

[10:01:46 AM:](#)

I. PUBLIC COMMENT PERIOD:

No comments were submitted.

[10:02:19 AM:](#)

Robert Schmidlein entered the meeting room at 10:02 a.m.

[10:02:40 AM:](#)

II. ELKO COUNTY REGIONAL STREET AND HIGHWAY FUND - QUARTERLY REPORT:

Review of Quarterly Financial Reports relating to the Regional Street and Highway Fund.

Cash Minor gave an overview of page three the history stating they had collected \$2.7 million dollars in gas taxes and an additional \$33,000 in interest income to be placed in the Safety Fund. He stated there was an increase in the 2016-17 collection. He stated there was no activity on page 4 which was the list of the projects because of the beginning of the fiscal year. Cash Minor stated on page 5 the allocation of the RTC gas tax money was displayed.

Commissioner Schmidlein requested that he submit the report prior to the meetings so that they may have time to review it more in depth.

Cash Minor explained the month end closes but the agenda was already out so they cannot have it out by the first of the month.

Randy Brown suggested moving the RTC meeting date to a mid-month date in January so that would give them a chance to close the accounts.

Commissioners Schmidlein, Andreozzi and Eklund agreed they should move the RTC meeting to the mid-month meeting date.

Commissioner Andreozzi noted the consent agenda had a meeting date.

MOTION: Commissioner Eklund moved to approve the Regional Street and Highway Fund Quarterly Financial Report. Commissioner Schmidlein seconded the motion. The motion passed unanimously.

[10:06:40 AM:](#)

III. NEVADA DEPARTMENT OF TRANSPORTATION:

A. Fuel Indexing Education and Outreach:

NDOT presentation and educational workshop on the fuel indexing ballot questions.

Tracy Larkin-Thomason, NDOT Deputy Director of Southern Nevada, stated they were here today to give them their view of the fuel revenue indexing in Clark County. She introduced Tina Quigley as the General Manager of the RTC of Southern Nevada. She said Kevin Lee, NDOT District III Administrator/Engineer, would give a more personalized viewpoint of what that

fuel revenue taxing would be for Elko County. Tracy Larkin-Thomason introduced Bill Wellman as a member of the Nevada Economic Development Company who was one of the founding members who started the initiative in Clark County for revenue indexing and was very familiar with the regulations.

Tina Quigley stated in Southern Nevada they had discussions over three years about tying motor vehicle tax together with inflation. They had met with various groups within their area. Tina Quigley gave a video presentation upon the importance of infrastructure. She noted they use infrastructure daily but give little thought to the funding of that infrastructure. She stated in Clark County the motor fuel tax was flat from 1993 to 2013 at \$0.52 cents which was similar to Elko County. Tina Quigley stated that \$.52 cents was split with \$0.185 cents going to the Federal Government, \$0.185 goes to the State, \$0.065 cents to the County and \$0.09 stayed with the RTC. She noted costs to build, maintain and grow infrastructure had increased. Tina Quigley stated the businesses in the area expressed concern about the funding of roads in the future. She stated Legislature allowed Clark County to tie motor vehicle fuel tax to inflation for a three year period. She commented the three year period ended this year so they have to go to a vote of the people. She noted the statute requires that all money collected in the Counties' boundaries has to be reinvested within those Counties' boundaries. Tina Quigley stated they tie the whole \$0.52 cents to inflation and some of that goes to the State and the State was required to re-invest the money within the County that it was collected from. Tina Quigley explained every County within the State would have a ballot question except Washoe County. She noted Washoe County already voted to tie their motor vehicle fuel tax to inflation. Tina Quigley commented they had 2 million residents in southern Nevada and the population was projected to increase by 26% as well as the number of their visitors over the next ten years. She noted on the weekends their visitor numbers were at their peak and they need to make their infrastructure grow and be safe for those visitors. She stated their sources of funding was the same as Elko County in that they receive a portion of the sales tax, federal funding and motor vehicle fuel tax. Tina Quigley stated they have 364 unfunded projects totaling \$6.2 billion dollars. She stated on their website www.rtcsnv.com/fri they list all of their projects that would be funded if this tax was passed. She stated they wanted the taxpayers to understand where this money would go so this was transparent revenue. She stated this tax collected would have to go into design infrastructure or amenities related to mobility and cannot go into transit and they have to report regularly back to their County

Commission and RTC Board. Tina Quigley stated none of that money went to RTC administrative fees. She stated their ballot question would raise \$2 to 3 Billion Dollars, half of what their actual needs were, and it would cost the average driver \$.025 per day over that ten year period. She stated now the average driver pays \$0.18 to \$0.20 cents per day.

