

APPROVED JUNE 1, 2017

The Regular Meeting of the Douglas County Board of County Commissioners was held on April 20, 2017 in the meeting room of the Tahoe Transportation Center, 169 Highway 50, Stateline, NV, beginning at 1:30 PM.

Call to Order

Chairman Penzel called the meeting to order

Commissioners Present:

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

Staff Present:

Carl Ruschmeyer, Public Works Director
Captain Dan Coverley, DCSO
Doug Ritchie, Chief Civil Deputy District Attorney
Erik Nilssen, County Engineer
Jon Erb, Civil Engineer III
Kathy Lewis, Clerk-Treasurer
Larry Werner, County Manager
Laure Penny, Clerk to the Board
Lisa Granahan, Economic Vitality Manager
Mimi Moss, Community Development Director
Ron Sagen, Emergency Communications Director
Scott Morgan, Community Services Director
Sherri McGee, Chief Technology Officer
Judge Tom Perkins, East Fork Justice Court
Vicki Moore, Interim Chief Financial Officer
Wendy Lang, Human Resources Director
Zachary Wadlé, Deputy District Attorney

PLEDGE OF ALLEGIANCE

Nancy McDermid led the Pledge of Allegiance.

PUBLIC COMMENT (No Action)

Lynn Muzzy feels Douglas County personnel costs are out of control and it should be brought under control if the county is serious about prioritizing critical infrastructure projects. *To review Lynn Muzzy's full statement please see Supplemental Meeting Materials.*

Vicki Moore, Interim Chief Financial Officer introduced Julie Andruss, Budget Manager, and talked about her education and work experience.

Public comment closed.

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APPROVAL OF AGENDA

MOTION to approve the agenda; carried

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

APPROVAL OF PREVIOUS MINUTES

Board of County Commissioners - Special Meeting - Mar 21, 2017 3:00 PM

MOTION to approve the Minutes from March 21, 2017; carried

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

CONSENT CALENDAR

FINANCE

A. For possible action. Discussion to accept the auditor's report on Douglas County's general ledger balances through April 4, 2017, per NRS 251.030. (Caroline Chieffo - 5 minutes)

MOTION to approve;

CLERK-TREASURER

B. For possible action. Discussion to approve the receipt and filing of the cumulative voucher sheets for checks issued for the 3/31/17 Payroll, 3/24/17 Payables, 3/28/17 Payables and 3/31/17 Payables. (Kathy Lewis)

MOTION to approve;

C. For possible action. Discussion to approve the Report of the March 29, 2017 Property Tax Sale and affidavit of the Clerk/Treasurer of publication of notice of sale per NRS 361.595. (Kathy Lewis)

MOTION to approve;

D. For possible action. Discussion to approve, with conditions, the Outdoor Festival Permit submitted by Wanda Macioszek, Artist to You, for the Round Hill Arts & Crafts Shows, scheduled for various dates beginning May 26, 2017 through September 30, 2017, from 10:00 a.m. to 6:00 p.m., to be held at Round Hill Square, 212 Elks Point Road, Zephyr Cove, Nevada. (Kathy Lewis)

MOTION to approve;

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E. For possible action. Discussion to approve, with conditions, the Outdoor Festival Permit submitted by the Hard Rock Hotel & Casino for the Rock Party, scheduled for every day beginning June 2, 2017 through September 1, 2017, from 12:00 p.m. to 10:30 p.m., to be held in the Guitar Plaza on the Highway 50 side of the Hard Rock Hotel & Casino, 50 Highway 50, Stateline, Nevada. (Kathy Lewis)

MOTION to approve;

F. For possible action. Discussion to approve, with conditions, the Outdoor Festival Permit submitted by the Hard Rock Hotel & Casino for six Summer Concert events, scheduled for various dates beginning June 10, 2017 through August 26, 2017, from 5:00 p.m. to 11:00 p.m., to be held in the Stage area placed in the back parking lot of the Hard Rock Hotel & Casino, 50 Highway 50, Stateline, Nevada. (Kathy Lewis)

MOTION to approve;

DISTRICT COURT

G. For possible action. Discussion to approve acceptance of a State of Nevada - Mental Health Block Grant to China Spring Youth Camp in the amount of \$606,846. (Wendy Garrison)

This item was continued to a future date.

H. For possible action. Discussion to adopt Resolution 2017R-026 to approve the donation of the barn at China Spring Youth Camp to the Nevada Department of Corrections (NDOC) to be used by Silver State Industries (SSI) NDOC's Industries Vocational Program. (Wendy Garrison)

MOTION to approve;

I. For possible action. Discussion to approve a contract between Douglas County, China Spring Youth Camp and Dr. John R. Holman and Nurse Shari Dixon to provide wellness program services for juveniles at the China Spring Youth Camp, effective April 1, 2017, through March 31, 2018, in an amount not to exceed \$20,000. (Wendy Garrison)

MOTION to approve;

MOTION to approve the Consent Calendar with Item G being continued to a future meeting; carried

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

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ADMINISTRATIVE AGENDA

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION

No items were removed for discussion.

PRESENTATIONS

1. For presentation only. Presentation on the 2017 Amgen Tour of California women's races on May 11 and 12, 2017. (Mike Frye, Lake Tahoe Visitors Authority - 10 minutes)

Mike Frye, Lake Tahoe Visitors Authority, provided information and an overview of the Lake Tahoe stages of the women's Amgen Tour.

RESULT: FOR PRESENTATION ONLY.

