



LINCOLN COUNTY BOARD OF COMMISSIONERS

May 2, 2016
Commission Chambers
Lincoln County Courthouse
181 Main Street
Pioche, Nevada

Commissioners

Paul Mathews
Kevin Phillips, Chair
Adam Katschke, Vice Chair
Paul Donohue
Varlin Higbee

#1-CALL TO ORDER/ROLL CALL/INVOCATION/PLEDGE OF ALLEGIANCE

Kevin called the meeting to order at 9:14 a.m. Clerk Lisa Lloyd called the roll.

PRESENT: PAUL MATHEWS
ADAM KATSCHKE
KEVIN PHILLIPS
VARLIN HIGBEE
PAUL DONOHUE

LISA LLOYD, Clerk
DANIEL HOOGE, District Attorney

There is a quorum present and the agenda was posted on 4-26-16. The Invocation was offered by Varlin and Adam led the Pledge of Allegiance.

#2-PUBLIC COMMENT

Kevin called for public comment. Kevin advised the Public Lands Summit of the West will take place in Las Vegas on May 13.

CONSENT AGENDA

- #3 Approve/Deny minutes of the April 18 meeting.
- #4 Approve/Deny original and renewed business licenses according to staff recommendations (an itemized list of business licenses is available for public review in the Building Department prior to the meeting).

Adam made a motion to approve the consent agenda; seconded by Varlin. All voted in favor.

#5-VOUCHERS

Recorder/Auditor Leslie Boucher presented the cash balance report. General County has a balance of \$906,846.34 with estimated expenditures being \$201,330.38. General County will have a balance of \$705,515.96. **Adam made a motion to approve the vouchers as presented with the exception of the LCTS, Mountain Merc, and A & H Katschke vouchers; seconded by Varlin. All voted in favor. Paul M. made a motion to approve the A & H Katschke vouchers; seconded by Paul D. Adam disclosed he is the owner of A & H; he abstained. Motion carried. Adam made a motion to approve the Mountain Merc vouchers; seconded by Paul D. Kevin abstained and disclosed he is part owner of this firm. Motion carried. Adam made a motion to approve the LCTS vouchers; seconded by Paul M. Paul D. abstained and disclosed he is an employee of LCTS. Motion carried.**

#6-OFFICER/DEPARTMENT HEAD REPORTS

LC NUCLEAR OVERSIGHT COORDINATOR Connie Simkins reported there will be a meeting on May 11 in Alamo concerning The Monument. Connie has obtained copies of the Angus McIntosh dissertation for sale; 25 have already sold. N4 Grazing Board has paid Resource Concepts to fill out the questionnaire on The Monument. Connie advised the N4 State Grazing Board meeting is June 10th at 10 a.m. Connie will be taking two weeks out of the office some time in the future; she will be taking four days leave without pay as she doesn't have enough annual leave. **ASSESSOR** Mark Holt advised that May 9-13 Cydney will be attending class in Las Vegas. HE will attend test reviews this month as well. **DISTRICT ATTORNEY** Daniel Hooge filed a motion to vacate Hardy's award for fraud. Hardy has filed subsequent motions. Daniel's motion will go to hearing within the next 90 days. SNWA's attorneys heard about the conversation at the last meeting. They called Daniel

directly and asked for a meeting with him on May 5 at 11 a.m. SNWA doesn't want to have a fight with the ranchers, they'd like to meet with Daniel first.

#7-HIGHWAY COMMISSION

This item was handled under a separate agenda.

#8-LINCOLN COUNTY FIRE DISTRICT

This item was covered under a separate agenda.

#9-THREE SQUARE PROGRAM

Brian Burton offered an update on the Three Square food program. Three Square currently works with three pantry programs and four schools in LC. Since 2014, Three Square's partners in LC have distributed 395,526 pounds of food, equivalent of 330,241 meals. Three Square provides food for three pantry programs in LC: Caliente Senior Pantry, Caliente Senior Mobile Pantry, and Alamo Mobile Pantry. In the last year and a half, these three pantry programs have distributed over 384,000 pounds of food, equivalent to just over 320,000 meals. Three Square's Backpack for Kids Program currently operates in four schools across LC: Caliente Elementary School, Panaca Elementary School, Pioche Elementary School, and Meadow Valley Middle School. Since the 2014-2015 school year, Three Square has donated 2,536 "backpacks" to LC, valued at just over \$9,000. No action was taken as this item was informational only.