Commissioner Eklund voiced concern that the State was much higher on their fuel prices than across the nation. He stated if they take the average percentage of increase over 10 years the multiplier would be extremely high because it compounds. He felt that would drive tourism away from the State due to the cost of fuel and it would increase the cost of doing business in rural communities. Commissioner Eklund stated it was not uncommon in the rural areas to put 30,000 miles on a vehicle especially for businesses having to travel to do sales, etc. He stated Elko County looked at doing a flat \$0.03 cents following Douglas County's example. He inquired of Tina if she felt it would be detrimental to the State if they compound the fuel tax.

Tina Quigley stated by statute it was based on a rolling 10 year average of the producer price index specific to costs of construction goods and materials. She stated their economists were using 3.43% for the average over those ten years. She said within ten years they have had significant years of inflation of goods and services and also negative inflation so, on an average, it was 3.43 percent. Tina Quigley stated the statute allowed the County Commission to cap it and a few weeks ago Clark County Commission elected, if it passed by the voters, the most it would increase was \$.04 cents per gallon in one year's time. She stated the County Commission reviews that tax on an annual basis and could remove the cap or stop it. She stated they projected at 3.43% at the end of ten years you would be paying \$0.87 cents in fuel tax. Tina Quigley stated this did have the support of their chambers and businesses whether large or small and labor. She commented there were some areas of town that had bad maintenance and congestions issues and they recognize they have to pay for the roads if you use them. Tina Quigley commented the trucking industry was supportive of this effort because the truckers could seek a refund for taxes that they have paid in.

Commissioner Andrezzi noted Clark County had three years of experience with this tax. He inquired what happened at the gas stations.

Tina Quigley stated the first year they seen \$0.032 cents, next year it was \$0.034 cents and now it was capped at \$.010 cents. She reported a significant amount of projects were performed and the contractors were competitive. She stated on the average the bids came in about \$45 million dollars below estimate so they were up to 226 projects funded rather than the 199 projected. Tina

REGIONAL TRANSPORTATION COMMISSION

REGULAR SESSION

OCTOBER 5, 2016

PAGE - 4

Quigley noted the County Commission took a risk to impose the tax without the vote of the people. She stated they got jobs out quickly and infrastructure was done by local contractors. She commented they reported regularly to the Commission about the number of jobs created and the Public Works Directors collaborated to get the projects work ready.

Commissioner Andreozi noted inflation was not built into the gas tax formula. He noted their gas tax was flat but there was more traffic on the roads and there was more need of maintenance.

Tracy Larkin-Thomason commented over the next 10 years approximately \$131.5 million would come to Elko County and \$71.3 million would go to the County with \$60.2 million dollars would be State funding.

Commissioner Andreozi noted it cost about \$1 million dollars per mile on a recent project they did.

Tracy Larkin-Thomason stated a road with curb, gutter and sidewalk was \$1.6 million per mile in Ely.

Kevin Lee gave a power presentation of what the increase in the gas tax would mean to Elko County. He gave a historical overview of the increase in construction and maintenance costs and noted the traffic volume increases. He commented north of Wells on US Highway 93 the freight traffic increased 60% over the last two years. He stated this fuel tax increase would fund more passing lanes on Highway 93, intersection improvements out in the Spring Creek area, pedestrian improvements throughout the County, to provide access to future development, some secondary access to Spring Creek, provide bicycle and modal paths, and passing lanes for freight. He noted they had many unfunded projects. Kevin Lee commented about the safety issue of students walking on the highway near the Adobe Middle School.

Commissioner Andreozi noted the County Commission set the inflationary fuel tax at a 3 cents cap and those revenue projections were based on actual fuel consumption and they used a 3% factor for those numbers.

Kevin Lee stated in yesterday's newspaper it reported \$125 million dollars with \$67.8 million to the County and \$57.2 million to State but he was unsure if that reflected the County's cap. He stated it could be a quarter more for each road user. He noted their population was increasing and they definitely need some safe routes to the schools, sidewalks and bicycle improvements.

Commissioner Eklund inquired if that quarter per driver translated the same for Clark and Elko when Elko traveled more distances than in Clark County.

Kevin Lee noted there were some people who commute from Pahrump

every day to Las Vegas so there was outside traffic. He commented the fuel economy was better here than the stop and go traffic in Clark County on I-15.

Commissioner Andrezzi noted he had experience with the City and the County but they could not address the capacity issues so there were lots of unfunded projects.

Commissioner Eklund stated over the 10 year period they would increase the fuel tax to \$0.87 cents and they were currently at \$0.52. He stated that translates to \$3,500 for every 10,000 miles driven which would be a significant increase for drivers. He stated they have a lot of seniors traveling distances for health care.