2. For presentation only. Presentation regarding an update of Western Nevada Development District programs, projects, and activities. (Lisa Granahan & Ron Radil - 10 minutes)

Lisa Granahan, Economic Vitality Manager, introduced Ron Radil, Western Nevada Development District (WNDD).

Ron Radil, Executive Director of WNDD, said they are a nine county economic development districts. They are a voluntary association of local governments. Regional projects include Comprehensive Economic Development Strategy (CEDS), Economic Feasibility Study Reconstruction of the V&T Railway, implementation of the Tahoe Prosperity Center, Stronger Economies Together, a small business microlending program, and the annual Nevada Economic Development Conference. The strategy and goals of CEDS were displayed along with the community benefits of that program. Community assessments and planning is taking place to assist counties with needed programs and services. He provided examples of regional collaboration taking place and the benefits of WNDD.

Chairman Penzel asked who the contact for Nevada rural USDA is and Mr. Radil replied Herb Shedd is the interim director. Chairman Penzel asked if the request for funding for the north county sewer district is still being considered. Ms. Granahan answered a CDBG grant has been approved for partial funding. The EDA grant request was not successful.

RESULT: FOR PRESENTATION ONLY.

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3. Ceremonial presentation of the Best Tasting Water in Nevada award to the Douglas County Utilities Division. The Nevada Rural Water Association announced that the Cave Rock/Skyland Water System has won First Place for the State of Nevada's Best Tasting Water Award. (Bob Foerster, Executive Director of the Nevada Rural Water Association - 5 minutes)

Bob Foerster, Executive Director Nevada Rural Water Association, presented the award for the Best Tasting Water in the State to Tim DeTurk, Utilities Superintendent, for the Cave Rock/Skyland water system. Mr. DeTurk accepted the award and thanked the staff who handle the water systems.

RESULT: FOR PRESENTATION ONLY.
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4. Presentation on an overview and update of the US 50 South Shore Community Revitalization Project. (Russ Nygaard - 10 minutes)

Russ Nygaard, Tahoe Transportation District, provided an update on the US 50/South Shore Community Revitalization Project. This project is intended to reduce congestion in and enhance the tourist area. Modernization of the tourist core area will create appealing streetscapes and gathering places, improve access to open space and events, and attract a quality workforce by creating more primary housing.

Alternative B is becoming the preferred action and that configuration was displayed highlighting the improvements to what already exists on the Nevada side, water quality improvements included for the Stateline area, changes to the highway alignment and traffic controls being considered, pedestrian and bike facilities to be added, and changes being proposed for the California side. Conceptual photos were displayed. Three areas are being considered for mixed use so affordable housing can be built. The affordable housing that will be constructed will be deed restricted. This project will benefit the community, the environment, and the economy and principles and commitments have been adopted to ensure the proper processes are followed. Mr. Nygaard provided the hearings that will be held and the amount of public outreach being done.

Vice Chairman Thaler asked what the timeline is for the project. Mr. Nygaard explained the environmental process is moving forward and hearings to adopt the final document will be held in the fall. Funding is in place to do final design and most of right-of-way. Once there is an approved environmental document and a preferred Alternative, funding sources can be sought. The final timeline will depend on how quickly funding can be achieved. Vice Chairman Thaler asked when they anticipate completion and Mr. Nygaard answered five years in a perfect world otherwise ten years. There is interest in this project from the private sector developers. The vast majority of the residents, visitors, political entities, and the business community on the California side are very supportive.

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RESULT: FOR PRESENTATION ONLY.

COMMUNITY DEVELOPMENT

5. For possible action. Discussion to approve a reimbursement to Kingsbury General Improvement District (KGID) in the amount not to exceed \$76,881.20 to reconstruct a collapsed storm drain on Tramway Drive. The reimbursement is contingent on KGID receiving a Notice of Completion on Site Improvement Permits 752, 760, and 771 and a Certificate of Occupancy for Building Permit 46590. (Erik Nilssen)

Erik Nilssen, County Engineer, stated he met with representatives from Tahoe Village HOA and KGID regarding a collapsed storm drain on Tramway Drive. The responsibility for the storm drain was unknown and it had never been maintained. There is no record of when it was installed. Instead of wasting time determining who owned the drain, the agencies decided to work together to get it reconstructed. The estimate for the repair was \$60,000 but the actual construction costs were higher due to the legal costs incurred to secure the necessary easements. At this time, the HOA has not finalized their position on participation in the cost of the repair.

Commissioner McDermid asked if the easements secured are permanent and Mr. Nilssen stated they are and KGID will maintain the storm drain from this point on.

Vice Chairman Thaler pointed out the \$27,000 in attorney fees and thought those fees would have been lower if the county had handled this. He asked when the county allowed KGID to take this over. Mr. Nilssen stated discussions took place on whether the county would do the design and it was decided it would be better for KGID to do it. The attorney fees would still have been there because we still would have had to go to court.

Larry Werner, County Manager, stated he was part of that discussion and his concern was using the Douglas County District Attorney's office to acquire easements for KGID. While a little more expensive, it made more sense to let KGID handle it.

Chairman Penzel asked staff to explain what caused the sinkhole in the road. Mr. Nilssen stated sandbags were placed along Tramway Drive to keep the water out of the sinkhole and from making it worse. The sinkholes were a few feet deep.

No public comment.