#10-BUDGET AUGMENTATION

This was the time and place set for public hearing. Kevin called for public comment. None offered and Kevin closed the public hearing. **Paul M. made a motion to approve the resolution to augment the Ambulance Fund for FY 2015-2016 in the amount of \$11,972; seconded by Paul D. All voted in favor.**

#11-FY 2016-2017 BUDGET & TAX RATES

This is the time and place set for public hearing on the proposed budget and tax rates for FY 2016-2017. Pioche Town and Alamo Town rates have increased. There was some discussion about the tax rate for LC Fire District; 2/3 of this is from centrally assessed. **Paul M. made a motion to approve the tax rates as proposed; seconded by Adam. Varlin was opposed. Motion carried.**

#12-AB 191 BALLOT QUESTION COMMITTEE

Paul M. made a motion to appoint Shane Cheeny, Johnnie Jacquot, and Paul Donohue to the committee advocating passage and Glenn Zelch, Russell Tracy, and Grant Perkins to the committee against passage; seconded by Adam. All voted in favor.

#13-APPOINTMENT

Adam made a motion to appoint Pete Peterson to the Room Tax Board; seconded by Paul M. All voted in favor.

#14-DRY LAKE VALLEY NORTH SOLAR ENERGY PROJECT

Paul M. abstained from the discussion and vote on this issue as Shane is his brother. Shane Mathews commented that his position is still the same. He is very opposed to the proposed Dry Lake Valley North Solar Energy Project. Shane hopes that the Commissioners will support him in his opposition. He isn't opposed to solar in and of itself, he's opposed to the location that has been chosen. Shane commented that we need to be careful about how and where we implement solar and that it should be done in a way that won't impact the citizens who rely on the land to make a living. Shane understands this project is being initiated by politicians and people who don't live here nor do they have a vested interest in the resulting impacts. Paul D. commented that this is Shane's land and he should be able to do whatever he wants with it. The Board now needs to send a letter saying that this area is not for solar energy development. Connie Simkins stated that this is similar to the MX missile project as well as Yucca Mountain. Connie doesn't believe we can expect a solar energy plant in Dry Lake Valley in the next 20 years due to costs and the lack of ability to move the energy created to a place that will buy it. Cory stated the Dry Lake Solar Strategy is finished. Adam stated he feels the Board should write a letter of support for Shane, the landowner. Varlin stated the grazing in that area is private property; it

belongs to Shane and is a private property right. **Paul D. made a motion to write a letter of support for Shane Mathews; seconded by Varlin. Paul M. abstained. Motion carried.**

#15-SILVER STATE TRAILBLAZERS AMA HARE N' HOUND

Paul D. made a motion to approve the Silver State Trailblazers National Hare n' Hound motorcycle race on May 21, 2016; seconded by Adam. All voted in favor.

#16-WESTERN ELITE YOUTH FUNDS

Paul D. made a motion to approve the request from Pahrnagat Valley High School for scholarship funding from the Western Elite Youth Fund in the amount of \$3,000; seconded by Varlin. All voted in favor.

#17-REPORT OF SERVICES FOR CHILDREN WITH INTELLECTUAL DISABILITIES

Adam made a motion to sign the Lincoln County report of services letter to the State of Nevada Legislative Counsel Bureau concerning the provision of services for children with intellectual disabilities; seconded by Paul D. All voted in favor.

