

City of Elko)
County of Elko)
State of Nevada)

SS February 27, 2018

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, February 27, 2018.

This meeting was called to order by Mayor Chris Johnson.

ROLL CALL

Mayor Present: Chris J. Johnson

Council Present: Councilman John Rice
Councilwoman Mandy Simons
Councilman Robert Schmidlein *left around 10:20pm*
Councilman Reece Keener

City Staff Present: Curtis Calder, City Manager
Scott Wilkinson, Assistant City Manager
Ryan Limberg, Utilities Director
Shanell Owen, City Clerk
Dennis Strickland, Public Works Director
Jonnye Jund, Administrative Services Director
Candi Quilici, Accounting Manager
Aubree Barnum, Human Resources Manager
Mike Hess, Landfill Superintendent
Cathy Laughlin, City Planner
Ben Reed Jr., Police Chief
Ty Trouten, Police Captain
Jeremy Draper, Development Manager
Jeff Ford, Building Official
Matt Griego, Fire Chief
Jim Foster, Airport Manager
James Wiley, Parks and Recreation Director
Dave Stanton, City Attorney
Tom Coyle, Deputy City Attorney
Diann Byington, Recording Secretary

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. **ACTION WILL NOT BE TAKEN**

Laura Oslund, PACE, stood up to defend herself against a comment made at the last meeting. She always has backup with her that proves she has done her research and she stated several resources. She was quite upset that the comment was made that they don't trust or believe her information.

APPROVAL OF MINUTES: February 13, 2018

Regular Session

The minutes were approved by general consent.

I. PRESENTATION

- A. Presentation of an Appreciation Plaque to Planning Commission Chairman Aaron Martinez, and matters related thereto. **INFORMATION ONLY–NON ACTION ITEM**

Aaron Martinez was not present.

II. PERSONNEL

- A. Employee Introductions:
 - 1.) George Tibbitts, Parks Maintenance Technician I, Parks Department
Present and introduced.
- B. Fire Department, Volunteer Coordinator Jamie Winrod, Badge Pinning and Administration of the Fire Officer's Oath

Chief Griego introduced Jamie Winrod and had her husband pin her new badge onto her uniform.

Councilman Rice administered the Firefighters Oath.

Jamie Winrod, Volunteer Coordinator, thanked everyone for the opportunity she has had over the last year.

III. APPROPRIATIONS

- C. Review, consideration, and possible approval to award a bid for the City of Elko Water Main Removal and Replacement Project, and matters related thereto. **FOR POSSIBLE ACTION**

Council directed Staff to solicit bids for this project on January 9, 2018. A Bid Tally Sheet is included as supplemental agenda information. RL

Ryan Limberg, Utilities Director, explained there was one minor technical defect with the Sierra Nevada Excavation bid. He felt they could work through that and he had a recommended motion for Council to consider.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Keener, to make a finding that there was a minor technical defect on line item three of Sierra Nevada**

Excavation bid, which does not affect the total cost or create a competitive advantage for the contractor, waive the technical defect and further move to approve award of bid to Sierra Nevada Excavation, in the total amount of \$196,120.

The motion passed unanimously. (5-0)

- D. Review, consideration, and possible approval of a Professional Services Agreement with Aqua Engineering for Construction Management related services on the Secondary Clarifier #3 Project, and matters related thereto. **FOR POSSIBLE ACTION**

Council directed Staff to solicit bids for this project at the November 28, 2017 meeting. Bids will be opened on March 6, 2018. RL

Mr. Limberg explained Aqua's proposal was included in the backup documents. Their PSA was on the Dias for review (Exhibit "A"). He recommended award.

Council Members pointed out some errors on the Professional Services Agreement.

Mr. Limberg suggested tabling the item and he will make corrections.

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidlein, to table this item.**

The motion passed unanimously. (5-0)

This item was reconsidered and later approved in the meeting. See page 7.

- E. Review, consideration, and possible action to award a bid for the City of Elko WRF Reuse Water Fill Station, and matters related thereto. **FOR POSSIBLE ACTION**

Council directed Staff to solicit bids for this project on December 12, 2017. A bid tally sheet is attached. RL

Mr. Limberg explained the low bidder was Ruby Dome Inc., in the amount of \$121,098.01. They were able to shore this one up quite a bit. He recommended approval.

**** A motion was made by Councilman Keener, seconded by Councilman Schmidlein, to award a bid for the Waste Recovery Facility Reuse Fill Station to Ruby Dome Inc., in the amount of \$121,098.01.**

The motion passed unanimously. (5-0)

- F. Review, consideration, and possible award of the bid for the Cedar Street Reconstruction Project Phase II, and matters related thereto. **FOR POSSIBLE ACTION**

This item has been approved and budgeted for in the 2017/18 Fiscal Year Budget, Capital Construction Fund. DS

Councilman Schmidlein disclosed that his partners at Canyon Construction own Great Basin Engineering Contractors, and he recused himself.

Dennis Strickland, Public Works Director, explained three bids were submitted and the bid tabulation was on the dais (Exhibit “B”). All bids were complete. The best bid was from Great Basin Engineering Contractors. He recommended the base bid with additive alternates one and five as highlighted on the bid tabulation, in the amount of \$1,660,686.79. They hope to be done with this project in the September/October timeframe just as the first phase.

Councilwoman Simons asked if there would be plenty of money to pay them everything they need and the last money should come on when they get done.

Mr. Strickland answered visiting with finance, they ran through this a couple of different times and we do have a little wiggle room come October and we should be able to fund it. The Water Department does have a dog in this fight too. Their portion would be \$170,385.78, and they are also helping with their portion of the QA/QC at \$21,600. They are looking at hitting the Capital Construction Fund at about \$1,594,579.94. Additive alternate five is actually the IT Department’s component of this project, and they will be funding their portion.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to award the bid for the Cedar Street Reconstruction Project Phase 2 to Great Basin Engineering Contractors, and this will be the base bid plus additive alternates one and five for a total amount of \$1,660,686.79.**

The motion passed. (4-0 Councilman Schmidlein abstained.)

- G. Review, consideration, and possible authorization to bid the sports complex as a Two Phase Project, and authorization to separate the outfield fencing and the comfort station into individual contracts, and matters related thereto. **FOR POSSIBLE ACTION**

The Council authorized Staff to restructure and possibly rebid the proposed Sports Complex Project at its February 23, 2018. Staff has confirmed the deletions proposed at the February 13 meeting. Staff has completed a review of the technical specifications identifying qualifications and specification, which can be eliminated with the intent to reduce costs further. The proposed revisions to the technical specifications have been accounted for in field cost reduction and cannot be further quantified. The proposed project has been structured over a two-year period providing additional resources to fund the project. The proposed 2018 project would include the following:

- Site grading
- Installation of electrical utilities (with some items omitted)
- Sound wall
- Pump station and irrigation mainlines
- Water source to wetlands
- Storm drainage infrastructure

The following items would be included as additives alternates:

- Field construction excluding outfield fencing
- Field lighting installed

Additional owner costs of approximately \$507,871 to cover the costs for NV Energy, QA/QC testing, 404 permit management, and historical preservation management are projected. This cost does not include either purchase or lease of field lights, which would be deferred until the next budget cycle.

The remainder of the project would be bid as three separate contracts as follows:

- Outfield fencing
- Scoreboards, sports equipment, and parking lot construction
- Comfort station

SAW

Scott Wilkinson, Assistant City Manager, explained the proposed bid spreadsheet and reviewed some of the items to Council. He suggested putting this out to bid and see what we get back. If we can't afford it, we won't do it.

James Wiley, Parks and Recreation Director, read an email into the record (Exhibit "C").

Curtis Calder, City Manager, said staff is not proposing removing the comfort stations. We are proposing adding those to the second phase of the project. The contractors suggested that would be the best course of action.

Mr. Wilkinson said they try to preserve the possibility of doing some of the amenities later. We can't afford to do everything right now. We are trying to work within our available resources.

**** A motion was made by Councilman Rice, seconded by Councilman Keener, to authorize to bid the Sports Complex as a two-phase project, with authorization to separate the outfield fencing and the comfort station into individual contracts, and move forward with the bidding process in accordance with today's presentation.**

The motion passed unanimously. (5-0)

- B. Review, consideration, and possible approval to solicit bids for the Effluent Reuse and Sanitary Sewer Railroad Bores and Humboldt River Crossing to the New Sports Complex, and matters related thereto. **FOR POSSIBLE ACTION**

This portion of the project was not completed last year as part of the Effluent Reuse Pipeline and Sewer to the Elko Sports Complex Project. Staff is seeking Council approval to rebid the work. RL

**** A motion was made by Councilman Schmidlein, seconded by Councilman Rice, to approve soliciting bids for the Humboldt River Crossing.**

The motion passed unanimously. (5-0)

IV. UNFINISHED BUSINESS

- A. Review, consideration, and possible action to accept the 2017 Annual Report of Planning Commission Activities, and matters related thereto. **FOR POSSIBLE ACTION**

Pursuant to City Code Section 3-4-23, the Planning Commission is required to prepare and present an Annual Report of its activities to Council. On February 6, 2018, the Planning Commission took action to approve the 2017 Annual Report of Planning Commission Activities, and forward it to the Council. CL

Cathy Laughlin, City Planner, gave a presentation (included in packet).

**** A motion was made by Councilman Rice, seconded by Councilman Keener, to approve the Planning Commission's Annual Report and acknowledge Ms. Laughlin, the Planning Department and the Planning Commissioners for all of their hard work on this.**

The motion passed unanimously. (5-0)

V. NEW BUSINESS

- A. Review, consideration, and possible action to accept a Letter of Resignation from Mr. Aaron Martinez from the Planning Commission, and to further authorize Staff to commence with the standard recruitment process to fill the vacancy on the Planning Commission, and matters related thereto. **FOR POSSIBLE ACTION**

This resignation is a result of Mr. Martinez no longer living within the City of Elko. Mr. Stanton has provided a legal opinion stating that not residing within the boundary of the City of Elko would disqualify Mr. Martinez from being appointed to the Planning Commission. CL

Ms. Laughlin recommended acceptance of the letter of resignation and authorize staff to commence with the recruitment process.

Scott Wilkinson, Assistant City Manager, said he met with Aaron Martinez and he had envisioned a lengthy period of time being involved with the Planning Commission. He really regrets that he is unable to do so. He didn't want to resign but he made a decision to build outside the boundary of the City of Elko.

**** A motion was made by Councilman Keener, seconded by Councilwoman Simons, to accept the resignation of Planning Commission Chairman Aaron Martinez and direct staff to begin the recruitment process for filling that position.**

The motion passed unanimously. (5-0)

Mayor Johnson went back to Item D under Appropriations from page 3.

**** A motion was made by Councilwoman Simons, seconded by Councilman Rice, to take from the table.**

The motion passed unanimously. (5-0)

III. APPROPRIATIONS (Cont.)

- D. Review, consideration, and possible approval of a Professional Services Agreement with Aqua Engineering for Construction Management related services on the Secondary Clarifier #3 Project, and matters related thereto. **FOR POSSIBLE ACTION**

Council directed Staff to solicit bids for this project at the November 28, 2017 meeting. Bids will be opened on March 6, 2018. RL

Ryan Limberg, Utilities Director, said the correct agreement was on the dais, with the correct dates (Exhibit "D").

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to approve the Professional Services Agreement with Aqua Engineering.**

The motion passed unanimously. (5-0)

VI. PETITIONS, APPEALS, AND COMMUNICATIONS

- A. Review, consideration, and possible action to approve Curb, Gutter, and Sidewalk Waiver No. 1-18, filed by Golden Gate Petroleum of Nevada, LLC, which waives the requirement for curb and gutter on the north side of West Idaho Street abutting APN 001-679-011, and matters related thereto. **FOR POSSIBLE ACTION**

Per Elko City Code Section 2-13-3, public improvements are required when vacant lots are developed. The applicant has submitted application for a permit for development of the parcel. NDOT has reviewed the need for curb and gutter at this location and has determined that it is not needed to control drainage in this area. Staff recommends approval of the waiver for curb and gutter with sidewalk still being required. JD

Mayor Johnson disclosed that as the owner of Charles Chester Plumbing, he is in negotiations for a subcontract on this project; therefore, with the business relationship he abstained and turned the gavel to Mayor Pro Tempore Rice.

Mayor Pro Tempore Rice read the item into the record.

Jeremy Draper, Development Manager, said Tom Ballew was present representing Golden Gate. They have been in contact with NDOT on this project as it does abut in that right-of-way for West Idaho Street. During discussions with them, they did relay to staff that at this time they do not want curb and gutter installed. He has been working with the developer on moving forward on their design. They did submit that to NDOT for approval and an email received from NDOT stated, "at the time curb and gutter is installed adjacent to this property and is part of the access permit that would be granted to Golden Gate, they would then be required to put in the curb and gutter at that time." He recommended approval of the curb and gutter.

Mayor Pro Tem Rice said it is impractical to install curb, gutter and sidewalk according to the communication received from NDOT. NDOT has noted in their agreement with Golden Gate that in the future if conditions change and it is prudent and practical to install curb and gutter, it will have that. He is pleased that we continue with the efforts to put sidewalks in where people walk.

Dave Stanton, City Attorney, suggested making a finding in the motion.

**** A motion was made by Councilman Keener, seconded by Councilman Schmidlein, to approve Curb, Gutter and Sidewalk Waiver No. 1-18 for the waiver of curb and gutter along West Idaho Street abutting APN: 001-679-011, and note the fact that NDOT has expressed concern about having curb and gutter there and that is the basis of the waiver approval. The waiver shall be based on evidence that it is impractical to install curb and gutter because of circumstances beyond the reasonable control of the applicant, in this case, NDOT.**

The motion passed. (4-0 Mayor Johnson abstained.)

- B. Ratification of the Police Chief issuing a 30-day temporary Packaged Beer and Wine License and issuing a regular Packaged Beer and Wine License to Joshua Hunt and Joseph Hunt, dba Hunt Convenience Stores, LLC, located at 275 12th Street, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

Chief Reed explained this item and the next item are related. They are the same owners and same type of licenses but two different properties. They have passed background checks and they are good to go.

Mr. Stanton clarified that he did a little research. If you look at this item and the next agenda item, it lists Hunt Convenience Stores LLC and the next item lists Idaho Street Station LLC. Those are one in the same entity. The Idaho Street Station LLC is actually the Nevada name for the California LLC. Hunt Convenience Stores LLC is the California; it is a California LLC. A foreign LLC has the ability to change the name when it registers with the Nevada Secretary of State.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to ratify a 30-day temporary packaged beer and wine license and issue a Regular Packaged Beer and Wine License to Joshua Hunt and Joseph Hunt, dba Hunt Convenience Stores LLC, located at 275 12th Street, Elko.**

The motion passed unanimously. (5-0)

- C. Ratification of the Police Chief issuing a 30-day temporary Packaged Beer and Wine License and issuing a regular Packaged Beer and Wine License to Joshua Hunt and Joseph Hunt, dba Idaho Street Station, LLC, located at 1600 Idaho Street, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to ratify a 30-day temporary packaged beer and wine license and issue a regular Packaged Beer and Wine License to Joshua Hunt and Joseph Hunt, dba Idaho Street Station LLC, located at 1600 Idaho Street, Elko, Nevada, 89801.**

The motion passed unanimously. (5-0)

III. APPROPRIATIONS (Cont.)

- A. Review and possible approval of Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilman Rice, seconded by Councilman Keener, to approve the warrants.**

The motion passed unanimously. (5-0)

VIII. REPORTS

- A. Mayor and City Council
- B. City Manager
- C. Assistant City Manager

Scott Wilkinson said he has been working with FISH and their volunteers to open up the warming shelter on and off. This year we have seen record usage of the shelter.

- D. Utilities Director

Ryan Limberg said the annual snowfall this year is at 70% and it should be a good year to do the dry river crossing for the Sports Complex.

- E. Public Works

Dennis Strickland said winter has finally arrived. There is more snow predicted for later this week. The Public Works world has been busy.

- F. Airport Manager

Jim Foster reported on March 1st they will have their Airport Security Tabletop Exercise and then later on they will do a full-scale exercise. On Friday the 16th, there was a 40 minute delay due to a disabled aircraft with a popped tire in the runway. On the 21st there was a jet that veered off the runway due to a brake issue as he landed. He hit the fence and suffered some minor injuries. The aircraft is still out there and they are waiting for the recovery company to come pick it up. On Saturday night there was a SkyWest delay for about an hour due to ice conditions on the runway.

- G. City Attorney
- H. Fire Chief
- I. Police Chief

- J. City Clerk
- K. City Planner
- L. Development Manager
- M. Administrative Services Director
- N. Parks and Recreation Director

James Wiley said winter has finally made an appearance. With the snow predicted for later this week, he didn't feel it would be enough to open up the Snobowl. They are ready to forego this season and prepare for the next season.

- O. Civil Engineer
- P. Building Official

BREAK

The following agenda item contains detailed testimony regarding an appeal to a Planning Commission decision. Attention was given to include as much discussion on this item as possible, but the wording is not verbatim.

VII. 5:30 P.M. PUBLIC HEARINGS

- A. Hearing to determine cause whether or not to suspend or revoke the brothel license of Soon Yee Scott and Kim Watson, a partnership, d/b/a Mona's Ranch ("Mona's Ranch"), based upon alleged employee misconduct, together with acts or omissions of Mona's Ranch in suffering, allowing or permitting the alleged employee misconduct, and matters related thereto. **FOR POSSIBLE ACTION**

On or about February 3, 2018, Mona's Ranch bartender/manager Peter Alberro was arrested and the subject of subsequent seizures of controlled substances/paraphernalia on or about Mona's Ranch premises. Specifically, Mr. Alberro, who resided from time to time on the premises of Mona's Ranch, was arrested for trafficking under NRS 453.385, Unlawful Possession for Sale NRS 453.336, and Misdemeanor Drug Paraphernalia NRS 453.336 and Mona's Ranch is potentially accountable for relevant related activities on or about the premises, or in conjunction therewith, of Mona's Ranch, 103 S. 3rd Street, Elko, Nevada which constitute a cause or causes for suspension and/or revocation of its brothel license under Title 4 Chapter 9 of the Elko City Code. CC

Dave Stanton, City Attorney, explained the process and procedure for this hearing as set forth in Elko City Code, Title 4, Chapter 9, Section 16.

Mayor Johnson asked if Shanell Owen wanted to complete the swearing in now.

Tom Coyle, Deputy City Attorney, said we could do that. He has two witnesses, Police Chief Ben Reed and Captain Ty Trouten. He didn't know what witnesses Mona's has.

Tony Liker, Attorney for Mona's, said they have a lot of witnesses if they are allowed to call witnesses. He has nine or ten witnesses. Pete Alberro, who was fired immediately when they found out about....

Mayor Johnson said that is fine. We are going to do all so anybody that you think may be a witness, I would go ahead and have them stand.

Attorney Liker said all the witnesses stand up. He asked if he could make a quick record and could he remain seated during this.

Mayor Johnson answered yes.

Attorney Liker said he would like to object on the record to the notice to Kim Watson pursuant to NRS 241.034. She was not actually served within five working days before the meeting. Actually, he didn't think she was ever served. He just wanted to make that for the record.

Mayor Johnson said they would go ahead and do the swearing in and then we will talk about that.

Shanell Owen, City Clerk, swore in all of the witnesses.

Attorney Stanton asked if Attorney Coyle would like for him to address the 241 issue, or if he would like to do it.

Attorney Coyle said let him address it and if he had anything to add. In preparation, what he would like to do now is hand out exhibit packets for the Council and Mayor (City Document Index). He also had one for the Clerk and one for Mona's. He will get to his point in just a moment. Preliminary, he made a record at this time. In Exhibit 1 you will find a Notice of the Hearing. That notice was posted on the premise on February 21st. There is a 48 hour requirement under our City Code so certainly we have satisfied that. As far as the 241 notices, in Exhibit 2, Soon Ye Scott was served on February 17. At the time of her service, the process server advised us that Ms. Watson was out of town at that point, but she would be returning the next day. Then that process server made several attempts after that. This is a General Partnership and we served one of the general partners. We tried to serve the other one. She did not make herself available for that 241.

Attorney Liker interrupted and asked Mayor Johnson if he might make his record. He knows this is different and he knows he is the boss and will shut if he told him to shut up but... I know this is a little different than court but, in court he would object to hearsay and lack of foundation. He doesn't want to keep interrupting every time he tries to introduce something that someone else says.

Mayor Johnson said he will have a chance.

Attorney Liker asked for a continued objection and then he won't be interrupting anymore.

Mayor Johnson said it is noted.

Attorney Liker said thank you.

Attorney Coyle said you will find in there, with regard to that, Exhibit No. 3, on Kim Watson, there is a record from that process server concerning the attempts of service. Peter Alberro was also served on February 16th of 2018. With regards to those 241 notices, you are required if you

are going to hold a hearing that would consider their character or competence, to serve them at least five days in advance of that hearing. We did that with one general partner. We did that with Mr. Alberro. We attempted that with the other general partner. From our research, we aren't even certain that you have to serve both of those general partners. Do we even have any of the general partners here today?