MOTION to approve a reimbursement to Kingsbury General Improvement District in the amount not to exceed \$76,881.20 to reconstruct a collapsed storm drain on Tramway Drive. The reimbursement is contingent on KGID receiving a Notice of Completion on Site Improvement Permits 752, 760, and 771 and a Certificate of

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Occupancy for Building Permit 46590 based on the discussion and the background information; carried

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

COUNTY MANAGER

6. For possible action. Discussion to approve the updated Douglas County Fiscal Years 2018-22 Strategic Plan. (Lisa Granahan - 10 minutes)

Lisa Granahan, Economic Vitality Manager, introduced Lorna Shepherd, Consultant with OnStrategy. Ms. Granahan recapped the planning process and stated the goals and strategic priorities were confirmed during that process. To convey the priorities, an image depicting interconnection and the importance of the priorities was developed. Under each one of the strategic priorities, the intent and degree of the strategic shift are expressed in the plan. The full plan contains an overview of the process, purpose and structure, current state of the county, profile, community trends, mission, values, vision, and strategic priorities and initiatives. To make communication of the plan easier, a summary of the plan was developed for distribution to the public internally and externally. Ms. Granahan reviewed the actions that will be taken to communicate the plan both internally and externally. A progress review by the Board would take place twice a year.

Commissioner Walsh supports having the relationship of an agenda item to the strategic plan or initiatives called out on the action sheet.

Looking at the new flyer, Vice Chairman Thaler asked how much thought was put into the order in which the strategic priorities and initiatives were placed. Ms. Granahan stated they are listed in the same order as they are in the plan. Vice Chairman Thaler is concerned they could be construed as the actual order of importance to the county. Ms. Granahan suggested adding language "in no particular order." Vice Chairman Thaler believes Financial Stability should always be first on the list; nothing can be accomplished without it.

Commissioner McDermid concurred. It is misleading when they are in a circle on the front of the flyer and listed on the back of it. Financial Stability is critically important. Any notation should be at the top and not the bottom of the page. She reminded staff the Board adopted an ordinance prohibiting the sale of recreational marijuana so the Safe Community section should be revised.

Chairman Penzel agreed.

Commissioner Nelson suggested putting it clockwise alphabetically.

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Chairman Penzel feels the priority for each year will vary based on the money available and on what the community needs. He supports reviewing this each year to determine the top priorities. The county cannot operate without Financial Stability and the law requires the county have a balanced budget. Priorities will have to be decided for the Capital Improvement Plan and will this be used as a guide? Before the Board can determine which priority should be the top one, questions will have to be answered. He agreed with the comments made regarding the layout of the back of the flyer. All the priorities need to be attended to as best we can but we tend to look at one priority to the exclusion of the other. It does not work that way; all of them have to be done.

Vice Chairman Thaler asked why the county sets priorities and why the flyer indicates FY18-22. Ms. Shepherd responded the graphic conveys the intent that all the strategic priorities for the county are of equal importance. It expresses to the constituents what the county, Board, and staff are focused on. The word "priority" is chosen to say these are the six priorities for the county; they are important in terms of programs, projects, and budgeting. "Objectives" implies measurability and tangibility. Vice Chairman Thaler read from the dictionary definition of "priority." He does not want to box the county into a corner by listing "priorities" because doing so implies an order and a weighting. Ms. Shepherd feels the intention has been that they are represented as equally important and the flyer would be changed to demonstrate that intention. Even though the plan is dated FY 18-22 it is not written in stone. Strategic Plans are not accomplished in a year and they can be adjusted or modified. Vice Chairman Thaler feels using "priorities" sends a message of ranking. He asked about changing it to "objectives." Ms. Shepherd stated the language can be reworked. Vice Chairman Thaler stated he can support this in its current form.

Chairman Penzel agreed, words matter so having a strategic priority versus a strategic initiative or strategic goal changes the conversation. For example, if priority is used, we've already accomplished one of them in regards to marijuana establishments in the county. This is a fluid document and can be changed as things are accomplished.

Commissioner McDermid pointed out that East Fork Fire handles the emergency operations and the CERT program for the county so why does it appear under Safe Community? Larry Werner, County Manager, said the responsibility for the program is the county's and East Fork is the contractor. Commissioner McDermid would like the wording changed to reflect East Fork is handling those programs on the county's behalf. Ms. Shepherd stated the full Strategic Plan document does identify East Fork Fire is the lead on those items and under contract with Douglas County.

Chairman Penzel feels a review of the full Strategic Plan is important because some initiatives have already been addressed.

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Commissioner Nelson reviewed the Infrastructure section to see if Judge Perkins' request was included. He suggested including the upcoming needs in the law and order area of the county.

Commissioner McDermid thought it was included in the develop facilities portion of Financial Stability.

Commissioner Walsh would like to call obvious attention to Financial Stability being the county's number one priority/goal/objective.

Chairman Penzel thinks this document is still in the development stage and perhaps final action on it should be delayed. Mr. Werner requested clearer direction on the Board's expectations. Ms. Shepherd indicated an understanding of the Board's concerns and asked for feedback on the greater content of the full document.

Looking at the flyer, Commissioner McDermid thinks the things listed are implementation strategies to accomplish a Strategic Plan priority. Ms. Shepherd stated Commissioner McDermid was correct and those are listed as initiatives and are detailed in the Strategic Plan. Commissioner McDermid said the Master Plan has goals and policies and also implementation strategies to accomplish those.

Chairman Penzel pointed out the full document does contain many of the points brought up. The flyer is a summary of the full document. The Board believes the term used is important.

Vice Chairman Thaler feels "priorities" is not the right word because it sends out the wrong signal to the public. He likes "initiatives." He pointed out the marijuana initiative will be continual and should remain in the document. Body cameras are another issue.