#18, #19, #20-SOLID WASTE COLLECTIONS

This item concerns the collection of solid waste in Lincoln County. Recology has indicated its intent to increase the current rates substantially or stop collection services altogether. Recology has indicated that it has not been able to generate sufficient gate fees from out-of-county waste to significantly benefit LC. The County granted Recology a 49-year franchise agreement but with current gate fees the County may be able to terminate Recology's franchise agreement. Currently, the County bills the residents of LC through the Treasurer's Office. However, the current system generates a significant number of collection problems, including late payments and unpaid bills. The Landfill Committee is working to produce some solutions for the hauling/collection of garbage. Western Elite (WE) has offered to handle the garbage for six months at the current rate while we get something in place. There has been some discussion concerning splitting the county in half and contracting for separate hauling/disposal for the north and south. We are at the juncture where we need to decide whether or not to write Recology out of the picture since they want out. Paul M. stated that finalizing a decision today will be very difficult. Authorizing negotiating parties to keep the trash moving is what should be done today. If the County decides to handle this on its own, whose department will be responsible for it? That needs to be considered and decided. Recology has very good employees that are knowledgeable; we may want to include them. The Landfill Committee discussed setting up a special assessment. There is a statute that allows the county to do everything a tax district would do within the unincorporated areas of the County. This special assessment could be put on the tax rolls without creating a special district. Recology has shown an interest in selling the landfill and equipment to the County. Caliente has asked to be involved with the County during this planning process. Paul D. commented that recycling is something of interest to the citizens as well. Sorting and recycling is very expensive; it might not be feasible for the County. Kevin commented that it has never been cost effective to haul the waste as far as it has to be hauled to the landfill. It is thirty miles from Alamo to WE. WE would haul the waste to Apex right now as they don't have the infrastructure in place to handle ours. WE wants to help the County and they're already going there to pick up commercial and industrial waste. Paul M. stated that we need to consider the operating contracts with Recology as short term. Recology wants to eliminate the southern part of the contract. If they continue with the north part of the County, it will cost \$830,000. This is a stop gap measure; Paul M. suggested that we don't accept this. Recology has offered to lease the landfill to the County. Paul M. suggested that we negotiate with WE for a six-month contract and then negotiate with Recology to see what type of contract can be derived for the north end of the County. Paul M. spoke with Scott Seastrand of WE, who is willing to work with the County to resolve this problem. Paul D. asked who owns the drop boxes. Recology owns them. The County owns the sites they sit on. Paul M. suggested that the Caliente Mayor be appointed to the negotiations committee. **Paul M. made a motion to authorize members of the Landfill Committee and Mayor Stana Hurlbert to negotiate terms with WE on a short term basis and with Recology for an exit plan and possible lease of the Crestline landfill site; seconded by Adam. All voted in favor.** If the public meeting and resolution don't move forward quickly for the special assessment, we will miss the deadline to get it on this year's tax roll. Scott Seastrand of WE joined the meeting and Paul M. reviewed the discussion/Board decision with him. Paul M. asked, on the short term, if WE has found any answers with regards to permitting. Scott advised they haven't reached out to the state yet. WE doesn't feel

like they're in a position to say this is going to happen, it's still a hypothetical as there are some unresolved issues with Recology and what they will allow the County to do. The sooner WE can get the green light to start service they will be able to get in position to mobilize. Once given the go ahead, they'll immediately contact the state to see if they can bring in Class I material. Even if WE took 100% of MSW the County generates it would still be a very minimal amount. Scott hasn't asked the state as they're waiting to see how the County directs them as to interest. Daniel stated the County has a very good argument to get out of the Recology contract. Recology is concerned about their closing costs. Scott stated they have a cash assurance, which they have to fund every year. If they had to close today, the money is there. Caliente has suggested there might be an area for WE to consolidate materials. This would be more economical than operating two facilities. The other challenge at the Crestline facility is the road leading to it. There is a great deal of damage to equipment on that long stretch of road. It would be more economically viable to use space in Caliente. WE's goal is to figure out how to contain costs and to find a solution. Paul M. suggested that Adam set up meetings with WE to further negotiate. **Varlin made a motion to approve a letter of support for WE to the state; seconded by Paul D. All voted in favor.** Scott stated that there must be resolution with Recology on the landfill agreement. Adam commented the Recology wants to wipe their hands clean and get rid of the agreement. Paul D. countered that this wasn't the impression he got today; Recology wants the County to pay the closing costs.

#21-INTERLOCAL CONTRACT FOR INMATE HOUSING

Daniel advised we'd like to have a contract signed at least until September at the current contract rates. Paul D. commented that he understands that the Clark County Commissioners' view is that they won't do anything to us for one year, they won't remove the inmates for at least one year. Paul D. suggested that the contract be set up for one year. Daniel advised that the contract is identical to the previous year, same rate, same clauses, etc. Sheriff Kerry Lee stated that they want to include "major medical" as a clarification. Regardless of whether or not the contract is for 2-3 months or a year we still have to do a contract. **Paul M. made a motion to approve the contract for one year with the inclusion of "major medical"; seconded by Paul D. All voted in favor.**

#22-COYOTE SPRINGS COMMUNICATIONS TOWER

Adam made a motion to approve the interlocal agreement between LC and NV Department of Transportation for the Coyote Springs communications tower; seconded by Paul D. All voted in favor.