Attorney Liker answered yes, we do. We have Kim Watson. Soon Ye Scott is 84 years old and couldn't make it but Kim Watson is here. She is right here but she didn't get..

Attorney Coyle said and basically those notices were the same but for the names, you know. So one of the general partners, Soon Ye Scott, had received that and I don't know if you want to address that any further but we believe that is sufficient notice.

Mayor Johnson said so Scott received the notice but Watson did not. But the City's claim was that Watson was not available to receive it from the server.

Attorney Coyle said she supposedly was coming back into town and then never made herself available and we attempted several more attempts to try and serve her.

Mayor Johnson asked how does that effect what...

Attorney Liker said he didn't want to get anyone upset but he is just making a legal argument. We'd like to work out a deal here, if we can. Get a second chance at this. It's his understanding that Mrs. Watson and her mother have owned Inez's for 15 years. Louis was the manager there from 2008 and then the last three years they've owned Mona's. They've never had a problem in all that time. Now this came up and we know it's serious but we believe the standard is knew or should have known is not strict liability. Anyway, he's not getting into that. He's not trying to be mean but he was making his legal objections in case it goes up on appeal. It wasn't technically served. He thought it was important to follow the rules. We'd like to get this settled something short of a revocation or put them on some sort of probation. He understood this is serious and they understand why. He's just doing his job.

Attorney Stanton said he wanted to throw one thing in really quick about the open meeting law issue. He thought they were getting into the substance of the claim now and that will come later. On the notice issue, the open meeting law manual says that the requirement we're talking about, that five day notice prior to considering somebody's competency and misconduct and that kind of thing, applies to misconduct of a natural person. As he understood it, the licensee is a general partnership. The open meeting law manual indicates that it does not apply. In his opinion, the City kind of went overboard on notice, which, is better to do. But he didn't see that as being a violation.

Mayor Johnson said he agreed.

Attorney Liker said he understood what was being said.

Mayor Johnson said he got him, ya. You're good. Okay. Opening remarks. Do we want... Are you ready?

Attorney Coyle said Mr. Mayor, as far as City's opening remarks, our case is really well set forth in just the reading of the agenda and so he didn't want to lengthen this proceeding any further than it has to be. He waived any further opening.

Mayor Johnson asked Attorney Liker if we would like any opening remarks.

Attorney Liker asked if he could do it really quick.

Mayor Johnson answered sure.

Attorney Liker said just a couple, two or three minutes maybe. He would remain seated. He would say, Mr. Mayor and Council, he is Tony Liker. He has been here a couple of years. He didn't know if they heard his commercial but he's an attorney here. The standard that they have researched on this case is that it should be knew or should have known, that is the law. It's not strict liability. If one of you guys owned a business and somebody came into your business and they had drugs on them, whether they're employee or they're just a visitor, and you had no idea. I mean you didn't know and there's no proof that you should have known, and they get arrested, it's strict liability. He's read through the evidence. There's not enough evidence here. He would readmit every document that Mr. Coyle gave Louis, who is the manager, by email, that's about this thick. You can have it all because it helps them. There is one little thing though, some police statements, where we have video of the actual recordings, because there is video, there's sign on the wall, of what was actually said with the Police. Besides that and the fact that there was drugs in the building, there's no proof whatsoever that they knew or should have known. So that's the standard. It's not strict liability, otherwise. And then secondly, if you are going to treat everybody the same, if you are going to shut them down on the strict liability, somebody just shows up in the building, didn't know, didn't have a crystal ball, couldn't tell, then you have to shut everybody down. It's a little different because they have a brothel and they have more of a privileged license, but it's the same thing. As far as equal protection goes, if you have had other people that have got second chances, you know, they had a violation, they had second chances, or if it happens in the future, under the equal protection, which is the Constitution, you have to give everybody the same chances. Maybe not as many but you can't treat 'em differently. You just can't say, "Okay, this is the first time the brothel has had a problem in 15 years with the same owner, although its only been three years with Mona's, we're going to shut you down." He didn't think the law allows that. If you're getting that legal advice, he thought that was incorrect. If you had a business you would probably agree with him because how many people in town, 30%, 50%, are on drugs. There's a lot of people on drugs in this town, in every town. It's horrible. That's why we need to build the wall. That's his opinion. Now Pete is here, and he doesn't know the guy. He talked to him briefly in the hallway. His attorney advised him, "don't be here." He is a heavy-set guy. He doesn't have marks like they get on meth. We are going to have all these witnesses that say he showed every single day. Nobody knew. If you listen to the video, everybody said we had no idea he was on drugs. The Police talk about shady people but whenever they ask about that, there's no evidence anybody knew. Louis was shocked when they opened the door to the room where they found the drugs. He thought maybe the Police put something in here. He's not saying they did because they didn't. He thought there was no way he was on drugs and then what happened, there was more drugs. We are not suggesting it was planted. It was there but he was shocked. He couldn't believe it. They were going to show Pete's work. He did great work. Today's paper said he was a manager. He wasn't a manager. He was the maintenance and he did great work. Great work. He also was a part-time bartender and he also, he guessed, was a deejay. We have an affidavit from

him and hopefully he's going to testify even though his attorney told him not to. Anyway, the bottom line is, we are sorry that it happened but we had no idea. We are willing to get a dog sniff dog. We are willing to get drug tests every week. But if you look at the owner's track record, Kim Watson and her mother, they haven't had a problem if you take Inez, that's 15 years, plus Mona's, the last three years, same manager since 2008. There's a lot of people on drugs. They tell you they aren't on drugs and they don't seem skinny and they show up to work every day, they are kinda heavy and they show up to work every day and they do a great job. That's one of the signs. If you talk to the judges over in District Court, when they do these family law cases, people don't have a job, that's the number one sign that they are on drugs. But anyway, that's where he is at. They are willing to make a deal here. We're not saying, oh hey, just let us off. We know there were drugs there. We will get conditions, whatever you want. They let the Police Officers in. You'll see all the evidence. The Police, it wasn't like they tried to shut them out. They came in there every day. They were looking for evidence. They talked to them. We aren't trying to hide anything.

Mayor Johnson said okay. City?

Attorney Coyle called Chief Reed as a witness. He handed Chief Reed a copy of the City Exhibit Packet, in case he needs to look at that. Please state your name.

Chief Reed answered his name is Ben Reed Jr., the Police Chief for the City of Elko Police Department.

Attorney Coyle asked how long have you been so employed.

Chief Reed answered about four and a half years.

Attorney Coyle asked, are you familiar with the business known as Mona's Ranch.

Chief Reed answered he was.

Attorney Coyle asked, what is that.

Chief Reed answered it is a brothel. One of four licensed in the City. It's located at 103 S. 3rd Street.

Attorney Coyle asked who owns that business.

Chief Reed answered it is a general partnership as discussed. The licensees are Kim Watson and Soon Ye Scott.

Attorney Coyle asked, to your knowledge, do they reside in the City of Elko.

Chief Reed answered to his knowledge they reside in Las Vegas and that is what their license indicates. That's also what we found when we did their initial background investigations when they applied for that license.

Attorney Coyle asked how long have they been in ownership and operation of that business.

Chief Reed answered he was just looking at the folders. It was roughly...

Mayor Johnson said hang on one second. He didn't know if the mic was working.

The microphone's batteries were dead and Shanell Owen went to get more batteries. In the meantime, Chief Reed moved to another microphone.

Chief Reed said, to answer the question, it was roughly the fall of 2014. Those licenses are renewed every six months for brothels. He signs off on them and they pay their annual fee in two installments, six-month increments. They've had a license for Mona's Ranch for three plus years.

Attorney Coyle asked has certain recent developments occurred to cause you now to seek discipline concerning their brothel license.

Chief Reed answered absolutely. As the Police Chief, he has, well, several things. He has a duty to make sure he is engaged with each of the brothels in their policing, their enforcement. Title 4, Chapter 9, for prostitution, was talked about earlier, was very specific and anything that is a problem that occurs at one of the brothels that is significant, his duty is to get that information in front of the City Council. The Council sits as the prostitution licensing and control board for the City, which is referred to in the chapter.

Attorney Coyle asked what event, specifically, was he referring to, started his concern.

Chief Reed answered specifically, February 3, 2018. One of the Elko Police Officers made a traffic stop late at night on Mr. Alberro for failure to stop at a stop sign and then after that a number of events unfolded at that car stop, specifically, him talking to the two occupants of the vehicle. Eventually Mr. Alberro was arrested but prior to that there was a search of his person which produced a meth pipe, which are prohibited, as well as a positive alert by a Police K9 for drugs present in the vehicle. Then there was a subsequent search of the vehicle at that point and a number of items were located, which caused Mr. Alberro's arrest.

Attorney Coyle asked to his knowledge, was there meth located at that stop.

Chief Reed answered there was. Officer's reports indicate 24.86 grams, so just shy of an ounce, of methamphetamine. It was located and later tested positive on a presumptive test for meth. Also located was a digital scale, a one-gallon size baggie that had meth residue in it, indicated the possibility of recently a larger quantity of meth being inside that gallon-sized baggie.

Attorney Coyle asked were those tied to Mr. Alberro.

Chief Reed answered yes, they were under his control in the vehicle. That vehicle is his vehicle. You will see later from some photos that we have when Captain Trouten testifies, some of the visual aids there so you can see what the vehicle looked like. As well as, \$765 cash that he had. That triggered another sequence of events.

Attorney Coyle asked at that point, was there anything connecting that at all with Mona's Ranch.

Chief Reed answered yes. There was a discussion with the officers on the traffic stop with him about his house, which is in the City of Elko. He indicated that he mostly lived at Mona's Ranch in a room at the brothel. It is also of note that he had a business sign on the tailgate of his truck. One of those temporary signs you would put on a car that indicated Mona's Ranch on it. Some of the Officers or Detectives had information prior to all of this that he was also living at Monas' Ranch. It's worthy to note that he is also employed there and he has a work permit that has since been revoked. Those are all issued by his staff with his signature. He had a work permit for Mona's Ranch issued July 8, 2016, listing him as a bartender at Mona's. The Code refers to the title of Bartender/Manager in the code. A lot of indications that he is connected with and employed at Mona's Ranch and lived there, part-time, full-time, he would have to ask him.

Attorney Coyle asked did you become aware of any follow-up from that that traffic stop concerning investigations.

Chief Reed answered you bet. Officers notified Detectives who responded in the middle of the night. One Detective in particular prepared a search warrant affidavit for the court that was presented to Elko Justice Court and was granted specifically to search the residence at 420 Oak Street in Elko and at Mona's Ranch on 3rd Street.

Attorney Coyle asked was 420 Oak just known to be a residence owned by him.

Chief Reed answered yes, it is. And known to have the presence other people coming and going from there. A number of whom have had prior dealings in the drug world. Sometimes have been prior arrested for that, for drug violations. But that is why they are known to the Detectives as noted in their affidavit.

Attorney Coyle asked was there meth and drug paraphernalia found at that residence in that search, to your knowledge.

Chief Reed answered there was. The search took place simultaneous the next morning, Saturday 3rd, right about sun-up, simultaneous with the search at Mona's. Back to the first search, pursuant to a search warrant at 420 Oak Street, there was located methamphetamine in various packaging and so forth. I'm just cutting to the chase. The total quantity there was 5.79 grams of methamphetamine, some paraphernalia, some prescription drugs that were located at the house. He would have to check his notes but he thought there was also another person arrested at the house, if he recalls, unrelated to this.

Attorney Coyle asked the simultaneous search at Mona's, can you describe that for the Council.

Chief Reed answered that he could, roughly. That search warrant was served by other Officers and Detectives. Mr. Alberro's room was upstairs at the top of that staircase. It's a locked room with a sign outside the door, on the door. He thought there was a photo of it. It has like a Monster Energy insignia on that sign. There's no confusion amongst the Officers or any of the employees as to who had control of the room. It was Mr. Alberro's room. It was locked from the outside, if he recalled, with a padlock. But anyway, so the force entry was made to that room. There was nobody inside at the time, nor did we expect there to be. It's a small room. It's very messy and cluttered. You'll see from photos, there's a lot of things in there: bed, clothing, tools, electronics, drugs, evidence of drug trafficking or sales inside that room.

Attorney Coyle asked what would you point to as evidence of that.

Chief Reed answered specifically, well, several things. Quite a bit of methamphetamine if you add it all up, 14.90 grams inside the room at Mona's. A lot of glass pipes; smoking pipes that we call meth pipes as typically what they are used for. In fact, there is a box of a whole bunch of them. Detectives told him they thought about twenty, roughly, of meth pipes still in the plastic packaging inside a box, as if he had ordered a case of a larger quantity. Meth pipes in the room. Couple different baggies and sizes of methamphetamine. Some meth also found inside of a container in the medicine cabinet in the bathroom area there. Digital scales. A counterfeit \$100 bill was located. I would say the usual clothing and bedding, that kind of thing.

Attorney Coyle asked concerning Mr. Alberro and his application for the permit, which he believed would be found in Exhibit 5, does he list Mona's as his place of employment.

Chief Reed answered it took him a moment to catch up but yes he did. It's dated September 29, 2015. It's an application for a work permit to the Elko Police Department and he listed Mona's Ranch as his place of employment and occupation as bartender.

Attorney Coyle asked concerning his role in management there, did you hear any statements made to him about his role in management or was that just through other reports.

Chief Reed answered he didn't recall any direct statements to him. He is familiar with the brothel operations as they have oversight of them and a duty for the enforcement. Maybe this is a good time to explain. They have Police employees there at least every seven days as required. He has a male and a female, at least one sworn officer, sometimes two, usually a technician, to compare work permits on file with who's actually in the brothel. They are looking for human trafficking issues. They are looking for violations of law. They are looking at making sure who is permitted and who is not. That is pretty routine, if you will. They also have to receive and make sure the licensed prostitutes medical exams have been completed by a local doctor and that we have no sexually transmitted diseases. They have a burden to go through all the enforcement. He personally goes to the brothels one or twice a year and do searches. He usually meets with on-site managers or owners/licenseses to make sure their operation is within the confines of the chapter, which is pretty strict. The chapter points out that prostitution is lawful in Elko, however, it kind of says you will follow all of the listings in the chapter. They try to make sure that occurs. He is familiar with some of the longer-term employees there, like Louis, for example. They usually chit-chat about how things are going from time to time. Normally we have licensed prostitutes on premise and we have what they call bartenders/managers. They perform the role of oversight. Usually the one working the bar is also in charge of the house at the time, particularly if the licensee isn't there. Mr. Alberro, he wasn't familiar with personally beforehand, but have been since. They've talked. He is here tonight and he, or someone at the brothel, surrendered to the Police Department, his work permit. He knew he went the long way around the corner, but did he answer the question?

Attorney Coyle answered he did.

Chief Reed said it is important for the Council to know, the Police Department's oversight process for the brothels.

Attorney Coyle asked, putting this together for the Council and what you are aware of in this evidence you testified about, what are your concerns then with how that brothel is being managed and what was being found there.

Chief Reed answered a number of concerns. He would state the obvious that there are felonies being committed with drugs on premise. Lots of drugs on premise. Enough drugs to warrant criminal charges for trafficking and other charges. That's all pending in court right now, of course. Mr. Alberro posted bond and has been released on bail approximately ten days after his arrest. That is pending with the District Attorney, of course. That is very concerning to him in that there is so much intention under the ordinance passed for prostitution, and you have a very privileged license in the City, and it is the City's responsibility to provide for the safety and welfare and safety of the citizens. It is specified in the chapter. The licensee is also responsible to comply with the chapter, in this case the two ladies that are the partnership. Whether you want to call it known or should have known, or strict liability, he will leave that up to all of the attorneys to discuss but from his standpoint, that is occurring at the brothel, probably for some time and I think you will hear some additional evidence here shortly, that indicates that people knew of that and that there was something significant going on. We finally get to the bottom of it, of course, pursuant to the search warrants as the car stop triggered a series of events. Yes, it is very concerning. Liquor licensees, which they also have because there is a bar, liquor licenses in town are to be very carefully controlled as to how they dispense liquor. Brothels have to do with the sex industry. It's supposed to be very specific as to prostitution, not any other types of crimes, felonies, organized crime, human trafficking, all those things that we try to be aware of. And gaming of course. You can go on. When you have something like this where there's a safety problem, because as we all know, methamphetamine, who knows where it comes from and who knows what's in it. They almost treat it as a hazardous material, and we do as far as our safety and our PPE's. That's very concerning to the public and sales and it being on premise. Immediately we focus back to the Council as the authority and it's on the licensee, beside the criminal charges that are pending with the individual in court.

Attorney Coyle asked besides the endangerment to the general public, just having those activities and the drugs and things on site there, would you consider that to endanger customers and other workers present.

Chief Reed answered he would. It's a hazardous business when you are trafficking drugs. We all know it leads to violence at times. You could easily have some sort of a dispute, or shooting or stabbing or something, that would endanger the neighborhood, that would endanger the other employees, whether other employees knew about it or didn't know about it. The fact they are endangered by that activity that's occurring on premise. It's very concerning and it's a safety problem for our City.

Attorney Coyle asked is there anything else at this time you'd like the Council to know, Chief.

Chief Reed answered he didn't think so. He is trying to be cautious of their time by trying to provide a summary. He even took license to give some concerns and some opinions. There's a lot more details but that's it in a synopsis. He knew Captain Trouten would cover some more details and answer it for the Council. He can certainly cover some additional things later if needed.

Attorney Coyle said at this time he passed the witness for cross exam.

Councilman Schmidlein asked Chief Reed if it was known if the employee/bartender/manager, whatever his specific title is, is it known, and the other occupants that were in the vehicle, is it known if they left from Mona's Ranch at that time.

Chief Reed answered it was not known. When the patrol officer that conducted the car stop first saw them there on Mountain City Highway, not near the brothel. It's unknown where they came from, where the car came from at that time.

Attorney Coyle said he had one more question before he passed the witness. We heard from Mr. Liker of the prevalence of drug activity and drug users and sales in the City. Could you give the Council an idea of the problem that Elko has with this particular substance and activity.

Chief Reed answered that Council is probably aware of it because they have heard from him before. We have plenty of problems with all different types of drugs in Elko. We are probably not unique compared to other communities. Is it significant? Yes, he would say so. Methamphetamine is probably right up there at the top or near the top of most widely abused substance around the community. Is it such a problem that we have a Drug Taskforce? Yes, like many towns, we do. Elko Combined Narcotics Unit, which a couple of the agents were involved in the execution of this search warrant. That is a combination of the State, County and couple of City, three City's resources, including ours. Elko PD participates in that. He sat on the board for the Elko Combined Narcotics Unit for directors. Yes, we have a significant enough problem that it's ongoing and it's all the time. He didn't know if he would give a percentage of how many people in Elko are under the influence of drugs, but one is too many if you are talking about safety.

Attorney Coyle said he passed the witness.

Chief Reed said he is talking illicit street drugs.

Attorney Liker said thank you, Mr. Mayor. Chief Reed, did I pronounce that correct?

Chief Reed answered yes, sir.

Attorney Liker said he is just doing his job here and he didn't want the Chief to be mad at him after they left that night. His dad was military police in the Army in Europe.

Chief Reed said he wouldn't be mad at him. This is all business, nothing personal.

Attorney Liker said okay, he appreciated that. He doesn't want to argue with someone with a badge and a gun. As little as he can. His uncle was a police officer in Hayes, Kansas, which is a town of about 10,000 people or lesser in Kansas. All his uncles were in the military so he has great respect for the Chief's job. He knows it is dangerous and he appreciates it, and he knows everybody in Elko appreciates it, but he did have some questions.

Chief Reed said he figured he would.

Attorney Liker asked is it true that all the witnesses in the Police Reports, at least the documents he got from Mr. Coyle, said that Pete was a maintenance man/bartender. Ya, part-time bartender and maintenance man.

Chief Reed answered he wasn't familiar with the maintenance man part of it but bartender, yes. Like he said earlier, the Code refers to the term of Bartender/Manager. That's what they have always used at the PD. Whether he does maintenance there or not, he's heard that after the fact, whether he does maintenance there or not, he didn't know.

Attorney Liker said what he is getting at is that he kind of has a little bone to pick with him about being a manager because none of the witnesses said he was a manager. He was a maintenance guy there and part-time bartender. Would you agree that that's what all the witnesses said and that's what the Police Officers found out?

Chief Reed said he wouldn't agree to that just cause he didn't know that and he didn't do any of those interviews. They interviewed some of the prostitutes, or some of the officer did, and what he tried to provide earlier, except for his direct conversations with Mr. Alberro after the fact on different days, other than that he was just trying to summarize so he didn't have to bring every officer in here that was involved in this thing and spend hours in front of the Council. Since hearsay is allowed, we aren't in a court of law, he is summarizing. Bartender/Manager is the term they use as work permit clearly indicates bartender.

Attorney Liker said it is basically the work permit. Work permits for manager and bartenders doesn't necessarily designate what their actual duties are at the place. They are allowed to be a manager and a bartender.

Chief Reed said you could do several things, but at least bartender. When he tried to explain it earlier to the Council, how it's typically run is usually you don't have a plethora of people inside the brothel. You may have a couple of customers or whatever, but you have however prostitutes are working on premise that particular day, usually three, four, five, whatever, and each individual brothel, by his experience on their inspections, but you typically have one bartender/manager on duty. Sometimes there may be more, in this case if Louis was there and then one of the other bartenders were there, you would have two that had oversight of the house. That's how it normally goes.