PUBLIC COMMENT

Robert Pohlman advised that the approval of the full strategic plan is what appears on the agenda and asked for clarification as to where the flyer fits into the full strategic plan.

Public comment closed.

Ms. Granahan said the flyer is a summary of the full document and it's meant to be used as communication piece.

Chairman Penzel clarified the flyer is a summary of the full document.

MOTION by McDermid/Thaler to continue to the next Board meeting the approval of the updated Douglas County FY2018-2022 Strategic Plan and to incorporate the Board's comments and concerns;

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Ms. Granahan stated the timeline for representation would be the next Lake Board meeting due to agenda setting timelines.

AMENDED MOTION by McDermid/Thaler to continue to the next Lake Board meeting the approval of the updated Douglas County FY2018-2022 Strategic Plan and to incorporate the Board's comments and concerns; carried

RESULT:	CONTINUED [UNANIMOUS]	Next: 5/15/2017 1:30 PM
MOVER:	Nancy McDermid, Board Member	
SECONDER:	Steve Thaler, Vice Chairman	
AYES:	Penzel, Thaler, McDermid, Walsh, Nelson	

PUBLIC WORKS

7. For possible action. Discussion on the adoption of Resolution 2017R-030 "No Parking" with "Tow Away Zone" signs for the Cave Rock Trail Head parking that overflows onto Cave Rock Drive. (Jon Erb - 5 minutes)

Jon Erb, Civil Engineer III, provided an aerial of Cave Rock Road and stated the parking area for the trailhead to the top of Cave Rock is located on a hairpin curve. When people park in that area, fire trucks and larger vehicles cannot make the turn. He stated Cave Rock GID would like to implement parking restrictions in that area by placing "Tow Away" zone signs.

Ralph Miller, Cave Rock GID Chairman, stated they were contacted by the Fire Marshal about this issue. It is not uncommon to have 20 cars parked there during the summer as this is one of the top five places to visit at the Lake. Cave Rock GID supports visitors to this sacred, historical site but parking is an issue. There are "No Parking" signs but they are ignored. This is a fire safety issue and posting of the signs will aid in enforcement by the sheriff and allow towing to take place.

Commissioner McDermid wondered if the addition of a posted fine would help. Mr. Miller recognizes the sheriff cannot always respond quickly and oftentimes people are gone by the time they respond. He added they will be posting the penalty for parking in a fire lane along with the "Tow Away" signs.

Captain Dan Coverely, DCSO, stated they are aware of the problem but parking is an issue at Lake Tahoe. He believes the signs will help and they will continue to respond as fast as they are able.

Vice Chairman Thaler talked about what he encounters when hiking in other areas and how limited parking encourages people to get there early in order to be able to park. He asked how many spots are at the trailhead. Mr. Miller said six cars can park off-road and there are three lined parking spots. Vice Chairman Thaler said people need to be trained to park only in authorized spaces and any others will be fined or towed. Mr. Miller stated he intends to post on internet sites the new enforcement and towing policy.

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Commissioner McDermid is if there is any additional parking available. Mr. Miller said only a few places downhill but there is some parking uphill beyond the “No Parking” area.

Commissioner Nelson supports towing the cars if they are creating a fire hazard.

PUBLIC COMMENT

Fire Marshal Eric Guevin, Tahoe Douglas Fire District, stated enforcement has been taking place and the fine is \$500 for parking there. It is an issue and the fire district along with DCSO has the authority to tow. Posting this will make it clear to the individuals and will give some authority to the HOA.

No public comment.

MOTION to adopt Resolution 2017R-030 "No Parking" with "Tow Away Zone" signs for the Cave Rock Trail Head parking that overflows onto Cave Rock Drive; carried

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

DISTRICT ATTORNEY

8. For possible action. Discussion to update the County Code to use updated references to the Nevada Revised Statutes and adopt Ordinance No. 2017-1484 amending Douglas County Code, Title 10, Sections 10.04.030, 10.04.040, 10.04.060, 10.12.050, and 10.14.030, to conform with the revisions to Nevada Revised Statutes (NRS) Chapter 484 and providing for other properly related matters. Second Reading. (Zach Wadle)

Zachary Wadlé, Deputy District Attorney, stated the ordinance is required to make technical revisions to Title 10 to comport with recodification done in NRS. There is no substantive change to the code.

No public comment.

MOTION to adopt Ordinance No. 2017-1484 amending Douglas County Code, Title 10, Sections 10.04.030, 10.04.040, 10.04.060, 10.12.050, and 10.14.030, to conform with the revisions to Nevada Revised Statutes Chapter 484 and providing for other properly related matters; carried

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

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9. For possible action. Discussion to adopt Ordinance 2017-1480 amending Douglas County Code, Title 3, Chapter 3.70 – Transient Lodging License Tax, Sections 3.70.020, 3.70.030, 3.70.070, 3.70.110, and 3.70.120, to impose an additional 1% Transient Lodging License Tax on all transient lodging businesses within the Lake Tahoe Township effective July 1, 2017, for the purpose of studying the feasibility of, planning for, operating, and/or funding economic redevelopment projects within the Lake Tahoe Township, and providing for other properly related matters. Second Reading. (Zach Wadle - 10 min)