Tracy Larkin-Thomason commented the County Commission could regulate the collection rate to what would work best for their people. She noted the retirees did not drive as much. She stated she was accustomed to putting 600 miles per week on her vehicle when she lived in Reno and drove to Carson City. She noted the cost if she hit a pothole or sitting in congested traffic. Tracy Larkin-Thomason noted Tina mentioned a quarter a day based upon Clark County figures but figures from the economist was closer to \$0.18 or \$0.19 cents which was \$7.50 per month. She noted for NDOT there has been benefit from the fuel revenue indexing in Clark County and there were three major projects that were moved forward. She commented the additional revenue provided great leveraging to promote projects with extra funding through federal grants.

Bill Wellman, Nevada Economic Development Commission (NDCO) of Clark County, stated he and four other business owners in 2012, just coming out of recession, met to discuss their infrastructure issues and funding of it. He stated in 2009 Washoe County started indexing their fuel taxes to the rate of inflation with legislative approval. Bill Wellman stated they went to the State Legislature and asked the same for Clark County. He noted all counties in Nevada but Clark County had that ability. He stated the Speaker of the Assembly was adamant it was a State-wide issue and they brought in AB 413 which was indexing the fuel taxes in every County excluding Washoe. He gave an overview of AB 413 language and noted it was initiated for a three year period. Bill Wellman stated they could raise \$750 million dollars; they have been working on 220 projects and three major NDOT projects. He stated that \$750 million dollars had created \$1 billion dollars' worth of projects. Bill Wellman stated in 2015 they asked the State Legislature to combine the questions and do it County by County vote. He noted all funds generated by this indexing would be left in the County of origin. He stated they have a large campaign going on in Clark County on question 5. Bill Wellman presented a PowerPoint on pedestrian-vehicle conflicts, congestion, maintenance, infrastructure needs,

REGIONAL TRANSPORTATION COMMISSION

REGULAR SESSION

OCTOBER 5, 2016

PAGE - 6

economics and a State Legislative bill. Bill Wellman stated with the improvement of infrastructure it enhances quality of life, safety, and economy. He noted they have almost 200 businesses and associations that were part of the coalition and even the truckers were encouraging approval of the fuel indexing tax. Bill Wellman stated there were two legislative caps the ten-year average rate of inflation or the producer price index using a 10-year rolling average with a maximum of 7.8% allowed. He submitted a copy of the Clark County RTC producer price index showing numbers based on the 3.43% as of July 1, 2016. Bill Wellman stated they were at \$0.625 cents today and over the ten year period they would look at approximately \$0.744 cents. He stated in Clark County it was based upon 13,000 miles per year at 25 miles per gallon it would be \$0.18 cents per day or \$64.00 per year. He noted Clark County was at \$.062 cents but Elko County was at \$0.52 cents today. Bill Wellman stated Elko had a \$0.03 cents cap and the County Commission had the opportunity to adjust the rate up to the ten-year rolling average cap or 7.8% whichever was less. He noted that also directed what would happen to the NDOT funding as well. Bill Wellman stressed the residents need to understand the tax. He noted NDOT would get 18.5% of \$0.52 cents or 35% to 40% and the RTC would get the rest. He stated they looked at extending the fuel revenue indexing for two years in Clark County at \$0.021 cents which would raise \$556 million dollars that they could use for bonding. He stated over a ten year period it would be \$2.5 billion dollars.

Commissioner Andreozzi requested clarification that their base rate from 2007 to 2016 was \$0.625 cents and indexing would start in 2017 and up so the difference would be from \$0.625 to \$0.876 growth from fuel tax indexing over that ten year period or \$0.024 cents per gallon.

Bill Wellman stated that was correct. He stated they use actual producer price index number and they use the construction component.

Commissioner Eklund believed it would drive up inflation through shipping costs which would be transferred to the consumer.

Bill Wellman stated they used the RTC numbers. He noted it was not a new tax it was an adjustment for existing taxes and it was for a 10 year. He stated the Legislation did ask in 2026 that the counties have the option to ask their constituents to continue it for another 10 years.

Commissioner Andreozzi understood in the statute it appears any county that did not approve the fuel indexing tax then they don't have a chance to ask their constituents for another 10 years.

Bill Wellman stated that was the correct interpretation based upon AB 191.