Attorney Liker said okay. Now, for him to be a maintenance man, he doesn't need to get a card for that? He doesn't need a license for that, right?

Chief Reed answered he would not. No different than if management of the house called Joe Fixit to come work on something at the brothel, we wouldn't even know about that. However, if he's living on premises, anybody's living on premises, there better be a work permit for that house from that person living on premise. That's different. That's not, I'm the air conditioning repairman and I was called in for an hour to fix the air-conditioning. That's totally different.

Attorney Liker said okay, but he had the permit.

Chief Reed said he's got a room under his control and he has a work permit to be a bartender.

Attorney Liker said he has heard really good things about Chief Reed since he had been in town for the last two years. He just wanted the Chief to know.

Chief Reed said he appreciated that.

Attorney Liker said now there is... From what he read in Mr. Coyle's, the documents he gave him, nowhere in there does it say that any of the witnesses or the Police say that there was drug sales from Mona's. There were drug sales and drug trafficking at the Oak Street, which Pete owns, but not at Mona's. Would you agree with that?

Chief Reed answered somewhat he would agree with it. In other words, he's not being criminally charged with sales at Mona's; he's being charged with possession for sale and they are way above personal use type of possession as he described earlier. The paraphernalia to go with trafficking and sales and cutting it up and distributing it, that's all there. He thought they would be able to present evidence shortly, indicating what appears to be him selling, activity out of Mona's, but that's not what the detectives observed that night to your point. He wasn't charged with sales, he was charged with possession of sales, possession for sales, some other miscellaneous things, as well as, trafficking. Very serious charges for trafficking, in particular.

Attorney Liker asked but in the search warrants and the police reports, there is no testimony in any police reports that he had received... He received the documents from his client that were emailed to him from Mr. Coyle, and there was this document index that Mr. Coyle introduced it.

Attorney Coyle said is it exactly the same as he sent in email except for the first packet that went contained the liquor control code inadvertently. It was supposed to be the brothel code but this new packet he received today has the brothel code in there.

Attorney Liker said he could follow him on that.

Chief Reed said they had some intelligence prior to all of this that he was selling methamphetamine out of Mona's. If we could have brought direct testimony or evidence or observation with a control buy or a detective that had observed that, you would know about that. It would already be in the charges and in your documents. We can't bring charges on speculations. Was there a charge of a police officer observing him selling? No, but it's getting pretty close as you will hear in some of the testimony.

Attorney Liker said you know Mona's has videos over the whole... They have signs in the back and the front. They got videos of the whole place, right?

Chief Reed said they have tried to get some of those videos in the past and have not been successful recently but he is aware of it.

Attorney Liker asked if they got the videos from...

Chief Reed answered it was unrelated on a different incident.

Attorney Liker asked have they recently, since Pete's arrest, have you asked for videos from him.

Chief Reed answered not that he was aware of.

Attorney Liker said there has been no arrest because it is suspicion. You don't have enough evidence to arrest.

Chief Reed said there has been an arrest. He's been jailed and released on bond.

Attorney Liker said he was talking about on Mona's property. There's been no arrest for selling of drugs on Mona's property.

Chief Reed answered he's been arrested for trafficking and possession for sale on Mona's property.

Attorney Liker said trafficking is because of the amount, the high amount.

Chief Reed answered yes sir. Of the amounts and of the type of paraphernalia that was with it. We are not talking about personal use.

Attorney Liker said when he was a prosecutor 25 years ago in Nye County, there was this lawyer that came over from California and his client had like 32 grams of cocaine. It was out of Tonopah, he was a deputy in Tonopah for the DA, so he goes, that's draconian, because it's ten to life, you know, years in prison. And he wasn't even selling it. But anyway, you can get charged with trafficking but not actually selling it. It's the amount, right?

Chief Reed answered generally it's the amount and the circumstances surrounding it.

Attorney Liker said but Pete wasn't selling it. He was charged with what happened on Mona's for the amount and not for the sale, even though it is labeled trafficking. Is that correct?

Chief Reed said he was referring to how he was charged. Did he know if he was selling or not? He doesn't know but he had a suspicion. He had no direct evidence that he was observed selling it.

Attorney Liker asked if he had proof that any of the employees, including Louis, witnessed or knew about him selling drugs allegedly, that you have suspicions on Mona's property.

Chief Reed answered he thought it was more statements of suspicion by one or two. Others, no, they had no ideas. So it's mixed.

Attorney Liker said now, did you know that Louis surrendered, he was in jail but within nine or ten days of his arrest, Pete's arrest, Louis surrendered, the manager sitting next to him, surrendered Pete's work permit. Did you know that?

Chief Reed answered he didn't know where it came from. It came to the front counter of the Police Department and it was forwarded to him. If it was Louis then Louis, thank you. He appreciated that. They did send notice to the brothel. They sent notice to the jail to go into Alberro's property. It's about Mr. Alberro, his work permit, and that needed to be surrendered. If Louis probably got that information at the brothel and he or someone else delivered it, then that's great. It came back.

Louis Goldberg said Peter from Inez delivered it. He didn't personally deliver it.

Chief Reed said he appreciated that. So, it came back to them. The following week he issued, right away, a letter, it's in the packet, demanding the work permit, as he does on bartenders throughout the city at any establishment, when they are arrested for anything serious, including drug sales. Because of the nature of their work as a bartender, they revoke the permit within just a couple business days upon knowing about it. That occurred in this case.

Attorney Liker asked if he had a friendly relationship with Louis, a good relationship with him prior to Pete's arrest?

Chief Reed asked with Louis? Yes, he had talked to Louis several times over the years and there have been no problems. He keep all the relationship with any of the workers in the brothels very professional and very above board just so we can all accomplish our goals. Little chitchat.

Attorney Liker asked if he has been a courteous guy to him.

Chief Reed answered yes sir.

Attorney Liker asked if he has always cooperated with him if he needed anything.

Chief Reed answered as far as he knew, personally, yes. With other officers that might be there on different calls for service and things, he couldn't speak to that. He knew there was an allegation of a crime a while back, a couple of months ago, where we were requesting, somebody on his staff was requesting that video from him and it never got produced. That is about the only negative things he has had with Louis.

Attorney Liker asked if that involved one of the female prostitutes alleging they were raped.

Chief Reed answered that is correct.

Attorney Liker said he thought...

Chief Reed said they were investigating a sexual assault alleged by one of the licensed prostitutes.

Attorney Liker said they were the victim allegedly, the prostitute was a victim.

Chief Reed said that was correct.

Attorney Liker said he was hard of hearing but Chief Reed said there was something significant going on. Was he talking about the house on Oak Street or were you talking about Mona's? He thought Chief Reed had testified to something about something significant going on. His hearing is not perfect and sometimes he misses a little piece.

Chief Reed answered there is something significant at both. Drug activity at both locations.

Attorney Liker said what the Chief meant was that night, because they had to use the ram to get the door knocked.

Chief Reed said the door was locked, that's correct.

Attorney Liker said the door was locked and Louis didn't have a key. They didn't have a key, right?

Chief Reed said that was his understanding.

Attorney Liker said they used the ram and they knocked in the door and then when you talk about significant, trafficking and all the scale, or the scale and paraphernalia and the pipes, that is what you mean when you said significant, right?

Chief Reed said he thought both apply. That is significant to him as far as the type of evidence to support drug trafficking. That is significant but this is very concerning and significant to him that there is any felony crimes going on at any brothel under their watch. As soon we become aware of it, we are taking this action as quickly as they can. He skipped over some of the details at the house and at the car stop just in the council's best interest. This is all about the licensees and the activity at the brothels is what we are trying to focus on here tonight

Attorney Liker said he was going to refer to the, it's number nineteen, Exhibit 19, Affidavit for Search Warrant. Exhibit 19. This is an affidavit filled out by a police officer to get a warrant to search Mona's, is that correct?

Chief Reed answered correct, to search. He had two locations; the house and the brothel.

Attorney Liker said Judge Simons signed that, correct?

Chief Reed answered that is correct.

Attorney Liker said he is a very good judge and we all need to vote for him.

Chief Reed said yes, indeed. He knows him and he is.

Attorney Liker said let's go to... He wanted to look at paragraph three. Paragraph three it says that there is probable cause to believe that there certain property hereinafter described may be found at 420 Oak Street, a blue and grey house with, and we went to the next, and it is owned by Peter Alberro and his registered vehicle's address is listed as 420 Oak Street. So that was his address. He owned the house based on what you know?

Chief Reed answered as far as he knew but to his point there, that's true but it's also true at the time of the car stop that he makes a statement to the officer on the car stop that he had a lot of people coming and going from there, he's trying to get of some of his, he forgot how he phrased it, some of his associates but he was mostly living at Mona's. That was the summary of what he said in a statement.

Attorney Liker said he got what he was saying but...

Chief Reed said they got both locations.

Attorney Liker said Pete is looking at getting arrested for the 15 or so, 14 grams of meth that he's got in the car, and that is trafficking, and then if he knows how much grams are in the house at 420 Oak Street, which is 24-25 grams, that's even more grams, he probably wouldn't want to admit that was his house because that's a lot of, he meant, 25 grams, that's a midlevel trafficking. That's a lot of prison time.

Chief Reed said officers have, a number of them know that Peter, in the past, has lived at 420 Oak Street. It's a common knowledge kind of thing. They had been there on other calls and whatnot over the years. There is no confusion there about Oak Street, it's that he also lived at the brothel. What percentage at each place, he didn't know.

Attorney Liker said he understood what he was saying.

Chief Reed said total grams, just to review, the car stop was 24.86. Keeping in mind that 20 point whatever is an ounce, so we are up there on the car stop. 5.79 grams at the house and 14.90 grams at Mona's.

Attorney Liker said okay he got it backwards.

Chief Reed said we are talking about an ounce and a half, probably. That is just the amount they came across. You got a one-gallon sized baggie that has meth residue in it. If that is full that's way more.

Attorney Liker asked on Oak Street?

Chief Reed answered that one was on the car stop.

Attorney Liker said it says at the end of paragraph four, it says Peter Alberro was known to maintain the above described room and Alberro's employed as a bartender at Mona's Ranch, right?

Chief Reed answered right.

Attorney Liker said in the sworn affidavit, under penalty of perjury, they say he is a bartender. They didn't say he was a manager, right?

Chief Reed answered they did say he was a bartender and that matches what's on the work permit. If we are talking semantics, he covered that earlier. The reading of the prostitution chapter talks about bartender/manager. They've always used that term. In his experience in being at inspections at the brothels is that the bartender on duty is usually bartender/manager. That's the role they perform. Different brothels have different structures. Louis has been a manager at the brothel for a long period of time, whether he is the general manager or something, you would have to ask Louis. Different brothels have it different ways. Some have more employees than the others.

Attorney Liker said it is an important distinction whether he's a bartender or manager. He wasn't trying to argue but the point is that he didn't have any witness that says he was a manager, right? You have the bar cards that says bartender/manager, but besides that that there is no person that has said that he was a manager.

Chief Reed answered not to his knowledge.

Attorney Liker said also on the affidavit on page four paragraph seventeen, it says that your affiant is aware, there is a line missing there, was reported living at 420 Oak Street, which he guessed they were talking about Pete. He was on page four of that search warrant, paragraph seventeen. In this search warrant, sworn under penalty of perjury to the judge, it says he was living at 420 Oak Street. He was just trying to make that point.

Chief Reed said he saw where he was at. The name is struck because of public release of the records. It says that your affiant is aware, blank was reportedly living at 420 Oak Street.

Attorney Liker said okay. Now going to page five. He's trying to move through this quickly and be respectful to the Mayor, he wanted to go through a little more of the search warrant. Paragraph eighteen, page five of the search warrant. That your affiant is aware that several other individuals have been seen entering and exiting 420 Oak Street that have a history of drug use. And then it goes in to include... Is that correct?

Chief Reed asked where he was at.

Attorney Liker answered he was on paragraph eighteen, page five.

Chief Reed said there was a lot on there. Correct and the names are struck.

Attorney Liker said it doesn't say anything about Mona Street there. He meant Mona's Ranch.

Chief Reed said okay.

Attorney Liker said that was his point. Now going to the next paragraph, paragraph nineteen, page five. It goes Oak Street is being used specifically for the use and sales of controlled substances, transfer, trading and storage of stolen property, that the residence is being used as a base of operation for a criminal enterprise. That's what the officer swore in this search warrant, correct? And he is talking about Oak Street.

Chief Reed answered correct.

Attorney Liker said your applicant believes Oak Street is being used specifically for those uses. It doesn't say anything about, it doesn't say that Mona's Ranch is being used for that, correct?

Chief Reed said it does later on but to your paragraph, no.

Attorney Liker said hang on and let him go on here. But that paragraph doesn't say it.

Chief Reed answered right.

Attorney Liker said okay. He will come back to that. Then it say in paragraph twenty-two, page five, Officer Cassandra Wiley, that Peter Alberro stays and maintains a room at Mona's Ranch at 103 S. 3rd Street. An upstairs room on the second floor, correct?

Chief Reed answered correct.

Attorney Liker said and then that paragraph goes on. He was on paragraph twenty-two going onto page six. Officer Wiley provided information that Peter Alberro is also suspected of maintaining controlled substances and controlled substance related material in the room at Mona's Ranch at 103 S. 3rd Street, correct?

Chief Reed answered correct.

Attorney Liker said nowhere in this search warrant does it say that, the affiant says, which is a Police Officer sworn under penalty of perjury to the judge, it only talks about, it say under paragraph nineteen, your affiant believes 420 Oak Street is being used specifically for the use of and sales of controlled substances, transfer, trading and storage of stolen property, that the residence is being used as a base of operations for criminal enterprise. It says that about 420 Oak Street but it never says that about Mona's Ranch. In fact, it says Mona's Ranch, on page six, again he read that paragraph, the end part, and he wasn't trying to argue, but that Peter Alberro is also suspected of maintaining controlled substances and controlled substance related materials in the room Mona's Ranch located at 103 S. 3rd Street. So there is a difference, that is his point.

Chief Reed said he would agree and to just remind the Council, that is at the time that the search warrant affidavit is sworn out. As soon as it is served, now we know a little stronger about the presence at Mona's Ranch. At the time he mentioned that they had some information or suspicion, and that was included, that was your paragraph twenty-two by Officer Wiley. The detective put that in the affidavit to the court. Remember, he pointed out earlier that on the car stop, Mr. Alberro himself indicates that he is mostly living at Mona's Ranch so he could quote that out of the Officer's report.

Attorney Liker said he understood. He passed the witness. He was done with the witness.

Mayor Johnson said okay. City Council? Obviously, with the amount of time that we have, we've made it through one witness.

Councilman Keener said he almost felt like this isn't a criminal trial. They were delving into minutia. We are trying to enforce City Code. He thought they needed to be more big picture rather than getting into the details of everything. They knew that drugs were found on the premises of Mona's Ranch and he thought they needed to focus on that and the actions that they were going to take.

Councilman Rice said just from what he heard that night that one of the things that struck him, Mr. Liker testified just then, that there was no key to the room. The manager didn't have a key to the room. The Police Department had to use a ram or a pry to open the door. That tells him that the control of the house is, that there was no control of house. The owners/licensee, the manager that was letting the Police into the facility. They didn't have a key to it?

Louis Goldberg answered they thought they did but they didn't.

Councilman Rice said and he didn't have a key to it. It just seemed to him that the licensee and the agents of the licensee didn't have control of the house and the police found methamphetamines at trafficable levels in the house.

Councilwoman Simons said she didn't care. It was up to the Mayor whether they can hear more witnesses. She was wondering if there was a time they could ask Dave or Tom or whatever, she had some questions about the Code and interpreting it and what exactly it means. She was sure that wasn't during the witnesses but whenever they get to that she had a few questions.

Mayor Johnson thought it was at the pleasure of the City Council. They were the ones that would make a decision and that is probably a good way to get to the issues that they were seeing as far as needing more information. It they could ask those questions, he thought that would be a good way.

Councilman Rice asked Jeremy Draper to bring the code up on the screen for them, that was a good idea.

Chief Reed said that would be four dash nine dash one, etc.

Mayor Johnson said to go ahead and ask the questions.

Councilwoman Simons asked if she could ask the questions then. Because a lot of this stuff and she might be wrong, but it seemed that Reece was on the same note, is not on even on her plate. It's not that whether he was the bartender or the manager or whether he stayed one night a week or... She was trying honestly not to get into that because that just seems like not even what she is to worry about. In 4-9-8-A, Violations Not Permitted: No operation may be conducted in violation of any applicable City, County, State or Federal Ordinance, Statute or Regulation. She was wondering do all, she kind of read the City's a few pages later, but..

Attorney Liker asked if she had 4-9-9 up there?

Councilwoman Simons said 4-9-8-A, Violations Not Permitted. Is that right. Is that not what she just read? Do all of those laws, City, County, State, Federal, do they all say or use words like knowingly, that the person with the license knowingly, or was it just kind of a it was going on? She thought that might be an important distinction to maybe ask about.

Attorney Coyle said he would address that first. As far as 4-9-8-A, the short answer is, no not all of the laws that might be applicable would have a knowing requirement.

Councilwoman Simons asked if any of them that he could think of off the top of his head?

Attorney Coyle said the one that they were talking about in 4-9-16, concerning a health hazard, it's like the third ground down, that requires a knowing element. Basically, it is going to be the City's position at the end of the hearing that they knew or should have known about these activities. And that would be sufficient to meet a knowing requirement. As far as 4-9-8-A, in discussions between Dave and him and some with the Chief, they are really not thinking that particular Code is going to be applicable and something that they would be seeking the Council to find just because

it is talking about the operation itself being conducted in violation of an applicable law and they don't think that quite fit.

Councilwoman Simons said okay. And then she thought just one more question. So 4-9-16A3, like he just said, it does say knew or should have known, and maybe if the guy is keeping a locked door all of the time, maybe you should have known, but she didn't know. But then down at six, which is probably the one being asked about, and that was her question, that's probably, that one doesn't say should have known. That one doesn't say known. It just says there is a cause, there were drugs on the premises, where it's going to be harmful or injurious to health, safety and welfare. That's the one he was thinking? That is what she came up with.

Attorney Coyle said number four and number six are the code provisions that they were primarily relying on. That number four has the knowing element in it and that is where they were going to argue that knew or should have known applies. Number six is really one of the strong grounds that they think were going to be present. It does not have a knowing requirement but that's why they are getting into whether or not he was a manager, had duties above just someone just showing up, doing a little bit of maintenance and some part-time bartending. There is sufficient nexus there with that Mona's Brothel and that the way the environment created there, where he could come in, have these drugs, have a locked room where the management didn't even have a key, and then have individuals showing up on premise that were not coming in through the front door, weren't there for any brothel activities and him going outside and meeting in the alleyway and behind Mona's on numerous occasions. They thought that was going to rise to the level where those conditions existed that were harmful or injurious to the health, welfare and safety of the general public, customers, employees and other persons in the area.

Councilwoman Simons said she had one quick yes or no question for Attorney Liker. He just said something really quick that she... Tony, that's not, because maybe she missed something but is that what you are arguing? That he just randomly showed up occasionally to do maintenance, just kept a room there for whatever and just randomly showed up.

Attorney Liker answered he worked there full-time but he was only maintenance and part-time bartender. He was normally over forty hours a week and he was also was a Dee Jay somewhere else. He had a sleeping problem, like he couldn't sleep very well and so. Mona's is open until 2:30 in the morning.

Attorney Coyle said he didn't know that and he was told things from the manager that led him to believe their position was he was just a maintenance guy.

Councilwoman Simons said okay because that certainly didn't seem right but he was a full-time employee. He worked there. Then her yes or no question was on C. She forgot she circled this C just under that. This is back to the subject about giving notice. Notice of Proceeding shall be served upon the licensee or posted upon the premises. They were for sure posted up on the premises, right?

Attorney Coyle answered that Notice of Proceeding is kind of misleading where its at. Once you make a decision to take action, if you take an action against them, then you make a notice of proceeding posted there. It is effective upon posting. Notice of Hearing is further up in the Code and requires to be posted on the premise and a forty-eight hour notice.

Councilwoman Simons said, thanks Tom.

Chief Reed said a couple more of those details will come out from Captain Trouten if he is called to testify, and some photos and can talk about that other activity that he alluded to. They have covered most of his comments. He asked Attorney Coyle if he was going to ask him any additional questions.

Attorney Coyle answered no. He was going to see if Council had questions for him and then release him.

Mayor Johnson said he had a question. How is the job title determined on the bar card?

Chief Reed answered it is historical. It predates him. They try to mirror it from the Code. He was just looking again. The Code refers to bartender/manager.

Mayor Johnson asked if that was the only title that could be on the card or is there a part on the application that has to be marked for the City to determine that title?

Chief Reed answered they usually say prostitute. He was only familiar with cards for prostitutes or bartender/manager types.

Councilman Rice said he couldn't see. What does that say?

Chief Reed said this one said bartender and he passed it around for the Council. He brought it just in case.

Attorney Coyle said it's not very readable in the...

Mayor Johnson asked if it was a default title, bartender/manager?

