see that as we've gone through the budget programs. The same thing with the other funds like a room tax fund, those kinds of funds. They have Board Designated because they're special funds; you can decide whether or not you want to leave it there or whether you wish to fund the capital program within those funds.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Chairman Thaler speaks:

So, I'm going to jump to Commissioner Penzel, here in a second. So what are you asking up each one of us though?

Vice Chairman Penzel speaks:

Before you do that, I'm confused because we approved moving the funds out of the Board Designated to Capital, is that correct? So, Board Designated is zip.

Mr. Werner speaks:

Well, okay but you're still gonna have to decide how much of that capital you want to spend.

Vice Chairman Penzel speaks:

Well, where's Capital Projects? Capital Improvements? That is the \$3 million reserves in the Capital account, is that correct? And we have the full amount in there to budget as we see fit, is that correct?

Mr. Werner speaks:

Yes, as far as I know. You'll know on Wednesday. I'm not sure you're understanding the question.

Vice Chairman Penzel speaks:

And that doesn't include the \$1.8 million?

Mr. Werner speaks:

\$1.8 million is on-going, it's not in Capital.

Commissioner McDermid speaks:

That's for one-time costs.

Vice Chairman Penzel speaks:

But I just want to make sure we got a full picture of what we've got.

Mr. Werner speaks:

So the \$1.8 million is there for on-going costs, because if you want to do, for example, like Road Maintenance, you may want to take the \$1.8 million and push it into Road Operating. But if you fund, for example, the IT (Information Technology) question comes to mind, you want fund some extra positions in there, that's gonna come out of the \$1.8 million, because that's on-going monies. So those are the balancing decisions you will have to make.

Chairman Thaler speaks:

Right, what I'm trying to do to make it easiest on us because we're gonna end up making a lot of big decisions on Wednesday at least, moving towards those decisions and what the Vice Chair was going towards, if you could provide,

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

obviously the backup materials already out, open meeting law and all that stuff, but be able to present in a way that we could see up on the board or bring to us, pass out to us so that we know what money we're talking about, where it is so we can then start the process of, if we're going to try and find one, two, three whatever million, that we do it with open dialogue because I gotta believe each one of us have different ideas and being able to come together and figure out where we want to move that money so you can bring back a balanced budget. Any other questions on what you guys and gals want specifically on Wednesday? 'Cuz if you go to Wednesday, it's all out there but it's a not prioritized, well it is by you guys...

Vice Chairman Penzel speaks:

I want to ask about the County Construction Fund; is that also money that we can appropriate to one-time projects along with the capital?

Mr. Werner speaks:

I think we could look at that, Commissioner Penzel, and sort out those that are not committed to on-going projects already, so we could figure what the balance was that would be available for commitment or like we did this year, we kinda left some of it in there to be determined as we went along, but if you do have specific things, I think we can separate out that which we need for work projects we've already approved and the rest of it would be allocable.

Vice Chairman Penzel speaks:

And so that we, I think the worse problem is that we all have expectations of what will happen, and sometimes we get expectations that are changed by what happens. My expectation is that we would have about \$1.8 million to fund on-going projects. The other projects would be funded by one-time funds, which could come from Construction or Capital Outlay. In that regard, when we talk about the Supplemental Requests, I think would be good to say, okay, these are the on-going requests and these are...

Mr. Werner speaks:

Absolutely, and that's where we will break that down by fund so that you'll know if you're looking at an on-going request, or a one-time request, by which fund its associated with.

Commissioner McDermid speaks:

I need to know what time we meet tomorrow because my calendar is a disaster and I've got, we go from nine to noon, then lunch from noon to one and then from one to four and then, right here, a two-on-one afterwards. Now is that a correct calendar?

Chairman Thaler speaks:

So you can look at tomorrow is just being budget hearings from nine all the way till four.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Commissioner McDermid speaks:

And then Wednesday? Wednesday would be from 1 to 5?

Chairman Thaler speaks:

1-5 on Wednesday. That's kind of the plan. So in the meantime, just ask fellow commissioners if there's areas that you're trying to set money aside for specific projects that Wednesday would be the date of the bring them .

Vice Chairman Penzel speaks:

Money or the projects?

Chairman Thaler speaks:

Well, no, we don't have that much money because we all know how much we make so, but the any thoughts cuz that's the time to do it so we can get a balanced budget back to us. And again, this is preliminary.

Commissioner McDermid speaks:

But I have one question. Last year you brought a list of requests; are you doing something similar, this time, which would have request for one-time funding and requests for on-going funding?

