

NEVADA ASSOCIATION OF COUNTIES (NACO)

Board of Directors' Meeting

August 30, 2019, 9:30 a.m.

NACO Office

304 S. Minnesota Street

Carson City, NV 89703

ADOPTED MINUTES

Attendance: President Waits, President Elect French, Washoe County Commissioner Lucey, Lincoln County Commissioner Higbee, Mineral County Commissioner Price, Eureka County Commissioner Goicoechea, Lander County Commissioner Allan, Lyon County Commissioner Keller, Washoe County Commissioner Hartung, Fiscal Officer Kalt and NACO Staff (Dagny Stapleton, Vinson Guthreau, Colby Prout and Amanda Evans)

Remote Attendance: Vice President Kirkpatrick, Past President Weekly, Pershing County Commissioner Shank, Churchill County Commissioner Olsen, Esmeralda County Commissioner Keyes and Lincoln County Commissioner Lister

Other Attendance: Elko County Manager, Rob Stokes; Travis Brewer LaChapelle, Office of Senator Rosen; Cheva Gabor, U.S. Forest Service; Lee Bonner, NDOT; Michael Bertrand, Bertrand & Associates; Sally Goicoechea and Scott Keller

The meeting was called to order by President Waits at 9:30 a.m.

1. **Public Comment.** None was given.
2. **Approval of Agenda.** The agenda was approved on a motion by Commissioner Price with second by Commissioner Allan.
3. **NACO President's Report.** President Waits acknowledged the recent passing of Lyon County Commissioner and NACO Board Member Greg Hunewill with a moment of silence, she also recognized the birthday of Lincoln County Commissioner Higbee.
4. **NACO Executive Director's Report.** Dagny remarked on the use of the teleconference system instead of the video conference system and gave instructions on how to mute microphones for those attending remotely. She informed the Board that US Communities, the purchasing cooperative administered through the National Association of Counties (NACo) which allowed counties to leverage purchasing power and distributed a percentage of profits to state associations, had been sold to Omnia Partners. She noted that Omnia Partners will be operating as for-profit company and will no longer be providing revenue sharing with and/or servicing about half of the states, including Nevada. She also noted that she will stay apprised of other options for providing this service to counties. Dagny also discussed SB207 which required counties to include apprentices on all public works projects. She reminded the Board that the bill did include a waiver program for rural counties and announced that the Labor Commissioner would be holding a meeting on November 5th, in the NACO offices to gather input from the counties on the development of the regulations for implementation of the new legislation. She encouraged all those able or interested to attend. Dagny introduced the Association's new Natural Resources Manager, Colby Prout, and concluded her remarks by

informing the Board that NACO had donated to the Smith Valley Rotary Club in honor of Commissioner Hunewill, as requested by the family.

5. **Approval of Minutes of the July 26th, 2019 NACO Board of Directors Meeting.** The minutes were approved on a motion by Commissioner Price with second by Commissioner Allan.
6. **Discussion and Possible Approval of the Reappointment of Joni Eastley to the Nevada Rural Housing Authority Board of Commissioners, for a Term Beginning on January 1, 2020 (NRS 315.977).** Dagny reminded the Board that Ms. Eastley is a former County Commissioner and has served as one of NACO's representatives to the Rural Housing Authority for several years. Ms. Eastley was reappointed to Board on a motion by Commissioner Allan with second by Commissioner Keller.
7. **Update on Preparations and Plans for the 2019 NACO Annual Conference, which will be held on September 25-26 and Hosted by Washoe County.** Dagny informed the Board that staff had been working on educational sessions and scheduling speakers for the event and noted that an updated draft schedule would be included in the NACO Newsletter. She discussed the mobile workshop to Washoe County's planned homeless facility on the Northern Nevada Adult Mental Health Campus, including attendance limitation of 25 people. Amanda informed the Board of the current registration numbers and reminded them that the guaranteed room block would be released on the first of September. President Waits reminded the Board to dress casually for the President's Reception and Annual Banquet because they would have the opportunity to interact with dogs from local shelters and possibly adopt a new family member. Commissioner Lucey also remarked on the amount of work Commissioner Hartung had done on the event and acknowledged the staff members of the County working on the event. Commissioner Lucey also mentioned the securing of a \$10,000 donation by RTC (Washoe) to be used by the County for conference expenses.
8. **Approval of the 2019 NACO Honor Roll, NACO Participatory Democracy, and Legislator of the Year Awards for Presentation During the 2019 NACO Annual Conference.** The award recipients were approved on a motion by Commissioner Lucey with second by Commissioner Hartung.
9. **Approval of NACO's June 2019 Financial Statements and Investment Reports.** The statements and reports were approved on a motion by Commissioner Price with second by Commissioner Lucey.
10. **Presentation of NACO's 2018 Financial Audit, Michael Bertrand, Bertrand and Associates, LLC.** Mr. Bertrand gave an overview of the Audit Letter, Audit Findings and Recommendations and Audited Financial Statements, included in the agenda packet and noted that the financial statement showed increased income and reduced PERS liability. Dagny reminded the Board that some of the increase in income was due to cost savings from having the position of Natural Resources Manager open, and that shouldn't be regarded as true increased income going forward to the new budget cycle. She also mentioned that year over year, though NACO has been able to realize savings, the amount of expenses budgeted for actually exceeds Association revenue. Mr. Bertrand addressed the audit findings and noted that while some of the previous year's recommendations had not yet been implemented, that staff is working on the implementation of those recommendations and acknowledged that they were not serious in nature. Mr. Bertrand concluded his presentation by outlining the adjustments made for accounting purposes. Questions from the Board included those on investment strategies and capitalization policies, and it was noted that those items would be covered in later agenda items. Vice President French inquired as to the reduction in PERS liabilities and Mr. Bertrand noted