Zachary Wadlé, Deputy District Attorney, provided a background on the ordinance so the legal basis and the proposed use of the money are clear. This additional 1% license fee is intended to supplement redevelopment funding in the Tahoe redevelopment area and its use is limited under the ordinance language “for the purpose of studying the feasibility of, planning for, operating, and/or funding economic redevelopment projects within the Lake Tahoe Township.” The additional 1% proceeds will be placed in a separate account and Tahoe Douglas Visitors Authority (TDVA) will provide regular updates to the Board on the use of the money. The goal of this is to provide an immediate source of funding to pursue redevelopment goals in the Tahoe redevelopment area; this funding is not coming out of county sources for money or out of Douglas County residents’ pockets. This tax will be paid for by out of town guests that rent short term lodging in the Tahoe Township. Redevelopment funding is somewhat time delayed so the 1% license tax provides a more immediate source of funding. The additional 1% is projected to generate \$600,000 annually. TDVA will use the money to study, plan for, and design an all season events and performing arts center to be located on the MontBleu property. The final terms of redevelopment agency participation in this project would be subject to future negotiation and approval of the Redevelopment Agency Board. This is consistent with the Strategic Plan and the South Shore Area and Vision Plan. The Business Impact Statement has been considered and the Board found there was no substantial business impact going forward on businesses.

Commissioner Nelson feels the \$600,000 this 1% will raise is a lot of money. This increase will affect the people coming to spend their money in Lake Tahoe so it will have an effect on small businesses who rely on the cash people have in their pocket to spend.

Carol Chaplin, TDVA, provided a history of the formation of TDVA. Highlighted were the activities supported by TDVA. She noted the TDVA FY2018 budget has not yet been approved but the FY2017 budget was \$3.9 million in revenues and \$3.7 in expenditures. The committed fund for this fee has been established and an outside auditor assisted with that. In FY2016, the TDVA Board committed \$100,000 annually to the committed fund for the purpose of this events center. The committed fund has \$200,000 in it as of June 2017. Private sector contributions total \$165,000 and 10+ acres of land for the events center. To date, TDVA has spent \$134,000 on a parking study, preliminary designs, and legal fees. The Lodging License Fee was implemented to benefit the whole county and a

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portion is shared with Douglas County. At the end of FY2017, the projected contribution of the 1% fee to Douglas County will total \$2.5 million. If this 1% fee increase is approved, it will fund events venue costs with no impact to residents or the General Fund. Many, many Lake Tahoe associations, agencies, and recreation providers support the increased tax. Anticipated costs for FY2018-2020 are \$2.2 million and the use of that money was provided. Community benefits include a \$25 million economic impact a year, annual Douglas County tax incremental gains, creation of 386 year-round jobs, increase in size and numbers of community events, increases in property values, lodging occupancy increases, and boosts to the shoulder season occupancy. The next steps were presented.

Vice Chairman Thaler stated full support for this. The industry that provides Transient Occupancy Tax (TOT), which ends up with the Visitors Authority to be used for promotional purposes, are the people asking to raise their ability to pay more money to the Visitors Authority. The executives did the financial analysis and found this was a risk they were willing to take or they feel their rate of return will be worth it. When looking at the Business Impact Statement, no big businesses complained about impacts. The impacts came from the vacation rental industry. With California raising TOT to 14% not including the added fees, the Douglas County casino core is not pricing themselves out of business. He asked the Board members why we would not support this.

Chairman Penzel appreciates Ms. Chaplin responding to the questions raised during the last hearing on this matter. His concern is the fiscal accountability of the project and ensuring this is on sound footing. This is a good project with no downsides to it. He talked about the speed with which the Fallon flood control project got underway and that can be attributed to people realizing the need for it and acting quickly. He realized this project is similar because they are trying to get out in front of it. He stated support for the project.

PUBLIC COMMENT

Mike Frawley, Hard Rock president, stated strong support for this. It is a much needed diversity from gaming. It will bolster the shoulder season and strengthen the peak seasons.

Bill Cottrill, Lake Tahoe Resort Hotel general manager, gave their full support to the project.

John Packer, Harrah's /Harvey's, has witnessed the ups and downs of our tourism-centric economy. The overwhelming majority of stakeholders are in favor of the 1% increase. This is a first critical step in making Tahoe a more competitive and compelling resort destination. He discussed the success of the Lake Tahoe Summer Concert series and its impact on the Lake economy. Having events, conferences, concerts, banquets, and trade shows year round would have a positive financial impact on the county. The 1% increase in TOT will not deter anyone from booking with them; we will still be lower than South Lake Tahoe.

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Harrahs, Harvey's and Caesars Entertainment strongly support this measure which will boost the county's economic health.

Mindy Befu, Barton Health, stated support for the project given the importance of health and recreation in our region. As gaming revenues decline, it is important we reinvent ourselves through sports, recreation, corporate events, and health education opportunities.

Pat Ronan, South Lake Tahoe Lodging Association, talked about their efforts to get the 2% tax raised for a recreation center on the California side so they could hold indoor events. Most of the south shore properties lose money all winter. This facility could help change that. To date they have not heard a single complaint about the 2% tax increase and their tax is higher than Douglas County's will be.

Craig Schmidt, Tahoe Chamber CEO, stated they fully endorse this increase for the purpose of planning and funding economic redevelopment projects, specifically the events center. The events center can provide the opportunity to diversify the economy; tourism with a roof. It will improve the shoulder season, improve midweek revenues, and strengthen and stabilize the workforce.

Carl Ribaud, SMG Consulting, voiced his full support for the project. Tourism has figured into every county in the western United States' economic development portfolio. Amenities and activities have been added to support those efforts. Looking ahead, would Douglas County be more competitive without this project? No. Making this destination more competitive benefits every resident's quality of life and job opportunities and will improve revenues for businesses that are here. The value this project will create will far outweigh the cost.

Lew Feldman, representing the TDVA, updated the Board on what has occurred since TDVA has taken over this project. He displayed a site plan, conceptual elevation of the facility, and an elevation depicting pedestrian access.