Mr. Werner speaks:

Yes, that's the Supplemental material portion of your, on the fourth, toward the very tale end of it; there's the Supplemental Requests, which are those, and then there's the Capital items, so those are kind of two separate lists.

Chairman Thaler speaks:

That's the part I was kind of saying if you want to fast-forward and read the last paragraph of this book, it's there, so if you fast-forward to the end of Wednesday, although, that's why I was asking the manager to bring it forward in a real easy way that we all get in and understand, and also for the public's perceptions. It's in your backup material there, although it may be in this book, if we've, since now that we have it. And then last, I want to thank Finance for putting this together and hopefully this will make it easier, we'll train departments. This system actually does work. We just have to, I say train but I don't mean that in the negative way, and get everybody used to this document. This document is what you can go on Transparent Nevada and see; it's somewhat cumbersome and it has a lot of pages but if we can get everybody trained and looking at these numbers and account numbers, obviously, everybody's gonna be talking the talk, and what I've said is that if they want to bring slides, that's fine. They could bring slides to enhance their point or point out stuff but I think what we really need to focus on these; these are the numbers that we balance a budget based upon and this is what we ask finance. And so I know departments have said, Oh, this is what Finance..." These are your numbers and you are in charge of the finances, so I want them to adapt to what you and what we are all saying, is this is the budget

DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018

worksheet and because if we got too many systems going out there, that's how numbers get messed up. So I think we can bring this all to a head in the next month or less, as we work towards final budget but I do, I know it's a big project for you and I thank you for going out and doing it. I hope it worked little bit better for everybody. So if you have any more comments or questions? Commissioner Penzel?

Vice Chairman Penzel speaks:

I would like us to at least keep in mind how we would like to see this rollout in the following years. That was a lot easier than I thought it would be. Personally, I would recommend that we look at a quarter of this a year or something to that effect, so we don't have the bludgeoning that goes on with the firehose you get a drink from on this and in short period of time. Plus it helps people plan their weeks out and I'm sure that the two weeks that we've depended on the CFOs (Chief Financial Officers) office and they had other things that they also had to do that had to get, that they're behind on because of the time they dedicated to this, which I appreciate. But I think going forward, we could look at it in a little more of a measured way. That's why I said today, maybe we start November.

Chairman Thaler speaks:

Thank you. Commissioner McDermid?

Commissioner McDermid speaks:

Well, I just, you know, I think this is quite a lot to absorb. But I think one of two things is the first time you do something is always a learning curve. So while these numbers and accounts and everything are second nature to Finance, they're maybe not that usable to some of us, but this is, we're beginning to get that. The other thing I think this truly shows is we have no hidden money. We are a lean and mean County and it, I have heard people say, "Oh, you've got money, you just don't know where it is." Well believe me, these line items and everything else indicate exactly where the money that comes in exactly where it's going and there is no slush fund somewhere. So I think more than anything else, that's the important thing. But even though we've gone to the extent we have, you've got to understand, there's not anybody that's going to come and sit through all these budget meetings, these hearings, these presentations. The presentations are wonderful, we're able to ask questions, but unless somebody is sitting down, having a beer and watching this at home, they're probably not interested in what's taking place these days, these hours in here. So it's a great deal of work for all of County staff, it's a great deal of work for the Commissioners but it is the work that we're elected to do, and hired to do and so I think this is a really good tool and I think it helps everybody understand how government works in terms revenues and expenses. So thank you.

**DOUGLAS COUNTY BOARD OF COMMISSIONERS
MEETING OF APRIL 2ND, 2018**

Commissioner Walsh speaks:

I really don't have any comments. I asked the County Manager this during the break, about the second to the last column from the right, Actual, okay? And how we use that as a tool to project the budget. And I asked, I said, "Do they, do each department take their budget actuals and then forecast from there forward?" And he said yes, so I appreciated that comment, so makes, it helped me understand a little bit better what we're doing.

Commissioner Nelson speaks:

We're getting there; I think it's getting much better.

Chairman Thaler speaks:

You know, it is and it's a work in progress and certainly, we obviously destroyed a couple trees in the matter but we're getting there. Last final comment before I adjourn the meeting is, Go Michigan!

There being no further business to come before the Board, the meeting adjourned at 4:35pm.

Respectfully submitted:

Steven J Thaler, Chairman
Douglas County Board of Commissioners

ATTEST:

Kathy Lewis, Clerk-Treasurer