Chief Reed answered it is a default title. Like if Louis had him doing maintenance work there, okay, it's not something we would be too concerned about. Like he said though, if somebody is living on premises and working there without a work permit, then he would have a huge problem with that. They look for that regularly.

Councilman Rice asked if he didn't need a work permit to be a maintenance person.

Chief Reed said what he talked about earlier, not if he comes and goes. Just like you called the guy to fix the air conditioner and he came in one afternoon for a couple of hours and fixed the air conditioner. They aren't even going to know about that or have a concern. If somebody is living there, has a room under their control, felonies going on as he talked about, of course, they are concerned about that. It violates, in his opinion, it violates the public trust that the Council and the Police Department have the duty to enforce these law to make sure it is just prostitution that is occurring there and not other activities. It is very serious. Workers that are there have a work permit. It is usually bartender/manager. In this case it says bartender. Or it is prostitute. Usually, like he said, some of the brothels, he didn't know if Louis had different layers of managers, he might, he didn't know. Usually they don't see that. Sometimes the licensee lives on premise at

one of the brothels. Other brothels they don't, the licensee does not live on premise. They kind of have their own individual business structure. It's important that we anybody there working or living there, licensed with a work permit. That's what's key. He asked if that answered the question.

Mayor Johnson said City Council? How were they doing? Do they want to narrow it down? Do they want to continue on? There is another witness for the City.

Councilman Rice said what he was thinking, he was kind of with Mandy, they are kind of going down what seems to be more of a criminal hearing and what this is, is a hearing about whether or not the licensee ought to be permitted to continue to hold their license. He thought it had been determined that there was methamphetamine found in the brothel, in a room that the licensee did not have control of. Which seemed to him to be, whether or not the licensee lived in Las Vegas. It doesn't matter. It's a privilege license in Elko. They need to be aware of what's going on in their establishment. If the agent for the licensee, in this case, Louis, didn't have a key to the, it was a padlock door?

Louis Goldberg answered it was not a padlock door.

Councilman Rice said he thought he had heard that there was a padlock on the door.

Louis Goldberg said that was said but it was not true.

Councilman Rice said you still didn't have a key.

Louis Goldberg said the key was misplaced. They have thirty plus rooms with locks and such. We are all human. The City has lost the key to their house many times and he has had to replace them many times because they lost the keys to everything.

Councilman Rice said whether or not they lost the key, there wasn't, the licensee didn't have control of the house. It seemed to him that an establishment like that, with thirty plus rooms, that you should have access to the key to the room. That was where he was with this.

Councilman Schmidlein said they would all be naïve if they sat there and don't think the use of drugs were being used in the house. They weren't born yesterday. With all of the paraphernalia and everything else that was found in the room with the amount of drugs in there and everything else, to sit there and say they weren't using drugs in the house is the wrong idea. Obviously, with all of the information they had been given, whether he was trafficking, whether he was selling or not, the use of drugs was taking place in the house. Is that in the best interest of this Council to allow? That's the decisions they have to make. Bottom line, it might be speculation but at the end of the day, like he indicated, they weren't born yesterday. The drugs were being used in that house for whatever purposes.

Councilman Keener asked Tom or Dave, in terms of the way this is agenda'd, it's to either suspend or revoke the brothel license. Do we have options in there, like for instance, a suspension with monetary damages that would be paid to the City, for instance, to reimburse for the legal expenses?

Attorney Stanton answered there is a provision that talks about placing conditions on the license but he did not see anything that would extend to imposing some sort of a fine or monetary penalty. That's not specified in the Code.

Councilman Rice said the timing of this event is interesting. Two weeks ago we prohibited the distribution of legal medical and recreational marijuana in their community. He couldn't see how this Council could do anything except revoke the license, a brothel license, where the licensee was unaware of the use or sale of methamphetamines out of the house. He didn't vote for that measure in regards to the marijuana but he can't see how the Council in good conscience do anything other than revoke the license given its position on the legal use and distribution, the legal distribution of marijuana in this community. He knew it was a touch spot but he thought everyone in the community was aware of the direction the Council's gone in regards to marijuana and then for it to simply fine an organization that is implicated in the trafficking of methamphetamine, just didn't make sense to him.

Councilman Keener said he was right there with him except that he had a situation back a number of years ago where he had an employee that did something illegal. They were driving under the influence in a company vehicle during business hours. Even though he worked very closely with that employee, you can't control everything people do. That experience gave him some leeway with this and that was why he was inquiring if there was any possibility of having a fine. He was thinking they could do a suspension for a period of time with the monetary fine. He guessed the other thing is if they did revocation, the licensee would then be able to reapply for another license after a period of time, is that correct?

Attorney Coyle said again, the City Code is silent as to that issue. He has seen other spots in the City Code where they have said they could reapply one year after the revocation. He supposed they could set out in their revocation order a certain timeframe wherein possibly they could reapply but the reading that he took from the Code, and Dave may have a different opinion or more thoughts on it, but it would be a permanent revocation unless you made some provision for that.

Attorney Stanton said he wanted to throw something in just a second.

Attorney Liker asked if he could say something because they have been talking...

Attorney Stanton said he was going to talk about that. If this Council is inclined to revoke this license, or if this Council is going to do anything but work out some sort of a deal with the licensee, something that the licensee stipulates to and agrees to, he would ask the Council to go through the process though and listen to the evidence and listen to the witnesses. Let the licensee put on their case and go through it. He knew it takes time to the extent that the testimony, the evidence gets repetitious, he thought the Mayor could control some of that and say no more repetitious testimony. He thought the licensee has to be able to put on a case or the Council could simply work out a suspension with conditions, that's another option and just do that right now. Then the licensee could stipulate to it, consent to it. He thought those were the two directions they go with at this point, one of those two directions.

Councilwoman Simons said that was what she was going to suggest earlier, was that maybe we say, Okay Tom, does Lt. Trouten, Lieutenant, right? Captain, she was so sorry. If the Captain has

some new things that are, well that you could ask him, if Mr. Liker has some evidence to present that is new and he thought could be relevant, then he could present that, just because she wanted everybody to feel like they got their day in court. That they heard the things they needed to hear. She thought that was important even though it would take a long time and maybe everybody can remember things don't need to be repeated because they got it. She thought that was a good road to go down but she may be outvoted.

Mayor Johnson said what about this, Council. Why don't we vote to suspend the license and then they can go back and build a game plan and then we can schedule a hearing. He didn't think they were going to get past the suspension. And he thought suspend the license and then have another hearing whether or not to revoke. And then move on to the next item.

Attorney Coyle said Mayor, he had a concern there just because taking any adverse action would be something that could be actionable by the licensee. They haven't been able to present any evidence and just to protect the City's record, he does have several items from Captain Trouten that he needed to get into the record. If you are going to suspend it on a motion without some sort of an agreement by the licensee then he asked the Council to go forward with the hearing.

Mayor Johnson said they could suspend it for two weeks and they can have another hearing in two weeks.

Attorney Coyle said they can file a court action against the City for suspending them for two weeks without being given an opportunity to be heard.

Mayor Johnson said the majority vote of the City Council is in charge and if he felt that they have enough evidence to make a decision, then they can make that move. If he wanted to move forward with more evidence then...

Councilman Rice said they ought take the advice of their attorney and listen to more testimony. He thought that was the direction to go.

Mayor Johnson said alright.

Attorney Liker asked if he could say something.

Mayor Johnson answered absolutely.

Attorney Liker said he doesn't want to upset them but it sounds like Council had made up their mind. This isn't Russia. This isn't China. He remembered being a law clerk in family court and he would listen to, the mom would tell her sob story of the dad. You hear one side of the story and you would be like, Oh God, this is awful. This lady ought to be locked up. But then you hear the other side of it and you are like, wait a second, this is completely different, or you make up your mind. The bottom line is he thought they agreed with him that the standard is knew or should have known. Some of them are knowingly. But that's it. You can't just... He didn't know how much they are worth, they haven't told him, but they may be worth millions of dollars and you are going to just revoke their license.

Mayor Johnson said let's hang on. The couple of things that he is after: one is that we get the points out from the City Council so that you can address them. There is no sense in losing time with something that the Council isn't too concerned about. He thought it would be productive that he recognize some of the questions that are coming from the City Council and the concerns that they have so that he is in a better position.

Attorney Liker started to interrupt.

Mayor Johnson said hang on a second. We only have X amount of time. We are into this thing an hour and a half and are we going to be here until midnight? Possibly. He had to see what the City Council would like to do. They will move on to the next one and Attorney Liker had some indicators of what they are thinking which he thought were important.

Attorney Liker said they aren't going to agree to revoke...

Mayor Johnson said he was not saying that. You are going to agree he's not saying that.

Attorney Liker interrupted with or whatever else you want.

Mayor Johnson said he was not saying that they are going to agree. He was saying that he knows some of the questions they are asking and maybe it would put him in a better place to address those, okay?

Attorney Liker said he just wanted to say one thing. The standard, at least, the very minimum, is not strict liability, it's knew or should have known. And it is also...

Attorney Coyle said he disagreed with that.

Attorney Liker said you cannot treat, it's equal protection under the federal and state constitutions. How many chances have you given other bars or licenses?

Mayor Johnson said they have not had this situation before.

Attorney Liker said you have to treat...

Mayor Johnson said they were treating them fairly.

Attorney Liker said he knew, like in some of the bars, with all due respect, that they get a chance to make amends or put on probation, which they were willing to do.

Mayor Johnson said that's fine. What they were going to do is they were going to listen to another witness from the City and then he could decide how he wants to plead his case, and things he would be interested in is to know how you guys are going to organize and not have this happen again, to give you any chance at all. So, next witness.

Attorney Coyle called Captain Trouten. Please state your name.

Captain Trouten answered Tyler Wayne Trouten.

Attorney Coyle asked what is your occupation.

Captain Trouten answered Police Officer for the City of Elko.

Attorney Coyle asked what was his current position there.

Captain Trouten answered he was Captain.

Attorney Coyle asked are you familiar with the investigations at Mona's Ranch, arising out the arrest of Pete Alberro on February 3rd of this year.

Captain Trouten answered he was.

Attorney Coyle said and so we try not to repeat, I guess, some of the Chief's testimony. You were present during his testimony.

Captain Trouten answered he was.

Attorney Coyle asked as far as in the investigations, did Mr. Alberro, himself, admit that he was involved in selling drugs.

Captain Trouten answered he did during the initial arrest, during the traffic stop, he made the admission that he was on his way to do a drug drop or sale.

Attorney Coyle asked did he say how he got into selling.

Captain Trouten answered that was during a different conversation when he served paperwork on him when he made the admission that he's had a long term addiction.

Attorney Coyle asked and that ultimately resulted in what?

Captain Trouten answered well, obviously with the use of methamphetamines, it is not cheap. There has to be a way to pay for it.

Attorney Coyle asked as far as evidence concerning whether or not he was involved in managerial type functions there, what would you point the Council to.

Captain Trouten answered he would point to the 21st of this month when he served the paperwork. It was posted at Mona's Brothel. He spoke to Analise Brown who portrayed herself as a manager. During the conversation he was just talking to her about how the hierarchy of the business works, who is the manager and so forth. Also understanding that they have multiple brothels here within the City limits. It was explained to him that Louis Goldberg is, what he guessed you could term as, the General Manager. He oversees both properties. There is a Peter Tang who is a manager at the other brothel. She acts as sort of a fill-in manager/bartender as needed, as did Mr. Peter Alberro.

Attorney Coyle said and this was told to you by Analise Brown.

Captain Trouten answered that is correct.

Attorney Coyle asked and she was acting as a manager at that point.

Captain Trouten answered actually, he believed, because he spoke to also with Tawni Rowland, it was one of those ladies he was speaking to at that time.

Attorney Coyle asked and as part of the investigation, was there a review of some phone records between Peter Alberro and Mr. Goldberg.

Captain Trouten answered there was. This was pursuant to a search warrant served on Mr. Alberro's phone. It was seized during the traffic stop. There's quite a number of text messages between Mr. Alberro and Mr. Goldberg. Some of them do pertain to maintenance items, however there is a lot of them that are pertaining to, what he would consider, managerial type items. Discussion about finding employees to conduct surveillance on Bella's in Wells to ascertain how many customers are going in and for what length of time. The various ways in which that surveillance could be conducted, that they could hire or pay employees to do that. There was conversations about where the girls where, what they were doing, their actions and in fact, taking or correcting one of the workers for something she was doing wrong. Concerns about whose dishes where in the sink and are they taking care of that. Several conversations, girls out of the house, what is she up to, arranging deals for girls. I guess you would characterize it as booking the date, so to speak, and how many hours and what price was obtained. Again, things outside of the scope, he would think, of just a maintenance person or even just a bartender.

Attorney Coyle asked did it include discussions about scheduling and who is off sick and who wasn't.

Captain Trouten answered it did talk about employees, their employment status at various places and so forth, and who is calling in sick, who was ready to work, who was in what rooms. And something else. This is on a previous conversation with Mr. Goldberg, but beyond the surveillance they have in the brothel, there is also audio microphones in the rooms as a safety factor for the sex workers themselves. And one of those conversations in text message was to have one of the prostitutes sit and monitor that audio for no longer than twenty minutes.

Attorney Coyle asked were there discussions about cash on hand at the business.

Captain Trouten answered there was some discussions concerning an issue about monies and check cashing at Red Lion and what to do about it and what the previous abilities had been.

Attorney Coyle said now he was going to direct him to Mona's and the prostitutes working there, were they subject to interviews in these investigations.

Captain Trouten answered there were four of the working girls that were interviewed by, again our Narcotic Detectives, pursuant what their knowledge was with regards to Peter Alberro, is job description, his activities there, and anything they knew, as well as, their own use or non-use of controlled substances.

Attorney Coyle asked what of note was told to the detectives.

Captain Trouten answered the information that came from a couple of the girls that was interesting was that they talk about subjects that would come to the back door of Mona's rather than the front main entrance, that is obviously filmed and prepared for customers. They could knock on that door. They also talked about subjects would come to Mona's to meet with Mr. Alberro and then exit out that back door. And the activity, as he understood it, was characterized as shady or suspicious, although they did not know explicitly what was occurring on those contacts.

Attorney Coyle asked and just so the Council sort of gets a feel of 453 NRS Chapter and Trafficking. How significant are these amounts that were found at Mona's?

Captain Trouten answered first to remind the Council that methamphetamine is a schedule 1 controlled substance. So the amounts for trafficking start at 4 grams for the first level, 14 for the second and then the full ounce or 28 grams for level three trafficking. The lesser charges you can have where it's smaller amounts than say the 4 grams, but individually packaged, would be possession for sale and such things like that. When you are getting into these you're not just talking about for sale amounts. You can envision your low-level dealer. You are talking about somebody who is a couple tiers above, who is actually moving fairly large amounts of methamphetamine, hence why it's called trafficking.

Attorney Coyle asked as far as the key to Alberros' room, do you have knowledge about who had sole custody, possession and control of that room.

Captain Trouten answered he did not have, he could not preclude the fact that Mona's had a key. He could tell him that the control and custody of the room, based on the indicia that was inside, both car titles, prescription medication bottles in which methamphetamine was found, were all in Peter Alberro's name.

Attorney Coyle asked on the phone, was there actually some video or evidence that he was staying and using the bed there, etc.

Captain Trouten answered there is. There was actually a short video clip showing Mr. Alberro in an extreme state of undress, lying in the bed, which is in the room at Mona's, as well as, using methamphetamine, smoking it via pipe. And this appears to be from a surveillance camera in the room that was somehow connected to his phone and downloaded to his phone.

Attorney Coyle said it would have been one of the surveillance cameras of Mona's caught this.

Captain Trouten answered he didn't know that for sure without returning to Mona's and tracking the wires and seeing what their system is.

Attorney Coyle asked is it your experience that persons with digital scales are just employing those for personal use.

Captain Trouten answered no it is not. Again, he thought the Council was aware there's multiple digital scales found in different locations on the search warrant, as well as the traffic stop, but it is typically the sellers of controlled substances that have the scales. That is their mechanism for

weighing out the various amounts that they are going to be selling. As it is an illicit activity, it's generally pre-weighed, pre-packaged and ready to go so that the interaction between the buyer and seller is short and less noticeable to such as himself.

Attorney Coyle asked did you have some photos that you wanted to show the Council quickly.

Captain Trouten answered he did have photos they could pull up (City Document Index Exhibit 20). Jeremy Draper showed the photos on the overhead screen while Captain Trouten described each one. This, for the Council's information, is the room. You could see the sign that was on the door that was referred to earlier by Chief Reed. You can see the bed, including bedding, pillows and quite of amount of stuff in the room.

Attorney Liker asked if he could ask a question. Is that part of what you gave him, the pictures?

Attorney Coyle answered yes.

Captain Trouten asked for the next picture. This is immediately to the left of the door. You will see a sink and a vanity. You can see several bottles, personal hygiene type items there. Pay particular attention to inside the open cabinet. There is a yellow and blue bottle. The first bottle on the bottom shelf. Next one please. This is the closet that is also off the room. You can see these are drawers full of clothes. Above and to the left there is hanging clothes. It appeared very much like Mr. Alberro was living exclusively out of this location, or at least prepared to have some extended stays. Next photo please. This was found on the bed. This is a digital scale. Notice some of the marks and staining upon it. It appears kind of, somewhat almost like an opaque stain, others are like a white powder residue, consistent to being used to weigh out methamphetamine amounts. This is also the location where pipes were found on the bed in various bags. This is the box previously referred to with several unused glass pipes in bubble wrap. Next photo please. There is that pill bottle with one of the bags of methamphetamine or suspected methamphetamine, that was found in the room. Next photo.

Councilman Rice asked is that something that was on the bag or is that something...

Captain Trouten answered that is something that was on the bag so he did not have an answer either. These are two more bindles of methamphetamine found in the pants pocket which was hanging in that closet shown earlier. Next photo please. This is the last photo he will show them but, he guessed why this was significant to him, this is at the time of the traffic stop and arrest of Mr. Alberro initially, is that sign referred to by the Chief. Again, based on Mr. Alberro's testimony, he was going to complete a drop. He would think anybody in the drug side of the community would link these two together seeing that type of sign on the vehicle in which they are buying their drugs from.

Attorney Coyle asked if there was anything else he wanted the Council to note at this time.

Captain Trouten said his feeling, the Chief has already spoken to the safety concerns and hazards, but again going back to previous conversation with Mr. Goldberg, he was duly impressed with the amount of surveillance, both audio and video within there. They did assist them in a stabbing recently and had excellent outside video surveillance. He finds it concerning to try to understand how, with this amount of surveillance and oversight on a privilege business license, that nobody

seems to know what was going on there. Everybody is claiming they didn't know, they had no clues. Certainly he wished, you know, their work would be much easier if every place in this world had that kind of cameras and they had access to them. That's not going to happen but they have that availability and somehow this just slipped everyone's notice.

Attorney Coyle passed the witness.

Attorney Liker said you said you spoke to Anna, and by the way, Captain Trouten, he gives him the same respect that he gave the Chief.

Captain Trouten said he appreciated that but let's try to keep it short and simple if they could.

Attorney Liker said he spoke to Anna correct, and she said she was one of the managers?

Captain Trouten answered he did.

Attorney Liker asked and she said that Louis was the other manager at Mona's.

Captain Trouten answered yes, she portrayed him as being the manager, he guessed, over all managers.

Attorney Liker asked but she never said that Pete was a manager, correct?

Captain Trouten said she did because she made the comment, and there was some confusion because obviously Peter Tang is a manager of Inez's. He asked for clarification on that and she was talking about Mr. Alberro as well but then adding quickly, well, he's not here, he's not allowed on property. And this was on the twenty-first of February.

Attorney Liker asked, so you are saying that Anna said that Pete, the one that was arrested, was a manager.

Captain Trouten answered yes.

Attorney Liker asked you are aware that no one else has said that, right?

Captain Trouten answered he was aware of that but he was asking, because he asked what is Pete's job description here and she portrayed that he was basically the same as her. She stated that Louis is off and here one week, gone another week, because he wasn't sure it was his wife or girlfriend, resides in California. So it fell to the other managers, basically, to run the businesses.

Attorney Liker asked before tonight, did you put that in any document, that Anna said he was a manager.

Captain Trouten answered no he had not, sir. This was just a conversation pursuant to the service of that document on the 21st.

Attorney Liker said okay. There were almost, like 300 texts between Pete and Louis. Is that what you were talking about?

Captain Trouten answered there was over 100, sir. He wasn't sure of the exact number.

Attorney Liker asked was there any discussion of the illegal drugs in those tests.

Captain Trouten answered none that he could find, sir. No.

Attorney Liker asked would he be surprised to know that it was actually 278.

Captain Trouten answered that was quite possible, yes sir.

Attorney Liker asked and that was that over a period of... With the Mayor's indulgence, could he ask his...

Mayor Johnson answered absolutely, yes.

Attorney Liker asked if that was over, maybe over a couple of month's period, the text messages.

Captain Trouten answered just referencing the document, here, which we have with those, looking at beginning, ending, it looks like it's from about March 8th to approximately February 3rd.

Attorney Coyle said that is in Exhibit 22, for the Council's knowledge.

Captain Trouten said that is just the ones he had there.