Steve Teshara, Economic Vitality Champion for Stateline, said the project is consistent with Stateline Revitalization. He thanked the Board for their support.

Public comment closed.

Vice Chairman Thaler asked for a further explanation on the size of the facility. Mr. Feldman stated it would be 120,000 square feet, ¼ acre under roof and seat about 6,000 people for a concert. The largest meeting space currently in the Basin is 15,000 square feet.

Commissioner Nelson feels any tax that takes money out of the private sector affects business. He signed a tax pledge when he ran for Commissioner and one of those was not to raise any taxes without a vote of the people. This is a tax.

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Commissioner Walsh also signed the tax pledge but it was based on the fact he would not raise taxes on the citizens of Douglas County. This is a tax on the visitors that will provide economic benefit to the county. He supports this.

Commissioner McDermid said John Packer served on the TDVA Board for over 12 years. Much of the ground work done took place while he was involved with TDVA. This is a benefit for the entire South Shore, the residents of Douglas County, and the visitors to Lake Tahoe. This 1% is not taking money out of the private sector. The businesses in California have said they have not seen any reduction in sales since the 2% increase went into effect.

Vice Chairman Thaler stated he was elected to represent the people of Douglas County and this is a representation of the people of Douglas County asking the Board to raise the TOT. He pledged to listen to the people who put him in office and to make good decisions for the right reasons and for the greater good.

Speaking to Commissioner Nelson, Chairman Penzel thinks there is a dream involved with this. This is what could be and a way to support something that has a minimal impact on the taxpayers of Douglas County. He feels he has voted in a fiscally conservative way and this will be the first tax increase he has voted for. This is what can be and will make Lake Tahoe a premier destination. He urged Commissioner Nelson to reconsider supporting this without violating his principles.

Commissioner Nelson stated he also ran against redevelopment as one of his issues and this is a redevelopment project. He indicated he will vote according to his ethics and beliefs.

Commissioner McDermid talked about the private sector efforts being made at Tahoe and she feels this is important for Douglas County to do. She thanked her fellow Commissioners for their comments and support.

MOTION to adopt Ordinance 2017-1480 amending Douglas County Code, Title 3, Chapter 3.70 - Transient Lodging License Tax, Sections 3.70.020, 3.70.030, 3.70.070, 3.70.110, and 3.70.120, to impose an additional 1% Transient Lodging License Tax on all transient lodging businesses within the Lake Tahoe Township effective July 1, 2017, for the purpose of studying the feasibility of, planning for, operating, and/or funding economic redevelopment projects within the Lake Tahoe Township, and providing for other properly related matters; carried

RESULT:	ADOPTED [4 TO 1]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Steve Thaler, Vice Chairman
AYES:	Penzel, Thaler, McDermid, Walsh
NAYS:	Nelson

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FINANCE

10. For possible action. Discussion to approve the Fiscal Years 2018-2022 Capital Improvement Programs. (Vicki Moore - 10 minutes)

Vicki Moore, Interim Chief Financial Officer, stated today would be a presentation only with the final Board decision to come at the May 4th meeting.

Chairman Penzel stated a number of emails have been received on this topic and requested the clerk make them part of the record. *To review the emails please see Supplemental Meeting Materials.*

Ms. Moore provided an overview of the Capital Improvement Program (CIP). It is a five-year program that is a planning and budgeting tool and a growth management tool. The timing of the projects is based on the Master Plan. The Master Plan is a 20-year plan, the CIP Plan is a five-year plan, and the annual budget is one year. The capital improvements are large-scale endeavors in cost and size and benefit the community. Capital Assets have a useful life of more than one year. The CIP process was presented. The difference between the annual CIP budget versus the five-year plan was explained.

The current year funded projects are broken down by category and total \$20,630,395 for FY17-18. The revenue sources supporting the funded projects was provided with the largest being debt financing. The total of the five-year unfunded projects is \$113,417,050 and the total budgeted and funded projects for the five years is \$42,664,705 for a total five-year CIP of \$156,081,755. The projects for the Airport, Building/Facilities, Leisure/Community, Technology, Transportation, Utilities, and Towns were reviewed.

Commissioner McDermid asked if the Town of Genoa projects could be funded by the Redevelopment Agency and Ms. Moore stated yes.

Chairman Penzel asked if the Library HVAC system could be funded by PALS funding. Scott Morgan, Community Services Director, said the Library is funded from PALS for its operational rates. The building itself is a General Fund facility so the capital maintenance costs come from there.

Vice Chairman Thaler pointed out the Judicial Law Enforcement Center (JLEC) expansion would be costly and it appears in the document as unfunded. He would like to set aside money to start planning for that. He would like to see it moved off the unfunded side because it is a necessity.

Commissioner McDermid feels all the County facilities need to be considered in terms of location/relocation/expansion needs. A needs assessment is being done. She thought some of the Airport projects could be funded with FAA grants and Ms. Moore stated that was correct but until the funding is secured the project stays in the planned section. The entire plan includes all the projects but not all of

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them will be funded by the General Fund. Enterprise Funds cover their own project expenses as does the Airport and Room Tax Funds. Commissioner McDermid asked why projects that pay for themselves or are paid for by other entities appear in the CIP because that distorts the total cost of the plan. Larry Werner, County Manager, stated the full cost of the project has to be shown in the CIP. If a project is moved to the annual funding portion, the funding will be sorted out at that time.

Commissioner Walsh asked if this information will be posted on the website. Ms. Moore stated it will be placed there within 24 hours.