Matt McCarty commented Carol Fosmo approached a number of citizens and asked them to write arguments “for” and “against” on this ballot question. He stated they calculated \$0.40 cents of a \$1.00 would come back to the County; \$0.15 would be distributed to the cities which would leave \$0.45 cents to the State. Matt McCarty stated they understood there was no requirement for city, county or state to work together so in reality the County residents only had control of \$0.40 cents of that increase. He stated on an annual basis at 15,000 miles traveled with an average of 13 miles per gallon that would equate to 1,000 gallons a year so the increase would be \$350 per year or \$.096 cents per day for Elko County citizens. Matt McCarty stated when they calculated on the arguments against; it was about \$0.35 over ten years. He stated they argued that this was not a new tax however it was increase in taxes every year. Matt McCarty stated the Elko Area Chamber of Commerce did not take a position on this yet. He noted in 2012 the Elko Area Chamber of Commerce was in support of the gas tax increase. He stated they agreed our business need infrastructure and their employees need roads to get to work safely and children need to be able to get to their school safely.

Janet Petersen stated she was on the “pro” portion of the ballot question committee and their general consensus was this was a general public obligation to all the citizens of the County to pass this tax because it was a life safety issue whether they lived on paved or unpaved streets. She noted voting in favor would provide local funding for maintenance of local roads and linking to taxation had been discussed. She believed it was a moral obligation to benefit every citizen that drives on a road in Elko County.

Commissioner Andreozzi thanked NDOT, Tracy, Tina and Bill for bringing clarity on this fuel indexing tax issue.

B. Update reporting as may be available relating to traffic counts, projects, and other matters of interest.

Karim Yousuf, NDOT Traffic Engineer of District III, submitted the traffic counts for FY 2015-2016. He noted the maximum traffic increase was on I-80 one mile east on US Highway 93 interchange and the increase was 9.63% in Elko County. He commented Kevin Lee pointed out the freight traffic had increased significantly.

Commissioner Andreozzi inquired about the projects by Wells and Tuscarora Road.

Karim Yousuf believed those projects were moving forward per schedule.

[11:21:56 AM:](#)

IV. ENTITY PROJECTS REPORTS:

Report on status of entity projects financed by Regional Street and Highway Fund apportionments.

1. City of Carlin

No representative present.

2. City of Elko

Dennis Strickland stated there was nothing to report today. He fully supported the fuel index measure because there was a definite need within the City to rebuild the aging infrastructure.

3. City of Wells

No representative was present.

4. City of West Wendover

No representative was present.

5. Town of Jackpot

Cash Minor was not aware of anything to report upon.

6. Spring Creek Association

No representative was present.

7. Elko County School District

No one was present to give a report.

8. Elko County Public Transportation - Get My Ride

Cash Minor stated Abigail Wheeler, Elko Transit Coordinator, had to leave but she indicated there was no updated report to be given.

9. Elko County Highway Department

No representative

[11:23:42 AM:](#)

V. RTC CORRESPONDENCE AND OTHER ITEMS OF DISCUSSION:

A. General discussion of routine RTC issues for information and/or administrative direction purposes.

No comments were submitted.

[11:24:02 AM:](#)

VI. CONSENT AGENDA:

A. Approval of minutes: July 6, 2016

B. Next meeting date: January 4, 2017

Andreoizzi stated talked about mid-month meeting

MOTION: Commissioner Eklund moved to approve the Consent Agenda with direction for mid-month meetings to be considered for future meetings. Commissioner Schmidlein seconded the motion. The motion passed unanimously.

[11:24:54 AM:](#)

VII. RTC COMMISSIONERS AND STAFF COMMENTS:

Commissioner Schmidlein stated this fuel tax was justified and noted he was up for election but voiced his support for it. He stated it was difficult for the highway departments to keep up with inflation whether in the City, State or Federal governments. Commissioner Schmidlein stated it was no different in Nevada than other states without the United States. He believed it was the responsibility of the citizens of every city, county and state to pay their portion and in rural counties they may pay more. He encouraged the public to vote yes on this question.

[11:26:37 AM:](#)

VIII. PUBLIC COMMENT PERIOD:

Matt McCarty stated the gas tax committee for the ballot question found charts going back thirty years on the indexing and in that time they did not see at any point in a ten year rolling average where it would go lower than that three cents except for one year. He believed at what the County Commission capped it at was a wise choice. He felt that the numbers would be very sound.

Commissioner Andreozzi stated the ballot question committee did an outstanding job on that question and thanked them for their efforts.

[11:27:50 AM:](#)

IX. ADJOURNMENT:

There being no further business to come before the Board, Chairman Andreozzi adjourned the meeting at 11:27 a.m.

APPROVED,

DELMO ANDREOZZI, Chairman

ATTEST:

MARILYN TIPTON, Deputy Clerk