Attorney Liker said you just said that nobody had any clue about illegal drugs being on the premises, right, besides Pete. That's what you just said. Everybody that was working at Mona's.

Captain Trouten answered the girls interviewed, yes sir. That's correct.

Attorney Liker noted that the Officer's used the word shady, but everybody when they were asked, hey did you suspect that there was illegal drugs there, they all said no, or words to that effect.

Captain Trouten said he had not heard any audio transcripts. This was what he was told.

Attorney Liker said there was actually a video but he probably was not aware of that, which they have. They were talking in the kitchen. He had no further questions, Council, he meant Mr. Mayor.

Attorney Coyle asked if Council or Mayor had any questions.

Mayor Johnson said he did. Without specific details of the texts, what were the questions? Were they questions like, operations of the business or were they more personal questions, are you going to go fishing, or was it do you have enough liquor at the bar, who is working, who needs to work, who didn't show up. What are the contents?

Captain Trouten answered there were some text messages concerning personal health, what are you up to, what's the weather. Personal things went on but there were also many, many texts, and he would say predominately, concerning some issue to do with Mona's.

Mayor Johnson asked as far as an employee issue or operational issue.

Captain Trouten answered they were in the whole range without counting them to give a percentage, they ranged the gamut from there's issues to fix maintenance wise, the bathrooms look great, or he believed the showers or bathrooms come out great, something like that.

Mayor Johnson said okay.

Captain Trouten said then there are other ones that are about employees, what are they doing, where are they at. They run the whole gamut, sir.

Mayor Johnson said okay. Alright. Are there other questions?

Councilman Keener asked strictly for Captain Trouten?

Mayor Johnson said it was his call.

Councilman Keener said he had a question for Mr. Liker. At what date he was retained for his services for the licensee.

Attorney Liker answered he was retained on Saturday around 4:00 pm approximately. He thought that was right. Sometime...

Councilman Keener noted it was like four days ago, then.

Attorney Liker answered yea, approximately yea. Today is Tuesday.

Councilman Keener said three days now, thank you.

Mayor Johnson asked if there were other questions.

Attorney Liker said he had no more questions of that witness. Can he say something though?

Mayor Johnson answered sure.

Attorney Liker said because when it is his turn, if there is going to be his turn...

Mayor Johnson said you have to understand his position. He's just looking out for the time of the Council. So, please go ahead.

Attorney Liker said what he wanted to ask them was, he would like to call Pete, the man that was arrested. He's here, up here to testify when it is his turn, and he was not trying to be pushy. And then he would like to get a brief continuance, to just get a bathroom break and talk.

Mayor Johnson answered oh, sure. Yea. Does that seem reasonable, Dave? Yea. Was that all the witnesses the City had?

Attorney Coyle said at this time the City would move to admit the Exhibit Packet and those pictures into the record as part of the evidence for this hearing and upon admission, the City would rest it's case at this time.

Mayor Johnson said okay.

Attorney Liker said he had the same objections but... He was just objecting for the record, which he had a continued objection, but he understood it is a little looser here.

Attorney Coyle said objection as to what?

Attorney Liker answered hearsay, lack of foundation and their right to confront their accusers. Their constitutional right to confront their accusers both State and Federal.

Mayor Johnson said okay, it's your turn. You're up.

Attorney Liker said okay, great. Pete, can you come to the... He asked if there was any way he could get, he apologized, he would like to keep a copy and he didn't have enough.

Mayor Johnson asked if he needed a copy. There is a copy machine.

Attorney Liker asked if he could get a copy.

Mayor Johnson said oh, sure.

Attorney Liker handed out papers to the Council. He said he was waiting for it to come back. He had extra copies of the rest of his stuff, though. He apologized for being disorganized on that. HE asked if he could approach the witness.

Mayor Johnson answered sure.

Attorney Coyle asked if he could obtain a copy.

Attorney Liker asked Diann Byington to mark his Exhibit and said he would need it after she was done with it. He showed what had been marked as Mona's Exhibit 1. Do you recognize that document?

Mayor Johnson said what he will have to do for the recording...

Councilwoman Simons said sit down, yea.

Attorney Liker apologized.

Mayor Johnson said no problem.

Attorney Liker asked do you recognize that Exhibit 1, Pete.

Pete Alberro answered I do.

Attorney Liker asked Pete, we have talked briefly in the hallway earlier, right?

Pete Alberro answered yep, just for a second.

Attorney Liker asked if they had ever met before.

Pete Alberro answered no.

Mayor Johnson said and also, if he could state his name and address.

Pete Alberro answered he is Pete Alberro at 420 Oak Street, Elko, Nevada.

Mayor Johnson said it was for the record.

Attorney Liker asked if he went by Pete or Peter.

Pete Alberro answered by Pete.

Attorney Liker said he worked at Mona's, is that correct?

Pete Alberro answered yes, he did.

Attorney Liker asked how long was he there.

Pete Alberro answered about three years.

Attorney Liker said three years, okay. Is this your affidavit that you filled out?

Pete Alberro answered yes it is.

Attorney Liker asked when did he fill that out.

Pete Alberro answered last night.

Attorney Liker asked if it was true and correct, what he wrote in there.

Pete Alberro answered yes it is.

Attorney Liker said okay. Is it a true and accurate copy of the original?

Pete Alberro answered yes.

Attorney Liker moved to admit Exhibit 1 into evidence. Mr. Mayor?

Mayor Johnson answered sure.

Attorney Liker asked Pete Alberro if he would mind reading it on the record. Can you do that?

Peter Alberro said during his time as maintenance/part-time bartender at Mona's, no one aware of his use and subsequent addiction to meth. He never approached or used drugs with anyone from Mona's or at Mona's Ranch. He hid his addiction from everyone, especially Louis and Anna and his family. Allegations have not been proven but he would never have used or sold drugs from Mona's. He has too much respect. He never had any person or personal visitors in the house. He never took anyone upstairs. During this time, he rarely ever slept. He used his room as a place to fix things and his room was very cluttered and messy. His room there was due to the sleep apnea and narcolepsy and was intended as a place to rest. He has fallen down and hurt himself several times, including a broken ankle last June. Never intended to be a permanent residence.

Attorney Liker said you have a criminal defense lawyer, is that correct?

Pete Alberro answered yes he did.

Attorney Liker asked and did he tell you not to be here tonight.

Pete Alberro answered he did.

Attorney Liker asked so why did he come.

Pete Alberro answered loyalty to his friend Louis.

Attorney Liker said okay.

Pete Alberro repeated loyalty to his friend Louis.

Attorney Liker asked do you feel bad about what happened to Mona's?

Pete Alberro answered without admitting to guilt, yes he did.

Attorney Liker said okay. Did you show up to work every day?

Pete Alberro answered every day.

Attorney Liker said he wasn't calling him heavy but he's not slim, right?

Pete Alberro answered no, he's not.

Attorney Liker asked if he could tell the Council how much he weighs.

Pete Alberro answered 208 at last weighing but he's only 5'6".

Attorney Liker asked did you ever call in sick?

Pete Alberro answered he tried to work with a broken ankle.

Attorney Liker said so you are a hard worker.

Pete Alberro said always had been. For three years he usually had two or three jobs, including all this.

Attorney Liker asked were you ever the manager at Mona's?

Pete Alberro answered no.

Attorney Liker asked did you ever tell anybody you were the manager.

Pete Alberro answered no.

Attorney Liker said okay. You never told anybody you were a manager at Mona's, right?

Pete Alberro answered nope.

Attorney Liker said he is a pretty good handyman, right?

Pete Alberro answered yes he is.

Attorney Liker asked carpenter?

Pete Alberro answered he could do a little bit of everything.

Attorney Liker said the bottom line is that, um... Let me just go ahead and show. We will go ahead and do it now, just show some of the pictures of the work he did. He asked if he could have this marked. He had three copies of this. He apologized for not having one for everybody but you can share. He handed out copies of Exhibit 2.

There were some noises from the audience.

Councilman Rice asked if she was okay. He was told from the audience that she fell asleep and was talking in her sleep.

Attorney Liker asked if he could she what's marked Exhibit 2.

Pete Alberro answered he did.

Attorney Liker asked can you tell Council what that is.

Pete Alberro said that is the pony wall that he tiled after fixing leaking jet tub in the main bathroom.

Attorney Liker said that's in black and white, right?

Pete Alberro answered correct.

Attorney Liker said you did all that yourself?

Pete Alberro answered he did.

Attorney Liker asked was there anything there before you did that.

Pete Alberro answered there was but they tore it down to fix the leak.

Attorney Liker said you are able to do all that, right?

Pete Alberro answered correct.

Attorney Liker asked if he ever went to carpentry school, or...

Pete Alberro answered no.

Attorney Coyle stipulated that he performed some maintenance duties there and does them well.

Mayor Johnson said okay.

Attorney Liker said he had some pictures there. He asked to have another one marked. He handed out Exhibit 3. Do you know what this is?

Pete Alberro answered no.

Attorney Liker asked if he flipped it over did he know what it is.

Mayor Johnson asked Shanell if the City just had the one mic that night. Alright. So if you could, for your convenience, he knew it was awkward but we still need to have things recorded. The witness has it but as you ask the questions. You can use these mics here as well so you don't have to walk.

Attorney Liker asked do you recognize that.

Pete Alberro answered it was one of the rooms at Mona's. It could be a closet in his room, actually.

Attorney Liker asked did you do the work on that.

Pete Alberro answered he did.

Attorney Liker asked to admit Exhibit 3.

Attorney Coyle had no objection.

Attorney Liker asked for one of the Exhibits back. He said he had lots of pictures there.

Louis Goldberg said he could just hand them out all at once and save time.

Attorney Liker asked if that was okay with you guys. He asked that they all be marked as Exhibits. He handed Exhibits 4A-4H. He asked Pete Alberro to look at Exhibits 4A through 4H. These are pictures of all the work you did, right?

Pete Alberro answered yea. He would say the focal point of his job was maintenance.

Attorney Liker asked and you have done a lot more work than that, right?

Pete Alberro answered absolutely.

Attorney Liker asked you know how to do everything when it comes to carpentry and plumbing and fixing up a house.

Pete Alberro answered for the most part, yes.

Attorney Liker asked do you do electrical?

Pete Alberro answered yes.

Attorney Liker asked how did you learn that.

Pete Alberro answered trial and error. The breakers would trip out and he would respond.

Attorney Liker asked how long did you work at Mona's.

Pete Alberro answered right about, yea three years. Shy of three years.

Attorney Liker asked you know Louis is upset with you, right.

Pete Alberro answered absolutely.

Attorney Liker asked if he could approach the witness, Mr. Mayor.

Mayor Johnson answered sure.

Attorney Liker said he had no other questions of this witness.

Attorney Coyle asked are you lifelong friends with Mr. Goldberg.

Pete Alberro answered no.

Attorney Coyle asked how long have you been friends with him.

Pete Alberro answered about four years.

Attorney Coyle asked was he the one that gave you your job there.

Pete Alberro answered yes.

Attorney Coyle said you heard Captain Trouten talking about you admitting that you had been an addict, meth addict for three years.

Pete Alberro said he was in the bathroom at that time and he didn't hear Captain Trouten but he would take his word for that.

Attorney Coyle asked do you agree that you told him that.

Pete Alberro said he didn't know when he told him that. He didn't remember that but if he said he did it he probably did.

Attorney Coyle said let's just ask it straight out. Have you been an addict for...

Pete Alberro answered off and on, yes.

Attorney Coyle asked so for the entire time that you worked there at Mona's you have been an addict?

Pete Alberro answered yes.

Attorney Coyle asked you moved into that room because of narcolepsy.

Pete Alberro answered yes and the severe sleep apnea.

Attorney Coyle asked isn't that something that develops with addicts of meth.

Pete Alberro answered he's had the sleep apnea and that for a long time.

Attorney Coyle said but meth addicts commonly have that, correct?

Pete Alberro answered he did not know that.

Attorney Coyle said that could be a sign to your employer that you are having drug problems, correct?

Pete Alberro answered he didn't think so.

Attorney Coyle asked do you recall telling the officers doing the investigation that this addiction led to your selling meth?

Pete Alberro answered no.

Attorney Coyle asked you did not make that statement.

Pete Alberro answered he did not remember making that statement. No he did not.

Attorney Coyle asked are you involved in sales of meth.

Pete Alberro answered he had a pending court case and he was not going to answer that question.

Attorney Coyle asked so you waive your Fifth Amendment right to certain portions but now you are asserting it.

Pete Alberro answered you bet he was. He didn't have to come here. He came here of his own volition. His attorney called and told him...

Attorney Coyle asked would your attorney have advised you not to...

Pete Alberro said yes he did.

Attorney Coyle continued by waive your Fifth Amendment right.

Pete Alberro said his attorney told him not to come here.

Attorney Coyle asked you heard Captain Trouten's testimony. There's actually a video of you using drugs at Mona's.

Pete Alberro said he did not.

Attorney Coyle asked would you agree that you used drugs at Mona's.

Pete Alberro answered once again back there, the Fifth Amendment.

Attorney Coyle asked how often would you say you worked as a bartender.

Pete Alberro answered his schedule was split three days maintenance, two days bar, most of the time unless somebody was sick or on vacation.

Attorney Coyle asked were you present in this room when the Chief testified or did you step away.

Pete Alberro answered no, he was present when the Chief testified.

Attorney Coyle asked and it's fair to say, as the Chief characterized it, when you are acting as the bartender you are also having some oversight over the house at that point.

Pete Alberro answered ya, that's fair. Like a manager on duty but not making total decisions over everything.

Attorney Coyle asked in fact, the phone text records indicate that you were possibly not the final say on a lot of things but you were discussing things other than maintenance and other than bartending concerning the operation of Mona's.

Pete Alberro answered yes. That's how they communicate with Louis when he is not on property.

Attorney Coyle asked now Louis, on property, Captain Trouten testified that he was told by one of the managers, that he is often there one week and gone one week. Is that accurate?

Pete Alberro answered yea.

Attorney Coyle asked when he is gone that one week, it would fall to you bartenders to do the oversight, actually on property, correct.

Pete Alberro answered it would fall to Anna, to oversight. They had no authority. They would call her or Louis to make decisions of anything that was subsequent.

Attorney Coyle said Anna explained that you were co-equal with Anna, is that correct.

Pete Alberro answered no it's not.

Attorney Coyle asked if he had any idea why she would tell Captain Trouten that.

Pete Alberro answered nope. Because she has a lot of respect for him, he guessed, would be one of the reasons but...

Attorney Coyle said so you exercised apparent authority as one of the overseers.

Pete Alberro answered possibility. He was management in casinos and grandkids for many years.

Attorney Liker said objection. Calls for conclusions.

Attorney Coyle said so maybe you didn't have..

Attorney Liker asked for a continuance.

Attorney Coyle continued the actual title of manager but you were acting as manager a lot of times, correct?

Pete Alberro answered he didn't know if he felt that he was acting as a manager, he just did things that needed to be done.

Attorney Coyle said that was all he had, Mayor.

Mayor Johnson said okay.

Attorney Liker asked if he could follow-up with a one question.

Mayor Johnson answered sure, yes.

Attorney Liker said okay. Did Louis or Anna ever call you a manager?

Pete Alberro answered no.

Attorney Liker asked did you ever make important decisions without asking Louis or Anna what to do.

Pete Alberro answered never. He actually made the comment that he didn't want their jobs.

Attorney Liker asked your job was to be a part-time bartender and be a maintenance man.

Pete Alberro answered absolutely.

Attorney Liker asked did you ever do any of the books at the business.

Pete Alberro answered he never.

Attorney Liker said he had no further questions of the witness.

Mayor Johnson said okay.

Attorney Liker asked can we take a break.

Mayor Johnson answered absolutely. How long do you need? Less than ten minutes? Five minutes?

Attorney Liker said ten minutes. Does that sound good?

Mayor Johnson said oh, sure. Okay, we will break for ten minutes.

BREAK

Councilman Rice said if you don't mind Mr. Mayor, he's gonna kind of stand up and sit down.

Mayor Johnson said sure.

Attorney Liker said they call Anna Brown to the stand. Hey, Anna, bring that video.

Attorney Stanton pointed out that witnesses could go up to that podium as well.

Attorney Liker said okay, alright. Can you please state your name for the record, spelling the last.

Anna Brown answered her name was Anna Brown, B. R. O. W. N.

Attorney Liker asked have you been in the, have you been here since the start of the hearing.

Anna Brown answered she had.

Attorney Liker asked did you hear Captain Trouten talk.

Anna Brown answered yes she did.

Attorney Liker asked did you hear him say that you said that Pete was a manager.

Anna Brown answered yes she did. She heard him say that.

Attorney Liker asked if that was correct.

Anna Brown answered no.

Attorney Liker asked so he was mistaken.

Anna Brown answered yes. It was kind of a confusing talk because she was also talking about the other manager, Peter Tang.

Attorney Liker asked do you think that Captain Trouten got confused about the other Peter, the one that worked at Inez, right.

Anna Brown answered yes.

Attorney Liker asked is there a video of that conversation.

Anna Brown answered there is.

Attorney Liker asked do you have it on your phone.

Anna Brown answered she did.

Attorney Liker said he knew they didn't have a copy and he kind of object now because they didn't even know there was a Captain Trouten. He didn't get any pre notice of what he was going to say and all of the sudden he says, ya, she told me that Pete's a manager, which no other witness said in any of the documents, whatsoever. Okay. That's a due process violation. That's a constitutional violation. It kicks him off at the knees. In the courtroom that is not acceptable.

Attorney Coyle asked did you ask for discovery.

Attorney Liker asked did he ask for discovery. No.

Attorney Coyle asked did you ask him to name witnesses. These are witnesses at the Police Department. They came in and testified. There is no due process violation there.

Attorney Liker said you got to give him, you sent the witness list, you sent all of the information to Louis and then he gave him a copy.

Attorney Coyle said he sent him some documents as a courtesy. Documents that the City would provide the Council and that's what they have done. There was no witness list or witness list sought.

Attorney Liker said anyway, did... Okay, you have the video there, right?

Anna Brown answered in the affirmative.

Attorney Liker asked were you inside Mona's.

Anna Brown answered well, she was there to receive the paperwork. Tawni had to call her to come in to get it because she was at home at the time.

Attorney Liker asked when did Captain Trouten show up.

Anna Brown answered she thought it was around 12:30 ish.

Attorney Liker repeated 12:30.

Anna Brown said sometime around there.

Attorney Liker asked 12:30 when.

Anna Brown answered February 21st.

Attorney Liker asked 12:30 like around lunch time or was it midnight.

Anna Brown answered no. PM not midnight. In the afternoon.

Attorney Liker asked and he came to Mona's.

Anna Brown answered in the affirmative.

Attorney Liker asked how many times did you talk to him.

Anna Brown answered she just talked to him that afternoon.

Attorney Liker asked you only talked to him one time.

Anna Brown answered in the affirmative.

Attorney Liker asked how long did you talk to him.

Anna Brown answered just a few minutes.

Attorney Liker asked do you have that on your phone.

Anna Brown answered she did.

Attorney Liker said they didn't know there was a Captain Trouten so he apologized for not having the testimony, but he would like to play this for the record. And he would note that Captain Trouten is trying to say that Pete's a manager so...

Mayor Johnson said they get it.

Attorney Liker said okay. Can you get that up on the phone and try to see if we can show this to the City Council.

Anna Brown said she would have to find it and there is also other voices in it as well, in the area.

Attorney Liker said just play it and let them decide what is going on. Can she go up here?

Mayor Johnson answered sure. Try playing it into the record. That way it is being recorded and see how it comes through and then they will go from there.

Attorney Liker said he was trying to shorten this up a little bit but he wanted to know, that's the only time that someone said that Pete was a manager. Nowhere in the documents that he got from Louis that was sent by Coyle, did they say that. The first time was when he said it up there which doesn't help them. No prior notice. Taken off at the knees. This shouldn't be Russia. This shouldn't China. He didn't think it was right.

Anna Brown was attempting to find the correct spot on the recording. The recording was difficult to understand.

Councilman Rice asked if that was being played for them right now or is she still trying...

Anna Brown answered she found this.

Attorney Liker said they can't hear anything. She was going to have to come up here.

Councilwoman Simons said she didn't think that was going to help but play.

Anna Brown said she would have to go back to the beginning.

Attorney Liker asked how many minutes long is it.

Anna Brown answered just a couple minutes. Not even very long at all.

Attorney Coyle asked that Captain Trouten be allowed to be there. He may be called as a...

Attorney Liker answered no problem. He didn't have a problem with that.

Councilman Schmidlein said she had the wrong person trying to hear. He can't hear it anyway. These two hear better than he could.

Councilman Rice said why not hold the speaker itself right up to the microphone. The speaker is on the bottom of the phone.

Louis Goldberg asked what camera was it in.

Anna Brown answered bar counter.

Louis Goldberg wondered if the hallway camera would have better sound.

Anna Brown said oh maybe the hallway camera does.

Attorney Liker said to go help her.

Audio was played but Captain Trouten could not be understood due to background noise. Anna Brown is heard saying that Louis is the manager. Pete is a bartender. Pete is not allowed here. When you say Peter do you mean our other Peter? Our Asian Peter? She asked if she needed to sign anything. Captain Trouten told her how to get hold of him.