that those liabilities are determined by the State and that the Association as no input into the development of those figures. The audit was accepted on a motion by Commissioner Allan with second by Commissioner Hartung.

- 11. Discussion and Approval of a Revised NACO Capitalization Policy, Alan Kalt, NACO Fiscal officer.** Mr. Kalt referenced the draft capitalization policy included in the agenda packet and noted that the revisions were based upon findings in the recently completed audit. He noted that the proposed increase in the NACO policy to a not-less than \$5,000.00 threshold for capitalization of any individual item falls within the recommended best practices of the Government Finance Officers Association. The Board approved the revised policy on a motion by Commissioner Allan with second by Commissioner Lucey.
- 12. Discussion and Approval of a NACO Policy Regarding Investment Guidelines, Alan Kalt, NACO Fiscal Officer.** Mr. Kalt informed the Board that the draft policy submitted with the agenda packet was also based on audit recommendations. He informed them that he developed the proposed policy based upon POOL/Pact guidelines in accordance with Nevada Revised Statutes and generally accepted prudent investor rules. He provided the Board with an overview of the policy including the requirements for annual review, summaries of performance and benchmark requirements, allowed and non-allowed transactions and guidelines for manager selections. He noted that the current distribution of the Association's accounts among current guidelines of 70/30% distribution of fixed/risk assets. Commissioner Hartung inquired as to the distribution of the fixed assets and it was noted that they are mostly in treasuries and that the risk assets are mostly in US equities. Dagny informed the Board that she would be working with Fiscal Officer Kalt to determine what liquid funds were necessary and if funds could be transferred from regular banking accounts to investment accounts. Commissioner Lucey inquired as to challenges with the Association's current advisor and Dagny noted what there were but that those would be covered under the next agenda item. Commissioner Lucey moved approval of the policy with appropriate liquidity. Mr. Kalt clarified that those numbers would be determined under administrative allowances. He concluded his remarks by thanking staff and the Board for their time and noted that it had been a decade or more since the Board had discussed the investment policy. Commissioner Lucey's motion was approved with second by Commissioner Price.
- 13. Discussion of NACO's Current Investment Manager Including Performance of Investments and Services Provided.** Dagny outlined communication issues with the current Investment Manager and noted that Amanda also had issues with obtaining information and documents required under the annual audit process. Mr. Kalt noted that the Association is currently using a Manager that POOL/Pact had stopped using several years before, and that while the current management firm is good, the NACO accounts may not be considered as valuable based on the firm's other clientele. He also noted that it is important to regularly evaluate the performance of any service provider and that, in his opinion, it makes sense to look for another advisor based on the needs of NACO. Commissioner Lister inquired as to if it would require an RFP process and it was clarified that an RFP is not required for this service. Dagny stated that they would look for input from the Board on potential providers. Staff was directed to obtain proposals for analyzation and to bring back a recommendation to the Board for a new Investment Manager on a motion by Commissioner Price with second by Commissioner Lucey.
- 14. Discussion and Updates Related to the 2020 U.S. Census.** Dagny reminded the Board that this will be a standing agenda item for the time being as it is such an important issue and process. She encouraged the Board to create Complete Count Committee's within their counties and noted that information on forming Committees, including Census staff contact information, could be found in the agenda back up, on the NACO website and in that week's issue of the NACO News. Dagny reminded the Board that she is their representative on the Governor's Complete

Count Committee. That Committee held a meeting earlier in September and that staff was being hired, a grant program was in process and that a database showing projected hard to count population areas was available.