#23-FY 2016-2017 BUDGET

Dan McArthur presented the current numbers. The two significant issues at the last meeting involved the wage scale and the decrease in the assessed valuation. After analysis, it has been discovered that there has been a significant decrease in the assessed valuation of centrally assessed property, which is assessed by the state. During this analysis process, Dan was able to obtain the valuations for various entities in the County and he discovered there was a dramatic decrease in valuation for OnLine Transmission Project. The decrease for this company took place in all of the counties that this line goes through. The state made errors with regards to the line miles so the new valuation is reality. Paul M. commented that the County had anticipated that the rate would go up as the abatement would go away after a few years. The valuation is less this year than it was last year. Dan is concerned; if the valuation dropped \$22 million in LC this year, does that mean the prior year was over-assessed and there will be a request for a refund for prior year? It's either line miles or the value was over-assessed to begin with. The old wage scale causes the General Fund balance to be \$4,723,067. The new wage scale will cause the General Fund to be \$4,725,263. Using the new scale means that people top out at ten years and employees go back a grade, not back a step. As of right now, we do not have a budget contingency factored in. The biggest problem is centrally assessed. Dan reviewed the Area money, which is to be transferred into a special projects fund. \$92,000-94,000 is the fund balance we have now due to the drop in property tax values. We are projected the ending fund balance to decrease by approximately \$600,000. \$4,424,316 is the projected revenue for this year. That is a decrease of approximately \$102,000. Dan addressed the modification clause in the Teamsters contracts, which says contracts can be opened up if revenues don't increase above a certain percent. If the revenue numbers and consolidated numbers don't climb the scales will not be sustainable within this fund. Dan summarized all the funds that are impacted by the change in property tax valuation. It is possible to reduce the rate for some of the entities that receive money, such as the Museum Fund; this would allow the Board to take these funds and add them to the General Fund and increase the bottom line. \$5,000 was removed from Commissioners' services/supplies. \$5,000 is removed from elections. Business licenses are reduced by \$1,000. \$20,000 is taken from Museum. There is \$89,000 in

Special Projects services/supplies shortfall that could be used to meet the deficit. Dan responded that the Museum tax rate would be changed; a transfer wouldn't be done. The Board directed Dan to gather money from Museum and Library funds as well as little bits here and there from the other funds to get to an ending fund balance of \$174,000. **Paul D. made a motion to remove \$30,000 from Health Nurse Assistant, keeping her at part time; seconded by Varlin.** It is a possibility that this position might be funded by the Indigent Fund, according to NACO. If it is legal to do so, the Board can reconsider making the Assistant full time at a later date. **All voted in favor.** Custodian I was removed from Buildings/Grounds in the amount of \$12,000. Cory advised that the cost for two room renovations at the Panaca Town Center is approximately \$16,000. Paul M. stated he wouldn't mind moving forward with this as long as we have a signed lease agreement in place before. Cory also stated that we do not have the funds budgeted out of 124 for the renovations. Dan removed \$10,000 for the truck vaults. A decision will have to be made on a fund to deal with solid waste and a funding mechanism; this must be part of this budget. Paul M. commented that he believes we can pull something together to operate for six months using current fees we already have. Around the six month mark the County can raise fees and bring in more revenue; Leslie could do an augmentation at that point. Existing structure brings in about \$260,000 and we supplement that with \$40,000 to pay \$300,000 to Recology every year. These funds can be used to cover the six-month gap until such time as adjustments to revenues can be made. Dan cited that there is no contingency to cover the pending lawsuit; the Board agreed that this is correct, nothing has been budgeted for the lawsuit.

#24-COMMISSIONER REPORTS

None offered.

#25-PUBLIC COMMENT

Kevin called for public comment. Russell Tracy asked if there is any benefit for the County when we get these solar projects. No. Russell stated solar energy is terrible. Green energy doesn't work until the battery technology comes on. Treasurer Shawn Frehner advised that the final tax rates will be approved via resolution in June. Connie Simkins advised that 5-20 at 10 a.m. the NV Legislature on Public Lands will be meeting. Cory Lytle commented that he, Mark, Arla, and Melissa met with Sunrise to discuss changing their GIS program and moving to a cloud based system. The benefits over the next several years will be great; it'll cost less and more people can use it. Cory wasn't certain as to costs. Best in the Desert (BID) contact Varlin regarding the upcoming race, Vegas to Reno, in July. Since The Monument was created they're trying to extract another \$27,000 from BID. Now that it's a Monument an extensive EIS is required. BID will be using the same trail they used a few years ago.

#26-ADJOURN

There being no further business for the Board to attend to, Kevin adjourned the meeting at 1:30 p.m.

Attest: _____ Approve: _____