Anna Brown said she was talking about Peter Tang, not Pete Alberro. There are two Peters. They don't refer to Peter Alberro as Peter. They call him Pete. That's what she tried to explain to him.

Attorney Liker asked when you said Peter, you weren't talking about Pete, the one that was arrested.

Anna Brown answered she was talking about Peter Tang, which is the other manager at Inez.

Attorney Liker asked did you hear yourself tell him that it was Peter worked. What did you hear yourself say?

Anna Brown answered how the conversation went is he asked her how management went. She said that Louis was above them, everything Louis is the head. Then we have Peter at Inez and her at Mona's. Then he said Peter Alberro? And she said no, Peter Tang our Asian Peter. We don't refer to Peter Alberro as Peter. We call them Pete. They refer to Peter Tang as Peter.

Attorney Liker asked is that what you heard on the video just now.

Anna Brown answered in the affirmative.

Attorney Liker said there was some background noise.

Anna Brown said she did say that Peter Alberro, or Pete as she calls him, was eighty-sixed. He's not allowed on the properties anymore.

Attorney Liker said there is a difference between Pete and Peter.

Anna Brown answered yea, Peter is Peter Tang. Pete is Peter Alberro.

Attorney Liker said Pete was never the manager.

Anna Brown said no.

Attorney Liker asked for another Exhibit to be marked. These he would represent to the Mayor and Council that are the documents that were given to Louis that he gave to Anna from discovery via email. He thought that Mr. Coyle represented that it is almost the same as what is in there. What is that marked as? Exhibit 5? Okay this is Exhibit 5.

Attorney Coyle answered yea, it had (not understood due to other microphone noise) the brothel code.

Attorney Liker passed out Exhibit 5. Do you recognize Exhibit 5?

Anna Brown answered yea.

Attorney Liker asked are these the ones that you made copies of, that Louis gave you.

Anna Brown answered yes.

Attorney Liker asked those are the ones that he got from Mr. Coyle via email.

Anna Brown answered yea.

Attorney Liker asked does that look like a true and accurate cop., Do you believe that's what you copied the other day?

Anna Brown answered oh, yes. Did he want her to look through every page?

Attorney Liker said you made a bunch of copies for him, right.

Anna Brown answered yes.

Attorney Liker said at Mona's.

Anna Brown answered yes, she did.

Attorney Liker moved to admit.

Attorney Coyle said that's fine.

Attorney Liker said just to cut this a little short so if you read through this, nothing, there's nothing about them knowing, any of the managers, and he was saying Pete is not the manager. She referred to Peter. There is nothing in that document. That's his paperwork he asked to admit into evidence, because they are not looking...

Attorney Coyle said look at Exhibit No. 1 where we say the notice of hearing and it's about Pete Alberro bartender/manager. They've asserted all along that he had management duties. It is in the document.

Attorney Liker said no witnesses except for, and which we explained, except for Captain Trouten.

Attorney Coyle said and then you have phone records that are all about managerial duties. You can argue with me.

Attorney Liker said the copies of what, they are really hard to read, but the text messages are in there too. But none of them heard us. They didn't know. They didn't know. Pete said he didn't know. You can't have a strict liability because if you did that you would have to do that for every business. It's called equal protection.

Councilman Keener said but this is a license of privilege though. This isn't like any other type of license that you might get. This is a highly regulated restricted business that is illegal in almost every other geography in the United States. That's why it's subject to such tight scrutiny and governmental oversight and regulation.

Attorney Liker said he didn't want to be disrespectful to Council but he wanted to ask Louis, because he didn't think they wanted to tell him how much they are worth, but he has an idea that it's probably millions of dollars if you added up on the next few days. He would get a second opinion because that is not the legal standard. First of all, equal protection says you're going to have to treat everybody the same. Give nobody any chances. And you are going to do strict liability. Somebody shows up at your business and you have no idea and they get arrested then you are getting shut down. That's not the law. It's not strict liability. You have to have some knowledge, whether it's knowing... Even when Mrs. Simons pointed out the statute said knowingly. It's got to at least should have known or known. There has to be some negligence or some knowing part of it. That's what he is trying to tell them. Look, he is willing to try to do something here but as far as being on probation, having whatever you want to ensure that this never happens again, but that's the law. Honestly, that's the law. He didn't want to have to appeal this. He wanted to be fair here but what they were saying makes no sense. Think about it, your own. If you have a business

Attorney Coyle said Mr. Mayor, this is the time for witnesses and evidence. Not argument.

Attorney Liker said he was trying to save them some time but...

Mayor Johnson said it's your call. It's your case. You're in control.

Attorney Liker said his clients didn't know this was going on but they feel bad. They understand it's a serious thing. You can't have businesses with drugs in it, meth. But they didn't know.

Mayor Johnson asked if he was prepared to make a case for how you want to change operations.

Attorney Liker said they would do whatever they want within reason.

Mayor Johnson said they need to hear that. That's part of your defense.

Attorney Liker said they will do whatever they want within reason. If you want a dog sniff dogs at the door.

Mayor Johnson said you have to tell us. We are not going to tell you. He could promise him that. He has to tell us what you are going to do to manage your business.

Attorney Liker said if you want to have drug test.

Mayor Johnson said no, no, no. He had to tell them what they are going to do as a business. Council is not going to tell him.

Attorney Liker said okay. Do you want to tell them Louis, what you want to do?

Louis Goldberg said they were right in the middle of addressing something with Anna. It would make sense to finish with her first.

Attorney Liker said they want to hear from us. Do what he says. He's the boss, not you. Stand up and tell him what you are willing to do.

Mayor Johnson said he understood what they are trying to make a point of, or what your point is. We are just going to have to weigh that. He didn't know if he needed to go through six more pages to firm it up.

Attorney Liker said he wants to show you the drug test. They took the drug test, everybody was clean. Recently they did that to show that everybody was clean.

Mayor Johnson said it is their case. Make your next move.

Attorney Liker said go ahead and tell him what you are willing to do. He has a little speech he wrote out.

Louis Goldberg said he wasn't going to read the speech.

Attorney Liker said he's got a part where he would say what he wanted to do.

Mayor Johnson said he would need Louis... Do you have the mic? Ya, there ya go. Speak into the microphone.

Louis Goldberg said there's a bunch of things they have implemented already. And there is a lot more they are in the process of doing. So they have redone... Basically they are willing to do a lot of different things, but they have no locked rooms anymore. They are doing random drug tests at least bimonthly. Every new hire person that comes into the building, who is a bartender or working girls, getting tested before they are hired. They will be doing more background checks over and above what the City already does. When they have a working girl come or a bartender come they have to get approved by the City with a bar card. They know that they are doing a background check. They are going to do more than that because, for instance, what happened with Pete wasn't caught in their background check. If he has been an addict prior to working for them, it should have been able to be known. They are going to do more intense drug testing and background checks to ensure they know what that person is that they are hiring. They want to encourage the Police Drug Dog to come anytime they want. They may even get their own. So if it's allowed, and he hasn't looked up the rules if they are allowed to have a drug dog, because that is not his world, he doesn't do drugs. He drinks alcohol and smoke cigarettes. That's it as his urine shows. They would love to have a drug dog there 24 hours a day. Open door policy, whether it's their dog or the Police Dog comes in everyday, whatever it is on their nickel. He said this earlier about the keys but they are super straight up. They went to the police station three years ago and said in the rules you are supposed to have keys to the front and back door. They kept

bringing them back to them. The cops brought them back to them and said they need these. He said yes you do. It's in this list and he was fighting the City over this. Finally he just wound up just leaving them there saying you guys need this, please talk to the Chief about it. Later on he found out this was true. There is a long list here so it has to hammer home. This is important stuff to him.

Mayor Johnson said take the time that he needs. They have already gone over that side.

Louis Goldberg said he lost his train of thought. Thank you. The City has lost the keys many times. They have had to reproduce them and bring them again. They are super proactive in having an open door policy. A lot of times during the summer they keep the front doors open so that people, it's more encouraging to come in. We want to be an open door policy always. They are doing more surveillance. They do have tons of cameras, every single, 365, inside and outside. Every bartender and every girl is watched. There's never been anything suspicious that they have seen otherwise, if there was anything, that person or incident would have been handled immediately. They are doing bag checks. So if a bartender comes to work they are going to check their bags to make sure that there's nothing in it that shouldn't be when they leave and arrive. On body searches, he wasn't sure if that was the right phrase, but, you know. They want to check everything. If they have a bag they want to check it. Why would I not want to check it?

Attorney Liker said what if they don't bring in a bag. Just, they can't bring in a bag.

Louis Goldberg said the customers don't bring in bags.

Councilman Keener said Mr. Liker, he was more interested in what Mr. Goldberg has to say.

Louis Goldberg said from his understanding, drugs could be hidden anywhere. They need to be able to locate this. They need to make sure... He's pausing because he couldn't keep it together. They also have an ID scanner so they are checking every customer's... Just give him a minute. They are checking every customer's ID. So they are recording it on a computer. Every person that comes into that building, front door, back door, anywhere is not allowed to stay in the building if they don't show them a valid ID that they record in a computer. They have more alarms and emergency procedures to ensure safety of the girls. For instance, if there is something that a customer does, or anything of that nature, they make sure that they have ways to inform them. The way he runs a business is to try to show by example. Over the past three years at Mona's, he thought that many of the Sergeants, many of the Patrolmen would say that they have turned that place around from a nightmare into a place to be reckoned for. They don't allow anything. If there is any kind of drug talk from a customer they are eighty-sixed and taken out of the building immediately. If someone tries to use drugs in the room, a customer or whatnot, they are escorted out immediately, the cops are called and no refund. They do not allow any of them, even Viagra. He was not just talking drugs. Anything that is not allowed, prescription, whatever, all that stuff. There is nothing in their place allowed like that. They run the tightest most honest ship and they have never had an incident. Pete ruined everything. He didn't think they would have been able to tell that he was on something, if he was. He was never on at the premise. He has asked Sergeants. He has asked Police, what are the common signs of someone that is using meth right this minute, you know, if they are on. He did not display any of these characteristics, ever. There was never any drug dealing, drugs, anything in this house. He watches every bartender. Look at the bags under his eyes. He watches these cameras. They have almost twenty. Three hundred sixty-five

days a year. He didn't do anything there. He would have been sure of it. He literally has no life because he is tied to these cameras all day long, every day. Every single one of these are live. He sits there and watches every single room. There are twenty some odd cameras here. He has offered to give the password to the local Police Department. They can watch these twenty-four hours a day if they want, themselves. And this was before this Pete incident. He has offered things like this. They have nothing to hide. There was talk of back door during the time here. Alley stuff. They have cameras there. There is never ever been any sign of anyone, Pete, any bartender. There are shady people all over their street. They put these cameras in to protect them from people in the Western Inn that stay there. That stabbing that they provided the whole video from A to Z. From the getaway car to the actual people walking up to the window. They have provided all kinds... Any time anything goes on on their street they are providing surveillance footage. Open door policy on the footage. Every single time there's any incident on their street, the first place the cops come are to their house. If something goes on at Sue's they come to us and say, do you have surveillance of this. None of them in the house are drug users. Nobody in this house. They are going to be testing every person. They already have. It's going to be continual. He put his life, blood, sweat and tears into turning Mona's around and Pete ruined it. One thing. They have five or six people sitting behind him, ten roughly people that work for them. They have kids and families. He has kids. This is his life. They don't have this business, he doesn't have a place to live. He would never allow or hide or have any kind of drugs or anything they are not allowed to have on the list in their place.

Councilman Schmidlein asked Louis, you said you have been the manager down there for approximately three years, is that correct.

Louis Goldberg answered yea.

Councilman Schmidlein said he wanted to make sure of it, what you said there.

Louis Goldberg said since they took over Mona's he has been the head manager. Anna has been a manager, well there was one before Anna three years ago, Kathleen, and then Anna took over. When he's not there, well Anna's always there, but whether he's there as well, so there's a lot of the time, two managers. People have been talking about that they should have known or that they weren't watching it enough. They have tons of managers. Pete had no managerial duties. The brothels in Elko, Sue's, Desert Rose, Inez and Mona's, every single one of them have just regular bartenders and then managers. It's not dual duties.

Councilman Schmidlein said this is definitely an eye opener for him. Make no mistake about it. Earlier he said what he said and it is on the record, but at the same time you are proving to us that you have turned the business around over the last three years, and at the same time you got caught with your pants down in a roundabout way. He didn't mean to say is sarcastically, but at the same time one of your employees was taking advantage of their responsibility, work environment, whatever way you want to look at it. With a corrective action business plan it's going to go a long ways to what this council may decide and may not decide. He didn't know. He could only speak for himself. With the business plan going forward, it's got to be reassured to them that it's going to be fulfilled. At the end of the day, they have pulled liquor licenses here in town, and it's nothing new, but at the same time, people need to understand that it is a privilege moving forward. Anyway you want to look at it. You really have to take that into consideration. For them to sit there and

pull a business license is not what they are there for, to be honest with him. They encourage people to have successful businesses moving forward. Okay?

Louis Goldberg said to his point, they have eighteen years, not one single mark at Inez and Mona's. His wife has ran Inez for however many years before. They have never been in trouble. We donate to the school sports.

Mayor Johnson said the arrest took place on or about February 3rd and then the warrant was in place and the officers showed up at your property, or Mona's property February 4th? February 3rd. From that point forward, what did Mona's management do in reaction to that incident of officers on property with the warrant?

Louis Goldberg answered the very first thing they did was eighty-six Pete, from the whole property, both businesses. He was not allowed anywhere near. That was the most important thing they did, was that. Then that very same most important thing was looking at all of their agreements with girls, independent contractors. Implementing drug tests, searches of rooms and talking to every single independent contractor and bartender about what had happened and that this is not something that is allowed. This is what we are going to be doing to ensure this never happens again. He also went to each person privately and asked if there was anything that they had seen that they hadn't told him, something they didn't want to bring up. Did you ever notice Pete doing something? Or notice somebody else doing something? Or anything that he should be concerned with because if you have one you are worried that there might be another, right? He stripped everything down on the business and started over to say, this is how we ran it before, this is what happened, we need to make sure that we cover this hole so that there's never a chance that someone else could do it. Implementing additional background checks, because before we were relying on the City's background checks. If they gave Pete or himself a bar card, he must be a good seed because they have gone through all of the Police Department's background systems. As a citizen, all they have is the Police Department to be able to help them to know if someone is good or bad or approved. They approved him.

Mayor Johnson said another question. When did he make contact with the Police Department? Did you present any plan or response or question of the Police Department?

Louis Goldberg answered he talked on the phone with the detectives a few times. They were unaware that this was going to affect them as a business right away. It wasn't until a few days later that we thought that Pete was doing this maybe they are going to be in trouble too for whatever reason.

Attorney Liker said the Police had total access. They never told them they couldn't talk. We got all the documents. They came in there, a lot, like every day or every other day, and they talked to everybody and they allowed it. They didn't lawyer up and say no. They just allowed them that total access. They weren't trying to hide anything.

Louis Goldberg said to the point, they came in and Tawni, one of the bartenders, called him and said hey they are doing some follow-up interviews with the girls about Pete. And he said he wanted to speak to, he thought the name was John Gaylor, he wasn't sure if that was the proper name. He explained the questions they were asking. He thought there should be a lawyer there but they didn't even have a lawyer at that point. He let the interviews just happen and he watched them

live. The transcripts that Council has been provided are not what they said. The videos are all right there, the interviews. This is what was said and you can see it plain as day right there. What you see in writing was not what was said. There was either a interpretation or mistakes, he didn't know what to call it, by whoever wrote the interviews. Or words put into the girls' mouths. Regardless, the statements and these videos state factually that no one saw Pete doing anything wrong or illegal, whether it's doing the stuff or selling it. They have signs on the back door that if you are not an employee or a beer vendor or alcohol vendor, don't even knock. We are not going to answer it. No friends are allowed in the business, boyfriends, girlfriends. You can't try to sell your car at the business and have people come there. This is a business and that is it. When someone calls and asks for someone that works there, why are you calling here? This is someone's business. This is where they are working trying to make money. You don't call them, talk to them on their free time. They have copies of the new bartender and girls agreements that they have redone, that has thirty some odd items on it, that every signed and agreed to. He thought it addresses this kind of stuff so that they can ensure that they will never have someone who's doing drugs working for them or around them again. It was an eye opener. Obviously they made a mistake. He guessed they should have known. He looks at the cameras all day long. He has ten different people going around the place, bartenders, managers, whatever it may be. Not one single person said to him or anybody else, hey we think this guy has an issue and we think you need to worry about it. He has had many cops that he has talked to, Sergeant Pepper is someone he knows very well, they have been very close over the years, and he flat out asked different policemen and the detectives and such, is there anything he needs to be concerned about. Is there any proof that Pete is doing X, Y and Z? When they've been talking no one has ever said, hey this guy is using drugs, you need to get rid of him. He would have been gone within a minutes. He isn't going to stand for that. His license, he needs to eat. There is something else he keeps remembering and then forgetting. He would love to have the opportunity to prove to Council that they run as they have run for eighteen years without one single problem. You look at all the businesses in Elko, how many people have an eighteen-year record, non-privileged or privileged? How many of them have that record without having one single issue? That's notable. People are going to make a mistake. We are all human. We are going to miss something. That's why you put checks and balances. He would to have the opportunity to prove it to them. Put us on probation for a year. Let us put all these things in place and prove to you that we can be what we've been for eighteen years.

Mayor Johnson said okay. Other items?

Louis Goldberg said he was sure he had forgotten many.

Mayor Johnson said City Council?

Councilwoman Simons said she just had a quick question and either of them could answer this. She was assuming that Porshe, Saphire, Lily, Jesse, Tirly, are those all employees?

Louis Goldberg answered he didn't know what Tirly is.

Councilwoman Simons said she might have misread it or it might have been mistyped. The others are...

Louis Goldberg said none of them are employees. The only employee they have is Anna at Mona's. So they all would be independent contractors.

Councilwoman Simons said so they don't work for you. Oh, okay but they work there and they are part of the business.

Louis Goldberg said he didn't know that Tiryly, you may have mispronounced something.

Councilwoman Simons said it was probably mistyped or something so that is okay. There was one like Illis but that might have been Lilly. It's fine. Perfect. Thank you.

Mayor Johnson said, other comments, City Council? Do you have other witnesses?

Attorney Liker said he did had other witnesses and suggested, it's getting late and maybe if they could continue it. He was just going to be honest with them, his intention, you know, they would like a second chance. If they got to go on probation and they screw up one more time, then you have reason to have their license suspended or revoked. They want another chance. He has other witnesses but if they could work something out that would be acceptable and they would do whatever they want that is reasonable. They got a very profitable business. It's a lot of money and this guy duped them.

Mayor Johnson said okay, yes.

Kim Watson said she is Kim Watson and...

Mayor Johnson said, oh Kim you'll need...

Councilwoman Simons said you'll need a microphone so we can record it.

Mayor Johnson asked for the mobile mic.

Attorney Liker said he never implied or said that Mr. Coyle did anything wrong. He knew he didn't and he was just making his record, was all.

Kim Watson said she has the license. She is one of the owners. When they hired Louis they knew he was doing a great job. They always corresponded and because there was never any problem. She didn't have to come up here. He would report to her things that happened, the changes. It's everybody's method of working, trying to make a living. When her mother called her, she doesn't read English, so she said there was a letter that she had to sign and to come and give her this letter. So she called Louis and said what is this? And he goes what? And she read the letter to him and he had no idea that there was going to be a problem with Mona's. He said, ya, I fired somebody three weeks ago but he thought that was the end of his. He had no knowledge that there was something illegal going on. And he said, in fact she turned his license in right away so he was just as stunned as she was that there was going to be a hearing regarding this issue. So she begged Council to give him another chance. He has been doing a very good job.

Mayor Johnson said okay.

Louis Goldberg said there was one thing he forgot that she just reminded him. He watched the whole search of Mona's himself. That was pretty eye opening, he would say, seeing someone, like he had never even seen meth before. When they found something I went, what is that? Both the detectives said very clearly to him that it looked like a room that was inhabitable for one, like one that no one really slept in but they both said this looked like a user who had forgotten where he put the stuff and not a drug dealer who had hidden stuff around the room. Just the way it was found. Both of the detectives said it repeatedly that this looked like a user that forgot where he put the stuff and not a dealer. If they were there he would ask them to verify, he was sure they would. One of the detectives, as they were leaving, did say to him that this shouldn't affect them, that this was Pete's issue. That night or morning as it was, he was basing some stuff on what they said.

Mayor Johnson said alright. An idea that he had was whether or not they could start working on findings. Was that an option? Can they start working on findings?

Attorney Coyle said he had a lot of questions based on this but he didn't think there was an appetite for the Council to see him question the manager and the owner. He did have some sample findings that he would like to provide to...

Attorney Stanton said before we get into this, because this is kind of the next phase, he would ask the Council ask the licensee to at least summarize the remainder of the presentation. Summarize what the witnesses are expected to say and what other evidence the licensee would otherwise present to the Council, before we get into findings.

Mayor Johnson said okay.

Attorney Liker wanted to reserve his right to call, he is not agreeing to not be able to call his witnesses but he was hoping that they could agree to something.