15. Update and Possible Action Regarding Natural Resources and Public Lands and Issues Affecting Counties Including:

- a. NACO Public Lands and Natural Resources Committee Update.** Colby gave the Board an overview of the Committee's meeting the previous day, noting that discussion was held on Endangered Species Act updates including changes in Section 4 and Section 7. He informed the Board that comments are being drafted on the Forest Services' Greater Sage Grouse Final Environmental Impact Statement and Record of Decision to be submitted during the Protest Period and that objections would be consistent with comments already approved by the Board. He noted that the BLM has yet to release their proposed changes to policies regarding the National Environmental Policy Act. He concluded his remarks by noting that information on the FWS' determination on the Bi-State Sage Grouse is still forthcoming as well as regarding the California Condor. President Elect French also informed the Board that there will be a future agenda item regarding the wild horse and burro issue which will include possible support for a new plan being prepared for presentation to Congress.
- b. Presentation and Update from the U.S. Forest Service on Activities Impacting Nevada's Counties.** Nevada State Liaison, Cheva Gabor addressed the group and reiterated that the agency is currently in the protest period for their Greater Sage Grouse Plan Amendment and that period would conclude in October. She noted that the agency would then have a 90-day resolutions period before the Record of Decision would be signed. She spoke about the Economic Assessment Program being conducted by UNR/Cooperative Extension and informed the Board that a stakeholders meeting would take place on September 13th for a review of the baseline profiles for each county. She informed the group that the agency is close to an agreement with UNR to complete a 5-year demonstration on the effects of targeted grazing on wildfire. Questions from the Board included where the demonstration would take place, what types of livestock would be utilized, what the benchmarks for success would be and if year-round grazing would be used. Ms. Gabor clarified that the agreement was still in development and currently contained no defining parameters but that she would be happy to address the Board when it was complete. She also noted that there would be an interagency meeting held in November that would include NACO and other stakeholders to further discuss a shared stewardship initiative. She concluded her remarks by noting that funding for infrastructure repairs in fire damaged areas was hard to find within the Forest Service but that there were other options that she would be willing to discuss with individual Commissioners offline.
- c. Fallon Range Training Complex Modernization (FRTC).** Vinson gave the Board an update on the process. He noted that the Navy will be releasing their final Legislative Environmental Impact Statement for Cooperating Agency review on September 9th, but it will be subject to the existing non-disclosure agreements. He informed the Board that the process is moving more towards a political process and that NACO staff has been working with the Governor's office and others to articulate common concerns and collaborate going forward. Discussions have also included presenting concerns to the Federal Delegation.

- 16. NACO Committee of the Emeritus Update.** Vinson informed the Board that the Committee had met earlier in the week and approved interim educational workshop topics for the Board's consideration. He noted that the Committee would like to conduct five workshops to include: a detailed overview by bill of changes that counties need to make based upon the approved

legislation of the 2019 Legislative Session; an overview of the newly created Nevada Department of Indigent Services including how this system will work to regulate public defenders in Nevada; addressing transparency in government including new changes to the Open Meeting and Public Records laws; a joint workshop with the Central Nevada Regional Water Authority on implementing county water resource plans as mandated during the Legislative Session; and discussing how bills become law in Nevada and how to be an effective advocate at the Legislature. The Board approved the recommended workshop topics on a motion from Commissioner Allan with second by President Elect French.

17. **National Association of Counties and Western Interstate Region Board Member Updates.** Commissioner Higbee announced the 2020 National Association of Counties annual conference will be held in July in Florida. President Elect French informed the Board that discussions at the Western Interstate Region include Payment in Lieu of Taxes (PILT) funding and the proposed changes to the distribution model and proposed Endangered Species Act reforms.
18. **NACO Board Member Updates.** Updates were given by members of the Board on activities within their counties.
19. **Public Comment.** None was given.

The meeting was adjourned at 12:07 p.m.