Vice Chairman Thaler asked what staff's expectation of the Board is for today. Ms. Moore stated today was a presentation only. Most of the projects budgeted and funded have an identified funding source. Once the changes in the tentative budget have been presented, the remaining unfunded projects will be discussed.

Chairman Penzel expressed his desire to move to the next item without taking any action on this item. Doug Ritchie, Chief Civil Deputy District Attorney, said the Chairman has the ability to combine or separate items and that holds true for public comment as well.

PUBLIC COMMENT

Judge Tom Perkins, East Fork Justice Court, stated both a needs and a site assessment have been completed. Meetings have taken place and they have reached a proposal for phasing the project and paring the cost down by $\frac{1}{3}$. This project is for the whole community and money has to be set aside for it. A couple of funding sources have been identified but long term financing, an increase in the sales or utility tax, or setting aside revenue out of surplus funds has to be considered. Other agencies are being served by this project and they should be monetarily contributing to the project.

Commissioner McDermid asked if the current JLEC site could be expanded and Judge Perkins stated yes. She asked if that would be the most cost effective option and Judge Perkins believes it is but other options would have to be explored further.

Vice Chairman Thaler knows this is a high priority. A lot of taxpayer money has been invested in the JLEC building over the years. He has had discussions with Douglas County's project manager who feels the building can be enhanced to meet all the needs. This project has to be figured into the 5 year CIP and money has to be set aside to move this forward.

Chairman Penzel encouraged the Judges to talk with Ms. Moore further. Chairman Penzel stated the Board is committed to looking at the JLEC project.

Sherri McGee, Chief Technology Officer, pointed out the request for VOIP telephone systems was partially funded five years ago and has remained in the

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plan every year since then. The result is the county is running to separate telephone systems.

Public comment closed.

RESULT: FOR PRESENTATION ONLY.

11. For possible action. Discussion to direct staff on the Fiscal Year 2017-2018 budgets for Douglas County and the Douglas County Redevelopment Agency Funds. (Vicki Moore - 10 minutes)

Vicki Moore, Interim Chief Financial Officer, referenced the worksheet provided, which showed the accounts that had changes from the tentative budget, and stated some items were funded with increased revenue and recommendations were made on the supplemental requests based on the Board's priorities. The tentative budget has been filed but any changes can be incorporated into the final budget presentation and adoption.

Ms. Moore stated the General Fund revenue increased \$1.1 million from the tentative because of increased projections of taxes, additional grants, a reclassification and reconsideration of the WNRYS rate, completion of the Technology Services and East Fork Fire interlocal agreement, repayment of the interfund loan from 911, and a transfer in from the Assistance to Indigents Fund to help fund the needs of the Public Guardian. Ms. Moore stated the funding for the Dangberg Ranch is now included in the budget.

Commissioner McDermid questioned how the total of \$51+ million was derived since it only totals \$34+ million. Larry Werner, County Manager, stated only the changes are being presented today but the full tentative budget contains the information Commissioner McDermid is questioning.

Ms. Moore continued and provided a breakdown of the changes to the Salaries & Benefits line item. The Board made the employees a priority and staff looked at a 3% merit and a 2% cost of living raise, which would total \$1.2-1.4 million. Analysis was done on the worker's compensation rate and it was reduced allowing staff to use those savings to help fund some of the increases in the General Fund. Ms. Moore explained the adjustments made by POOL/PACT to the worker's compensation rates.

Commissioner McDermid asked if the \$1 million would be reimbursed. Ms. Moore stated it would be phased in over three years but Ms. Moore is concerned how it would affect the rate in the second year since the modification factor was brought down to 1 but it may not necessarily stay at 1 and could fluctuate $\pm 10\%$. The new rates for the new year from POOL/PACT will not be available until adoption of the final budget. Commissioner McDermid feels it is imperative that POOL/PACT make the county whole and reimburse that money. Ms. Moore stated they have said they will keep the rates low for the next three years in order to recoup that money. At the same time, they are phasing in the increase for East Fork Fire.

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Commissioner McDermid insists the county be repaid the \$1 million, regardless of the rates.

Ms. Moore reviewed the additional increases highlighting the lands bill lobbying efforts.

Chairman Penzel questioned that expense and Ms. Moore explained this item is always added as a one-time expense but it continues on. Staff is hoping we are getting close to the end of the lobbying efforts. Chairman Penzel asked where the \$70,000 is coming from and Ms. Moore stated it is actually \$98,000 but some savings were identified to reduce it.

Vice Chairman Thaler asked for a further explanation on the \$70,000. Mr. Werner explained the lands bill process in Washington is slowing down so we will not be expending as much as we thought. When the budget was set up, it contained initial funding and that has been carried forward from year to year. This does not affect the lobbyist's contract.

Ms. Moore provided the supplemental requests brought forward as IT requests for software, which will help with the audit findings, District Attorney's computers, Stormwater program costs, and additional institutional supplies for Buildings & Maintenance.

Chairman Penzel talked about the approval by Carson Water Subconservancy District of the Stormwater Master Plan. It includes \$95,000 from Douglas County and he wanted to ensure that was included in this budget. Mr. Werner stated it is.

Ms. Moore reviewed the Board Designated line item and stated any additional unused revenue was placed in this fund. The net effect is \$4.7 million. All of the interfund loan reserve was placed here for the Board to use at their discretion. Also, the balance of the Stabilization Fund was moved into this fund so that fund could be closed out. This is one time and not an ongoing revenue source. She asked if the Board preferred to use the money now to fund current projects.