Attorney Stanton said ya, he understood that. What he was asking is for a summary of the remaining evidence and testimony.

Attorney Liker said okay. They were going to call, well, Anna is still up there. They were going to have Anna go through the documents and they were going to show all the drug test results that came back from all the employees, and they passed, including Anna and including Louis. And then they had some pictures. They cleaned up the room. It looked horrible and it's totally clean now. They had some community donations that they contributed to the community over last, how many years?

Louis Goldberg said every year for the past eighteen years.

Attorney Liker said then they had some new ladies rules for Mona's Ranch. They got their employees, the ladies, to sign that. They got bartender rules for Mona's Ranch and had everybody sign them with, they had a bunch of stipulations on them. They had, was it twenty-five? They have twenty-five rules and he was going to go through that with Anna. What's this about? They, oh he thought they forgot a picture. Pete installed a hand sink. They have a letter back from Ben Reed, the Police Chief, our fine Police Chief, who said the work permit was returned to the Police Department on February 14th. It's a letter. They were going to introduce that. There was some

notes from Tammy and Mike, Tawni and Mike, from when, because as they said the detective's, the Police kept coming back on February 13th, so they were going to introduce those. They have a tape, because if you read through everything, other than they had the one Captain Trouten come in and testify what was said but Anna tried to explain what her version was. There is a difference between Peter...

Mayor Johnson said ya, we heard it.

Attorney Liker said and then this video is about twenty minutes. They are going to ask them to look at it and basically there's, which is Exhibit 16, it says it's a Police document. Nevada Department of Public Safety, it says Exhibit sixteen in Mr. Coyle's documents. In that there is a dated report written February 20th and basically that's where they are talking about shady people and the back door. If you listen to this tape, if you listen to this video, which is about twenty minutes, he would represent to Council that when they interviewed Natacia, they said shady individuals or they asked in the interview, you listen to her and we go through this. He was going to have Council watch the video and they could see it for themselves. For Natacia, she said drugs offered, no, no offers. Suspicious behaviors, not really, don't pay attention to him. He had medical issues, sleep thing. She talked about that. There was some discussion from the Chief about this. He said himself. He was sure he heard a version. He probably maybe read this or whatever, but if you listen to the audio she clearly said, he's not accusing anybody of lying, but they painted it like it's worse than really what was said. She denied that on that. And if you look at Emily, the second interview. Emily, is that the blonde lady? Well anyway, he got that wrong. She said party favors and she said no. Saw drugs, no. Involved in any drugs, really no. And that were her answers. And then the third interview with Chin, who pretty much said, well, she has a bad accent and you can't really, and she does have a bad accent. But you could understand what she said and she said which wasn't the easiest but you can understand what she is saying. He can see why officers said that. He's not implying that anybody has lied, or the Police have lied or anything. It's just they painted this a little worse than maybe if you really listen to it. And she's here. She left? Oh, she's the one that fell asleep earlier. She said Pete's always at the bar working. He was a hard worker. Did he offer you drugs, no. Did Pete stay here, he always go home she said. They're downstairs, he's up there. He's the only one up there basically except for one person that smoked. The room next to it. The fourth interview was with Ellen, he guessed her stage name was Ellen. It's Julie or Ellen, the fourth interview. It says Pete involved in any drugs, no. She said something, he thought she was the blonde lady, lost a job at the Boys Club or something due to alcohol rehab.

Councilman Rice asked who lost their job, Pete?

Attorney Liker answered Pete lost a job. She mentioned something about having an alcohol problem like before.

Councilman Rice said so there was some awareness in the establishment that Pete had a substance abuse problem.

Councilwoman Simons said alcohol.

Councilman Rice said no, you just said that one of the, they said that he had an alcohol problem. That's what you just said.

Louis Goldberg said he didn't think that is what she said.

Attorney Liker said they could watch the video. Bottom line is he is just going off, trying to give a short version. She's been there since 2008. Okay, so she's been there since 2008 but that is kind of what he heard, that there was some kind of alcohol problem at the other. He would like to... Maybe he is wrong. He wrote this and we can watch a video but he was just trying to summarize here. She said, did Pete offer you drugs. She said no. The fifth interview was with Sapphire, is she here?

Audience member said yep.

Attorney Liker said and she said, Pete doing anything or make people suspicious. She said no. Pete involved in anything out of the ordinary, no not really. Party favors, no. They all said no. They all said no to the drugs. And that's the video. That video was in the kitchen and didn't know if the Police were really aware. He's not implying they did anything wrong, it's just they did a summary but they left out the good parts that helped them. Some of the parts that helped them. The bottom line is when he said he read through this and he didn't see anything that hurts them, they have agreed to admit into evidence. As far as them knowing or should have known there was a drug problem. He knew it's bad and that why they will agree to probably to go on probation. And if they mess up, which they haven't for eighteen years if you combine it, get two or three years probation. Okay, let's suspend their license, revoke their license, but give them at least one chance. You guys have given other people chances. He knew it was a privilege license. He knew it looked bad. But Pete was heavy. He didn't have the pock marks. He wasn't skinny. He did all this work. Even Judge Kacin has said that the number one indicator of being on drugs is not being able to keep a job. The guy was a great worker. Never called in sick. That's what they will all say.

Attorney Stanton asked Mr. Liker, are there any other factual matters that have not been discussed during this hearing that you think the Council needs to know about prior to making findings. New factual matters that we have not gone over.

Attorney Liker said if you look at all the texts, which...

Councilman Schmidlein said he was not going to read them.

Councilman Rice asked could he lead them to the texts here in this...

Councilwoman Simons said they are in the very, very back.

Attorney Liker said they are very small so it was really hard to read them.

Councilwoman Simons said ya, they are and of course, you know you can tell that words are not right.

Louis Goldberg said it's hard to decipher text but that's probably where you got the name Jesse. It just clicked. There were actually two different Jesses there. One was a Y and the other was IE. He didn't know if he spelled correctly.

Councilwoman Simons said she just assumed it was.

Louis Goldberg said it is totally different people. And he was talking about something in the bar or something. That particular Jessie doesn't work any brothel. She was let go by almost every brothel. And then the other Jessie was someone who had worked for them or what not. He read every single one of those texts and he was amazed, oh my God, we have had 278 texts together. He didn't realize it was over eight months or something he guessed. In his opinion there was no managerial talk there. Plug in an audio device, was a lot of the things. Maintenance type stuff. Not managerial stuff. Managers do the books, deal with money, do hiring and firing, and opening and closing things. Safe access. Major decision.

Councilman Rice said Mr. Mayor, can he just ... We've heard a lot of compelling testimony but what it gets down to, we are really more interested in, he thought they all agreed that the provisions of this privilege license were violated. That there was methamphetamine in trafficable amounts in the brothel. What they really needed to determine, and they all agree about that, he didn't know if they really need to determine whether or not Pete was a manager. He was definitely an employee. He had a card. We have that he, we've seen the evidence that the Police found, methamphetamine in substantial in the brothel. He wants to make sure the licensee is given the opportunity to present everything but it seems like we are trying to try Pete as opposed to the license. That is our objective, to find out whether or not we're going to suspend or revoke this license. Again, he wanted to give Mr. Liker all of the time he needs to present the evidence he wanted but when it gets down to it he thought they were all in agreement that the license was violated. The provisions of the license has been violated and we need to... He thought that's where they need to discuss. Our Council has asked Mr. Liker if there is any other factual evidence that he needs to present and if there is you ought to, but what they really need to get to because we're not going to continue it, we are going to be here until tomorrow morning and he has to be in Las Vegas by six tomorrow night. If they are done by noon tomorrow he will be okay. He heard what he needs to hear. He wanted to make sure that there is nothing that he thought he ought to be hearing. The license was violated and he thought that they have some findings that they will hear from their attorney which he will be able to respond to as well, he supposed. He is at the point that they can start figuring out where they want to go from here.

Attorney Stanton said he would agree and he was going to interject. Is there were any other fact that the Council has not heard anything about?

Attorney Liker said he was not agreeing to suspend or revoke this license.

Attorney Stanton said that was not his question at all. Nope. His question is, is there any other fact, fact, nothing to do what the Council does with it. Is there any other fact? Any other evidence that they have not heard that they need to hear prior to deliberating this and making findings. That's what he needs to know.

Attorney Liker said look it's always better when you hear it from the live witnesses. You got to put on all your witnesses and he wanted to put on their witnesses. The bottom line is he could go through the facts. He would like to continue and see if they can work, you know, agree to something. He's not going to commit malpractice.

Attorney Stanton said nobody is asking you to do that. You are putting on evidence. Witnesses are going to testify about facts. This isn't random. They are testifying about specific things. And he is asking if there are any other facts.

Attorney Liker said he had a few more.

Attorney Stanton asked will the Council let him say what the additional facts are?

Mayor Johnson said it's up to the Council.

Councilman Keener said he had heard enough. Certainly enough from Mr. Liker. He thought that Mr. Goldberg's testimony was very compelling and he felt that he has a very good paying job and he thought it is very evident that he didn't want to do anything to jeopardize his employment opportunity that he had. He felt very conflicted. It's obviously extremely serious violation with having a narcotic, especially in trafficable amounts, within the brothel. Given the licensee's, given their experience with having eighteen years without having any violations, is something Council should take into consideration.

Councilman Rice said the establishment. You said the said the establishment has eighteen years, not, she's only owned it for three, correct?

Audience members answered no.

Councilwoman Simons said he's talking about Inez's.

Councilman Rice said oh, Inez's. Okay. Okay. But we are not talking about Inez's.

Councilman Keener said he was talking about combined eighteen years this licensee... Fifteen plus three. He thought that was something to take into consideration as well.

Councilman Schmidlein said he had a question for either Chief or Captain. After hearing a little bit of testimony here, do you feel, and he guessed it is being said that your detectives said or your officers said, do you feel this is an isolated user that was within the house or do you feel there was distribution being played throughout the house. You can understand his question, he guessed.

Chief Reed asked if he was asking about sales.

Councilman Schmidlein answered ya.

Chief Reed said from Peter Alberro. We talked about that earlier a little bit. He was charged with possession for sale. He was charged with trafficking. If they had observed a direct sale you'd know about that. You know, the rest is speculation.

Councilman Schmidlein said that was where he was going.

Councilman Rice said although, Chief, he did admit to the arresting officer at the traffic stop that he was on his way to deliver drugs in a truck with a Mona's Ranch sticker on it. Not sticker but...

Chief Reed said it's very serious and that's offsite from the property, however, he's representing that business with that and they brought that out earlier. It's very important. If he may, as they are all his bosses, and he works for them and he works for the citizens and he has a responsibility and duty to enforce this code, when you start your deliberations, just his personal opinion, he tries not to focus so much on who said what, when and he knew some parts of that are important. His business is with the licensees. His control is with the licensee not with any other employees. Not with managers. They have had a good relationship with Louis, granted, yes. But he has to hold them accountable going forward. By holding accountable is with the licensees. The code speaks to that and he has to follow that code. He has to follow that code. That's their rule book. So it's the licensee that he has to do business with that live in Las Vegas. One came, one did not. He has to deal with the licensees regardless of who they put on property. He doesn't get to see their agreements. He doesn't get to see, have passwords to their computers. That's all great and good for Louis. He hoped he runs a good business. The line definitely got crossed and there is that trust issue he talked about. This is a privilege license and the citizens of the entire City count on them to make sure the brothel industry, the prostitution industry is run cleanly and nothing else is going on. While there is good intentions, if there is a going forward, their business is with the licensees. It's a very tightly controlled clear privilege license. He just wanted to remind the Council of that. To him that is different than a regular business. And he thought the code spoke to that. And they have spent a lot of time and effort trying to make sure that accountability occurs. He went beyond the question, Robert, but...

Councilman Schmidlein said that was fine.

Chief Reed said he didn't know if he would be back up there unless they ask him so he wanted to get that out. We've gotten into the weeds on some things and that's fine but it's all about what the licensees. That's who Shanell and he have to do business with as the City Clerk and the Police Chief. It is the business owners.

Councilman Rice asked how many brothels are there in the State of Nevada. What, two dozen?

Louis Goldberg answered roughly.

Councilman Rice said so five of them are here in Elko. Twenty percent of the brothels in the...

Louis Goldberg corrected Councilman Rice that there are four brothels in Elko.

Councilman Rice asked four open. We permit five.

Chief Reed said we permit five, yes sir.

Councilman Rice said there are five buildings and there is one that is not operating. So twenty percent of the brothels in the United States of America are in our community.

Louis Goldberg said it might be closer to 30 or...

Councilman Rice said okay, so fifteen. And it is a privilege license. It is an anomaly in the rest of the Nation and it is a license that is not necessarily granted in, that is not granted in every community in the State. So, you know, he can't compare this matter to anything that he has

experienced in the last eleven and a half years on this Council. He has, one other time they had a prostitute come before them who had been denied a work permit. They had that problem. We have certainly dealt with liquor laws extensively and enforcement of them. We have seen some terrible consequences when they were not enforcing them to the point that they should have been enforced. You know they had another matter there a couple of weeks ago with a contractor who was not complying with the provisions of their license and track-outs. They said they would try to comply. You don't get to try, you have to. You have to comply. The mining industry has zero tolerance for drug offenses. He is trying to make some sort of... It's difficult to compare this to anything else but he is trying to make some comparisons. And he... So he knew they have to have some findings here but he's just, you know, and Mr. Goldberg, your testimony was heartfelt and he understood his compassion here. This is simply not acceptable. Not acceptable at all by any means. He raised a daughter in our community and he had to explain to her and talk to her about living in a community with brothels. And it's really an anomaly in the Nation. He knew that there are people that don't come here because we have brothels. They don't move their businesses here because we have brothels in our community. And they don't want, their employees are, they just aren't going to establish businesses here. It's a real privilege. It's a real privilege to operate a brothel in our community. And a huge responsibility. He guessed he was just laying it out there. They have to hear some more from their attorney. He was not terribly moved by what he heard from him or Mr. Liker tonight in regards to this. Given his experience on this board, some of the decisions they have made in regards to other matters that are similar. A new business plan, in his opinion, was not even a start. As you said, Peter blew it. And that might be the licensee's problem. They hired somebody that blew it for them.

Louis Goldberg said but they have had eighteen years. Everyone makes mistakes. Privilege license, that's true but they deserve a chance to reprove themselves as well. He heard what he was saying.

Mayor Johnson said other comments, City Council.

Councilwoman Simons said well, she had some comments but she didn't know if Tom has other...

Attorney Coyle said he did want to provide, while they are deliberating on this, sample findings and an action that leaves things open for the Council. Would like to provide one to Mr. Liker and the Clerk as well. And as Dave started at the beginning of the meeting, kind of outlining the process, there has to be findings and there has to be within those findings, grounds found in those four items that Ms. Simons was questioning him about. In those sample findings, two of those grounds are found basically at the very end in paragraphs eight and nine. Then there is a sample motion or action for the Council to consider. Obviously it is subject to modification by the Council.

Councilman Rice said as they are all looking through this, number six is the one that really sticks out for him. He asked Louis do you guys ever go in and check the prostitutes rooms?

Louis Goldberg answered that was what he was talking about, searching of rooms. Top to bottom.

Councilman Rice asked that would include, would you put into that kind of a, into that routine checking Pete's room.

Louis Goldberg answered ya, they would. They would do that.

Councilman Rice said but you didn't.

Louis Goldberg said oh, your talking... No they didn't search the maintenance room, no.

Councilman Rice asked but you did have a practice of searching the prostitutes' rooms.

Louis Goldberg answered it's...

Councilman Rice said at least inspecting them. He didn't mean searching them looking for...

Louis Goldberg said he keeps looking at that picture of Pete's room. Like even if they did search it, he didn't know if anyone other than a professional would have been able to find anything.

Councilman Rice asked but would you have... Do you not regularly inspect...

Louis Goldberg answered they do inspections all of the time.

Councilman Rice asked but you never inspected... Did you inspect Pete's room? If you inspected Pete's room, would the state it had been have caused some concern for him? Whether or not you knew there was methamphetamine or anything there.

Louis Goldberg answered he knew what he was saying. It's the tools. The tools everywhere. He's very ADD too so things go here, here, all over the place.

Councilman Rice said he had testified to his... You've been in this business for a long time. Is that...

Louis Goldberg said definitely...

Councilman Rice asked is that the sort of... Is that acceptable. The state of Pete's room, would that have been acceptable to him as a manager?

Louis Goldberg answered not for... It's tough because you don't have customers. Where his room was there was never, never a customer.

Councilman Rice said there is a lot of back office. There's always a back office. There is a back office...

Louis Goldberg said he knew and some look terrible and some look great. If you want to use the back office example, he has seen many back offices like his.

Councilman Rice asked wouldn't that be cause for some concern.

Louis Goldberg answered everything if you look closely, there is everything there like tools...

Councilman Rice said take away the circumstance. Yes or no. Would that be cause for concern?

Louis Goldberg said being him as being a very clean person, the concern it would cause for him is the dresser to put this stuff in?

Councilman Rice said he said earlier that he liked to lead by example. If you had seen Pete's room that would have been some cause for concern.

Louis Goldberg answered yes because they've always told him clean this up. It looks like a pigsty. And especially if he left something, a tool in the bar or...

Councilman Rice said perhaps you as a manager, you said, Pete, what's going on. Why are you leaving this room this way? And maybe, he's an employee of his...

Louis Goldberg said he's an independent contractor but they've...

Councilman Rice asked he's an independent contractor.

Louis Goldberg answered yep.

Councilman Rice said he thought he said he...

Louis Goldberg said the only employee at Mona's is Anna. He hears the point 100%. We've all said he's messy and he needs to clean up. There have been same issues with girls. Dishes in the sink. You aren't working unless you clean up the sink. Things like that have occurred. And there have been many times where he's cleaned things up and then it got messy again. It's not we just let it stay like that always.

Councilman Rice said but you... Did you regularly inspect Pete's room?

Louis Goldberg answered no.

Councilman Rice said you've never inspected it.

Louis Goldberg said no he didn't want to say never but he wouldn't say there was a set schedule of inspecting his room. It was a maintenance room in their opinion. A working girl's room has customers in it and all those kinds of things. Those need to be inspected daily, hourly and such because the customer facing. His room was on the second floor. No customers were allowed up there because this area.

Councilman Rice asked Ms. Watson you may need a microphone here. Did you... You've authorized Louis to essentially serve as her agent here in Elko.

Kim Watson answered yes.

Councilman Rice asked so Louis' action is you've authorized his... You authorized Louis to act on your behalf.

Kim Watson answered she trusted his decisions. Yes because through all the years they have had a good relationship and there's been...

Councilman Rice asked how often are you in Elko? When was the last time you were in Elko?

Kim Watson answered when they requested the license.

Councilman Rice said he was sorry but he couldn't...

Kim Watson said when she requested the license for Mona's.

Councilman Rice said so three years ago. You haven't been in Elko for three years?

Kim Watson answered no.

Councilman Rice said she has held a license for this brothel for three years without even being in this community? You've never visited here the entire time you have held this license?

Kim Watson answered no. She has been here three times.

Councilman Rice said she really didn't know what's going on. She's the licensee.

Kim Watson answered yes.

Councilman Rice said you really don't. You've trusted your employee but you don't know what's going on with this. It's your responsibility to know exactly what's going on in your brothel and you just told us that you really haven't, you don't know what's going on here.

Kim Watson said she communicates with him and is aware that everything's going smooth.

Councilman Schmidlein said she needs to talk into the mic. He couldn't hear her. Talk into the mic.

Attorney Liker said speak a little louder, Kim.

Councilman Rice said it is kind of drilling down to the licensee. It sounds to him that she owns a brothel. She owns two brothels. And you live in Las Vegas. The brothels are in our community and someone is allegedly selling methamphetamine out of her brothel. He had a big problem with that. He had a huge problem with it. It's like she is dirtying up our town. You are entirely irresponsible.

Kim Watson said she understood that and she was really sorry.

Councilman Rice said he had to apologize to Louis because he was putting him on the spot here. But it's your boss who is the one who has blown it. You haven't been responsible. They had a bar here a few years ago that had an absentee owner. There were people dying in that bar. And this person was living in Minnesota and reaping all the profits. She is living in Vegas. Sounds to him Mr. Liker seems to think that you have a very lucrative business. You're living in Vegas,

taking in all the profits from this operation that is happening in Elko. Let's get down to it. It's a whore house. And that's what they are. He is a pretty liberal guy but he knows that he lives in a very conservative community that often makes decisions based on morality. He thought it is shameful that this has occurred. He was ready to make a motion.

Ryan Watson asked if he could say one thing. He is Kim Watson's husband. He was here for the hearing when the license was granted. He said he was sorry, with no disrespect to Mr. Rice. Mr. Rice wasn't even here for that hearing. There were three of you, Mr. Johnson, Ms. Simmons and Mr. Keener were the only three of them that were there for that hearing when they authorized them to have that second license. You know that Mr. Keener brought up the point that they were absentee owners and he showed a concern. Chief Reed stood up for them and said they've done a good job with Inez's and there is no reason to believe that they can't continue to do it with Mona's. So he was sorry, Mr. Rice, that you didn't bother to show up for that meeting. He didn't mean any disrespect.