Chairman Penzel asked if the \$726,000 was subtracted from the Board Designated and Ms. Moore answered yes.

Commissioner Walsh asked for a further explanation of the \$726,000. Ms. Moore stated it is comprised of the offset of the rebalance of Contingency and Ending Fund Balance, expenses for software, equipment, professional services, and institutional supplies and salary expenses.

Chairman Penzel clarified whether the Board's top five priorities have been funded and Ms. Moore stated yes. The balance can be spent on projects or set aside for future needs or put into reserves. Chairman Penzel asked how flooding costs are being funded. Ms. Moore responded it is being funded through the departments. 85% of the debris cleanup is eligible for FEMA reimbursement. To encourage

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people to report earlier, FEMA will increase the reimbursement the earlier you report.

Ms. Moore went on to discuss the changes in the Stabilization Fund and Nevada Cooperative Extension.

Commissioner McDermid questioned the Board Designated item in Nevada Cooperative Extension. Ms. Moore explained how the balance was arrived at. Mr. Werner clarified there is a Board Designated in every fund and that is not the same as the one within the General Fund. The discretionary Board Designated line item is only within the General Fund (Fund 101).

Chairman Penzel wondered if Cooperative Extension will make a request for the additional \$1,000. Ms. Moore stated that fund is a restricted revenue fund per NRS. The money came from their ad valorem taxes.

Ms. Moore stated many of the changes in most of the funds relate to Salary & Benefit and taxes. She highlighted the changes to Assistance to Indigents, Social Services, Road Operating, Room Tax Fund, China Spring Youth Camp, WNRYS, Tahoe-Douglas Transportation District, 911/Emergency Services, Regional Transportation, Ad Valorem Capital Projects, and County Debt.

Commissioner Walsh asked for a clarification on the \$1.2 million transfer out of the Regional Transportation Fund. Ms. Moore stated the RTC approved a transfer out to help with the needs assessment for heavy equipment, replacing the aging fleet, etc.

Vice Chairman Thaler thanked Ms. Moore for the comprehensive budget presentation.

Ms. Moore requested Board direction on the supplemental budget requests. She reviewed the contents of the worksheet provided and stated \$5.1 million is what is subject for consideration.

Chairman Penzel suggested continuing this discussion to the May 4th meeting to allow the Board time to consider all the information provided at this meeting. He would like to consider beginning to fund stormwater on an ongoing basis.

Commissioner McDermid thought Town of Genoa's request could come out of redevelopment agency funds. The outcome of the legislative session could have an effect on the request for voting machines and on the Assessor's request. She suggested having a placeholder for those two items pending the outcome of the legislative session. Flooding concerns continue so money should be put aside for immediate needs.

Chairman Penzel thought the county facility needs should be considered.

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Vice Chairman Thaler pointed out the available money does not have to be spent. Money should be set aside to address the impacts of the snow melt. He would like to set money aside to help fund the roundabout on Highway 88. He agrees with taking some time to look at this before providing direction. He would like to set money aside for emergencies since there is so much unknown in the next six months.

Chairman Penzel asked if the roundabout at Centerville and Highway 88 should be included in the 5 year CIP. He pointed out nothing has been done at Airport Road.

Commissioner Walsh suggested a way to help fund the roundabout would be to stop the Centerville project a little shorter than planned and use that money for the roundabout.

Vice Chairman Thaler knows easements are a concern but the property owners seem willing to grant the easements in order to get the roundabout. Putting money aside will send the message to NDOT the county wants to move this project forward.

Commissioner McDermid asked if there was anything on the horizon that should be considered for funding.

Chairman Penzel wants to be sure this is thoughtfully looked at and as much as possible is considered to be sure the best decision for the county is made. He asked if there were any projects that should be considered for TRE and Indian Hills.

Commissioner Walsh stated there is a need for stormwater and road projects. A longer term project would be studying and setting aside an alternate through truck route.

Mr. Werner requested each Board member provide staff with additional recommendations.

No public comment.

RESULT: FOR DISCUSSION ONLY

COUNTY MANAGER

12. For possible action. Discussion and direction to staff regarding legislation or legislative issues proposed by legislators or by other entities permitted by the Nevada State Legislature to submit bill draft requests or such legislative issues that may impact Douglas County as may be deemed appropriate by the Board of County Commissioners. (Larry Werner)

There was nothing to discuss at this time.

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No public comment.

13. For presentation only. Reports/updates from County Commission members concerning the various boards and/or commissions that they may be a member of or a liaison to or meetings/functions they have attended. These boards/commissions/meetings include but are not limited to the: Nevada Association of Counties; Carson Water Subconservancy District; Lake Tahoe Visitors Authority; Tahoe Regional Planning Agency; Law Library; NevadaWorks; Carson Valley Chamber of Commerce, Carson Valley Visitors Authority; Tahoe Douglas Visitors Authority; Lake Tahoe South Shore Chamber of Commerce; Western Nevada Development District; Regional Transportation Commission; Nevada Tahoe Conservation District; Nevada V & T Railroad Commission; Joint Powers/Waste Management; Tahoe Transportation District, and the Debt Management Commission. There will be no discussion or action taken on these reports/updates.

No reports were provided.

CLOSING PUBLIC COMMENT

No public comment.

ADJOURNMENT

MOTION to adjourn; carried

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

There being no further business to come before the Board, the meeting adjourned at 6:42 p.m.

Respectfully submitted:

William Penzel, Chairman
Douglas County Board of Commissioners

ATTEST:

Kathy Lewis, Clerk-Treasurer