Councilman Rice said he didn't take is as disrespectful. From time to time in the last eleven and a half years he has missed a meeting or two. But we now have reason to believe that Mona's cannot be operated in the way that it was thought to be operated. There was confidence given in them and they have shown that they cannot have confidence in the way they operate this brothel. So he would like to, first of all, he would like to move. Should he start, how should he do this? Just start with findings.

Attorney Stanton said you have to make findings. And then your decision has to have a rationale.

Councilwoman Simons said John, before he... Do you want to hear what we all think so that when he makes a motion... Or do you think it's better to motion and then discuss?

Councilman Rice said he hadn't started so...

Councilwoman Simons said her thoughts were just this. A lot of the stuff on here she is game for. She is kind of missing the boat on why Pete has to be designated a manager but if anything, Pete was probably not hired as a manager but sometimes he did help with managerial duties and those texts prove it to her. Oh, she broke for four hours. Or, so and so couldn't come in today, whatever. That's kind of what managers did for her so she think he at least helped with some duties she would consider managerial. Was he the designated general manager, no. That's fine. She didn't know if it matters to her. That's kind of her findings. She thought that a locked room that you never go into, that there were no cameras in, a man with erratic sleep, that may or may not, and she knows they weren't clear on this, maybe had been fired for alcohol problems before. She thought that might have been a red flag. Maybe that should have been something. She did think that when you have, he said this is with your licensee, and when your licensee is out of town that is probably hard. It's probably hard to be responsible for that. Not that there aren't many people who are absentee owners of businesses. But when you have a business like that it probably is hard. It sounds like Louis is a manager that any business would be lucky to have. Nothing has showed her different. It is just hard when you are the ones that the buck stops there and you are absent, then it probably is hard. How could you know? You should have known, well how could you know? You were hours away. Those are things that she had problems with. If she had to pick, and it was just her, which she likes to dream about that she is queen of Elko and she can choose whatever she wanted, she would say let's take the license away from them. Let's give you time to

make all the changes and then let's put you on suspension for an incredibly long time. She is not talking about a year. The second something happens, you are gone. The problem with that is now Chief Reed has to take taxpayer money and put time and effort into that. That's hard too because the taxpayers cannot pay for that kind of individual attention to a business. That's where she was at. She was kind of looking, she doesn't know what everybody else's thoughts are, but it's a hard decision because she felt that Pete really screwed up. And she thought that genuinely Louis is putting forth some effort. Does she have a problem with the absentee? Does she have a little problem that there might have been some serious red flags going on? Yea but she thought they are trying and she thought Pete screwed up. She didn't know what to do about it. And she didn't know what they thought to do about it. She would really like to say let's put them on probation but she didn't want, Chief Reed, she didn't want that to fall back on him. That's not fair and that's not right.

Louis Goldberg asked if he was allowed to make a comment.

Mayor Johnson said it is only up to Council.

Councilman Rice said let's just chat.

Councilman Schmidlein said he had a question and he was going to ask it. And he asks it all the time. What do you feel, from a disciplinary standpoint, what do you think we should be doing as a Council looking out for the best interests of the people of Elko?

Louis Goldberg asked you are going to let me answer now what he wanted to say?

Councilman Schmidlein said that is fine but he also want to hear it from the owners as well. Go ahead.

Louis Goldberg said he thought they should be put on suspension for a long time. I'm sorry, on probation for a long time. He agreed with a lot of the things that had been said by Ms. Simons. If there is a way that they can flip the bill for the additional manpower of the Police force to monitor them, they would be happy to do that, to pay for it. What if they have a cop there during the whole time they are open, all day long, three hundred sixty-five a year, and they pay for it.

Councilman Rice said that is only about \$150,000 - \$160,000 a year for one cop.

Louis Goldberg said it may not be forever. Maybe it's for a year, two years, three years, whatever you guys would deem right. They need to prove that they can do things proper. He thought the best way was for the Council to be able to have that kind of confidence. He is willing to do what it takes to prove to them that is never going to happen again. Whether it is getting the cameras the Police Department to access, as well as, having someone on site the whole hours they are open, every single day, be on probation for multiple years. He is willing to do whatever it takes to have a chance to prove that they could do this right. He didn't think being shut down for a month and retooling, so to speak, is necessary. He felt they could put the systems in place in a matter of hours, days to ensure that they are ready once probation starts. If they are not ready and they make one problem, it's gone. They are already on probation. They need to make sure they can follow the probation of the rules and that they do everything properly. He's not going to be on probation and have Council take it away. They want to make sure they can live up to the expectations and follow

them. They want to do whatever it takes. They need to do and prove and be able to have Council feel confident that there's not going to be any issues in that house. If it means having a cop in there every single day that they pay, he is open to any type of ideas like that that will guarantee there are not issues of safety. Anything at all.

Attorney Coyle said he had one comment, Mr. Mayor, regarding Councilwoman Simons question about a manager and he didn't think the title so much was important. They just wanted to show the Council that is was someone more than a maintenance individual that they were performing other functions and were an integral part of that business. If you want to back from that language in the findings, he thought that was not a problem. The code, as the Chief mentioned, when you are a bartender, at least under our code, you are a bartender/manager and that's the common practice.

Mayor Johnson said he thought that was a good step, is just to work on the findings. It will help them come to a decision as far as what they think needs to happen or an action by the Council.

Councilwoman Simons asked if there were some things they could all agree on, on this.

Mayor Johnson said he thought so. He thought that this is a good way to narrow it down and then they could probably talk about something that's...

Councilman Keener said they are waiting to hear from the licensee too.

Mayor Johnson said that is up to you City Council.

Councilman Rice said he asked Ms. Watson earlier if Louis was her agent. And she said ya. We've heard from Louis.

Councilwoman Simons said Robert had asked her a question.

Councilman Schmidlein said either way, it doesn't matter. He asked the Mayor to speak a couple things of where do you think you are going and so on and so forth.

Mayor Johnson said okay. Sure. Just again in just discussing as far as the findings go. One is easy. Mona's Ranch is a licensed brothel. Two, Mr. Alberro was acting in the capacity, and he is willing to change that, maintenance/bartender for Mona's Ranch.

Councilman Rice said you could just say, acting in the capacity in accordance with our code as manager/bartender.

Mayor Johnson said that's fine. He thought also maybe adding, and living on site. He thought that was key.

Councilwoman Simons asked does it talk about it in there.

Mayor Johnson answered it does but if he was going to change it he would put that there. As far as A goes, arrested for serious felony and drug trafficking, he thought the Mona's sign on the tailgate of the truck should be a finding. He agree with the rest. He underlined on seven that there

is a violation by a person that works on a regular weekly basis in Mona's in a provision entitled for Chapter 9 of City Code where the licensee knew or should have known of the violation. Council finds that the licensee knew or should have known of the conduct of Mr. Alberro in storing and possession in the unlawful manner. The trafficking quantity of methamphetamine. Knowing permitted the existence of health hazards. So that is what he would do on findings. It's pretty minor. He could live with how it's drafted or if you wanted to change a word or two. Then just emphasize some of the things pulled up and then he is willing to listen more of what Council action should be. When he first heard of this situation he was very concerned of it. He was concerned of the response from the business management. That was the questions he continually ask the Chief. Where's the manager. Where's the owner. What's happening. What's the plan. He just thought it was too much of the time that the incident happened to the warrant to the issue. He didn't know if they really heard. If any of them had had issue, so to speak, where we had things come that we didn't know about, Councilman Keener eluded to it. It happens. He just felt that under this circumstance the owner needed to respond quicker. This is an illegal activity for most of the US, besides Nevada, and the theory of it is that if we make it legal then we will benefit from that activity because we are aware of what is happening. And that we don't have other things that normally come with prostitution, of which has happened in this case. Just having that type of activity within this type of business, as far as people support brothels, really goes against the whole theory of. It's unfortunate but people expect to have that quality control, if you will. In this case, didn't. Honestly he could tell them that he is back and forth as far as what it is. Again, he indicated earlier we definitely are looking at a suspension and so he is back and forth whether it's a suspension or to revoke the license. He is certainly open to listen and be as fair as he possibly could. Those are some of the things that he was seeing.

Councilman Rice said he has been going back and forth too. He has actually been leaning towards revocation. When Ms. Watson told them the last time she was here was when she applied for the license, and has not appeared in our community for three year as the licensee of a brothel, there is a considerable amount of negligence in operating. There really is a carelessness in her practice that is dangerous to the community. They have the findings there and they can go that direction. He really thought that they need to revoke this license. They still have another brothel to depend on for income. This is a terrible, terrible thing. Two weeks ago they, and he didn't want to stir is up or anything like that, two weeks ago they prohibited the legal sale of medical and recreational marijuana in our community. He argued for allowing that. One of the reasons he cited was that they accept that they live in a community with legalized brothels and that we are stewards of the sex trade. If we allow a brothel, how could we not allow legal marijuana? He thought the Council would, the Council had set a precedence for this sort of thing in our community. He believed revocation was the only path that they should be taking. He knew it was a tough path and they've never done something like this before. In the past, we took our time dealing with some very serious problems with alcohol and people died while they were giving people breaks. They remember that. It was a pretty ugly time. He didn't think a privilege license that has been violated the way this one does deserves a second chance.

Mayor Johnson said other comments, City Council?

Councilman Keener said Chief brought up a great point that his relationship, no matter how great it is with Louis or whoever the general manager is, the Chief's legal relationship is with the licensee. That presents some practical difficulties, as well. This is a very, very complex case.

Councilman Schmidlein said he couldn't agree with them more. He was on the fence right now, whether they revoke, whether they suspend, cease all operations. They have a responsibility to look out for all the citizens of Elko and the best interests for the health and safety. If they don't support their Police Chief, then what are they doing? They have a responsibility to keep a safe City environment for us. The licensee is a huge issue. As we discussed this previous with the owners in Minnesota. If there is some way they could revoke and have them reapply, so be it. If not they probably need to revoke permanently.

Councilwoman Simons asked if it could be tied to another business license. Could you say revoke it but there's no problems at the other facility. You can't do that, right? That would be weird.

Mayor Johnson asked if the Council had the option to suspend and then later, if the business plan, if a business plan was presented to Council then they could make a decision to revoke?

Councilwoman Simons added or to renew?

Councilman Schmidlein asked if they could temporarily suspend with, I agree.

Mayor Johnson said the City is in control. If they suspend the license, we give people a chance to respond back to it and then see what the plan is and then make a decision whether or not to...

Attorney Stanton said it would be a suspension for X number of days or months, whatever. It would be a suspension for that period of time and within that period of time the licensee would prepare and provide to the City Council a plan that meets certain criteria. After that period of time, the Council would examine it and if it determines that the conditions have been met then lift the suspension. That could be done. That's different than a revocation. A revocation is permanent.

Mayor Johnson said right. He just brought that up as far as making a decision tonight. It's late. They're late. They are probably a little more tired than when they started. It's one way of getting to a next step. It's just an idea.

Attorney Stanton said there's a minor point, maybe. He knew that they went through the findings kind of quickly. Before they make any decision, whether it's a suspension or revocation, if you are going to go that way, or place the licensee on probation, you have to read the findings into the record.

Mayor Johnson said okay. Are pretty much settled on the content? He could live with what is in writing. He just threw up a couple of suggestions here and there, but for the most part, it's fine.

Councilman Rice said the reading of the findings does not, does it need to be connected to a motion?

Attorney Coyle said he thought it should be a motion that these are the findings we made, and then a second motion on what action you would be taking.

**** A motion was made by Councilman Rice, seconded by Councilman Keener, to the Council has made the following findings in this case: 1. Mona's Ranch is a licensed brothel in the City of Elko. It is a general partnership. The general partners do not reside within**

the City. 2. Peter Alberro was acting in the capacity in accordance with City Code of a Manager/Bartender for Mona's Ranch and substantial evidence was produced in support of this finding. 3. On or about February 3, 2018 and during subsequent investigation: a) Peter Alberro was found to have in his vehicle at a traffic stop substantial quantities of methamphetamine and drug paraphernalia. Alberro was arrested for the serious felony of drug trafficking, among other offenses; b) Peter Alberro admitted and/or was shown by sufficient evidence to be involved in drug sales. There appears to be a nexus between his drug activity and the room he used and occupied at Mona's; and, c) Peter Alberro's room in Mona's Ranch, at 103 S. 3rd St., in Elko, NV, was used as a residence in connection with his managerial duties. Peter Alberro's exclusive use of this room appears to have been allowed by ownership and/or management of Mona's. In this room, Peter Alberro kept large "trafficking" quantities of meth, as well as devices used for the purpose of furthering drug sales and transactions. There is information indicating that individuals often met with Alberro at a door in alley in back of Mona's, which is inconsistent with use by brothel customers, who typically enter through the front door. 4. Methamphetamine is a controlled substance under NRS Chapter 453. Trafficking and possession for sales are serious offenses in the Nevada criminal statutes. The City of Elko has a serious and continuing problem with methamphetamine sales and use by criminal elements within the City. The sale and use of methamphetamine are considered by the Council to be injurious to the health, safety and welfare of the public and its citizens. 5. The amount of methamphetamine found at Mona's is substantially more than would be ordinarily kept solely for personal use. Moreover, the packaging, scales and much of the drug paraphernalia was not for personal use either. The presence of this methamphetamine and paraphernalia endangered and was injurious to the health, safety and welfare of the employees and customers at Mona's, and the public at large. It is foreseeable that drug dealing will often lead to violence and further criminal activity at the location where it takes place, and it can cause adverse health consequences to those in the vicinity. 6. The owners of Mona's have at all times known that brothels are a heavily-regulated industry and that a brothel license is a privilege license. Despite this, the owners, through neglect or otherwise, created a business environment in which Peter Alberro was allowed to function as a manager, reside on the premises and keep trafficking quantities of meth and scales and other paraphernalia in a locked room under his sole control, apparently as part of an ongoing drug dealing operation. This conduct is grossly negligent, creates a health and safety hazard on the brothel premises, and endangers and is injurious to the health, safety and welfare of the public. 7. The Elko City Council may revoke, temporarily suspend or place on probation (with or without conditions) a brothel license based on a determination of one or more of the following: a) that the brothel was operated in violation of any applicable city, county, state or federal ordinance, statute or regulation; b) that there is a violation by a person who works on a regularly or weekly basis in Mona's of any provision of Title 4, Chapter 9 of the City Code where the licensee knew or should have known of the violation; c) that a licensee knowingly permitting the existence of a health hazard on the premises occupied by the licensee's operation; and/or, d) any other cause which the city council determines to be contrary to the health, welfare and safety of the general of the City or its residents. 8. The Council finds that the licensee knew or should have known of the conduct of Peter Alberro in storing/possessing in an unlawful manner the trafficking quantity methamphetamine and drug paraphernalia on the premises and, therefore, knowingly permitted the existence of a health hazard on the premises of Mona's. 9. The Council finds that the information presented to Council at the hearing demonstrates conduct at Mona's Ranch that is harmful or injurious to the health, welfare and safety of the

employees of the establishment, the customers of the establishment and the City and its residents, and that this conduct has a significant relation to a failure on the part of the licensee to supervise its manager; accordingly, the licensee bears responsibility for allowing the illegal activity to take place on the premises. Those are the findings of the City Council.

The motion passed unanimously. (5-0)

After the motion and before a second or a vote, Mayor Johnson said it was move to accept findings. That's what the motion is.

Councilman Rice said the motion is to accept those findings.

Councilwoman Simons said she knew that you said that you are very concerned about some negligence issues so on that 7c, do you still want to go with that because if you are saying there negligence then she didn't knowingly permit the existence.

Councilman Rice reread, That a licensee knowingly permitted the existence of a health hazard on the premises by the license...

Councilwoman Simons said she knew his argument was that she didn't know because she wasn't here and whatever.

Councilman Rice said oh, he saw what she was saying.

Councilwoman Simons said there was two...

Attorney Stanton said you can say should have known.

Councilman Rice said ya, that the *licensee should have known*.

Councilwoman Simons said the only one she had a headache with at all is the last part of C, just because there was conflicting information about whether Alberro met. Some people are saying they have evidence that didn't happen. Some people are saying they have evidence that wasn't really presented.

Councilman Rice said so this is number 3C.

Councilwoman Simons answered ya.

Councilman Rice said to strike "There is information", to the end of that paragraph.

Councilwoman Simons said she didn't know if it was proved one way or another, so it's hard...

Councilman Rice said it is indicating, it's not alleging it or anything.

Councilwoman Simons said indicating the individuals, so maybe you are okay. She didn't know.

Councilman Rice thought it was okay there. Was there a second?

Mayor Johnson said not yet.

Councilman Keener seconded the findings.

Mayor Johnson said all right, moved and seconded. Further discussion?

Council voted on the motion.

Councilman Rice asked so a motion in regards to further action needs to be connected to the findings, justified by the findings, specifically or?

Attorney Stanton said what it says in the code is the reasons for the action taken by the Council have to be given. The reason should be tied to findings that were made.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, for the revocation of the brothel license with a cessation of all brothel activity as the premises of Mona's based on the findings that Council had just accepted, and specifically looking at finding number three which is a violation of our City Code 4-9-16, and then also citing number seven, that the licensee should have known about the activity that was taking place in the brothel, and it appears did nothing more than contact her agent in the community about what was going on at the brothel but was not directly involved in it, which shows negligence, and number eight, that the licensee should have known of the conduct of Peter Alberro, and that the licensee's agent actually told us that Peter Alberro quarters were never inspected, and while other quarters for other contractors working under that roof were regularly inspected, and finally that the Council finds that conduct at Mona's Ranch has been harmful and injurious to the health, welfare and safety of the employees of the establishment, the customers of the establishment and the City of Elko and its residents, and that this conduct was directly in relationship to the licensees failure to adequately monitor what was happening in the establishment.**

The motion failed. (1-4 Mayor Johnson, Councilwoman Simons, Councilman Schmidlein and Councilman Keener voted against.)

After the motion but before the second and the vote, Councilman Schmidlein said he had one question. You are wanting to permanently revoke this period. You are not going to consider option B with all your findings for a set period of time and then they can reinstate?

Councilman Rice answered no. No, he is happy to discuss if there is a second. Then we can discuss it. That was his motion. The motion is for revocation. He didn't think they had any other... Either revoke it or, no. Anyone want to second just for sake of discussion?

Councilwoman Simons said she would second.

Mayor Johnson said all right. Moved and seconded. Further discussion?

Councilman Schmidlein asked if anybody was considering any other options.

Councilwoman Simons said she just wanted...

Mayor Johnson said they might. You don't know how the vote will go.

Councilwoman Simons said she wanted to talk about it.

Councilman Schmidlein said go ahead and go Mandy.

Councilwoman Simons said she just wanted to second it so they could get a conversation going. She wasn't saying she had any great insight. They all know that she would love to scrub the town and paint it Disneyland. Obviously she doesn't love the idea of brothels or bars or mean people. But she hates to just pick on businesses too. She knows they weren't picking on them, she just didn't know if she was at a point where she just thought they didn't do as much as they should. End of discussion. Did they know there were drugs going on and just turned a blank eye? She didn't know if she could say that either. She is just on the fence.

Councilman Schmidlein said he is willing to go ninety-day suspension, cease all operations, have them come back with a business plan is where he is going with this whole thing.

Councilwoman Simons asked if they could reapply?

Councilman Schmidlein said they could reapply at that time if they approve their business plan.

Attorney Stanton said it wouldn't be a re-application, just a technical point. It would be lifting the suspension.

Councilman Schmidlein said cease all operations for ninety days and they can come back with a business plan to us. We either accept it or we totally revoke the license, period. That's his two cents.

Councilman Rice said he has been down this road before with other privilege licenses. They have given other privilege licensees second and third and fourth chances. Again, he will go back to it. People died in the interim. This is a serious, serious matter. The eyes of the community are on them. They know how they voted on legal marijuana two weeks ago, and they are going to know how they vote on this issue tonight. And so will the entire state because this will hit the wire. He was telling them that it is a... We live in a community that has zero tolerance in organizations. Zero tolerance for drug use. Here we have a privilege license. It's a brothel. One of two dozen, maybe three dozen in the entire nation, and they violated their license in a serious, serious way. And the licensee had admitted to them that she had not even set foot in our communities since she grabbed the license. She doesn't care about our community. It's evident. He was going to obviously vote in favor of this. He thought they should too.

Councilman Schmidlein asked if they had any comments.

Councilwoman Simons thought she would be there with John. She walked into this meeting thinking it was no brainer, man. Now she had her doubts.

Louis Goldberg asked if he was allowed to say anything.

Councilman Rice and Councilwoman Simons both answered nope.

Councilman Keener said let him just throw this out there as a condition for legal to consider. If a name was added as a licensee, ie, Louis Goldberg, would that be a new application or what's the process. He was just thinking strictly for the sake of having local presence here of a licensee.

Attorney Stanton said he supposed they could go through the process of amending the license. He didn't think the code really contemplated it.

Councilman Keener asked John does that go anywhere towards satisfying any of his concerns.

Councilman Rice answered no, it doesn't. He had avoided the word. It would be a hypocritical act, he believed. Mr. Liker talked about equal justice under the law. We are treating an illegal act with impunity when you compare it to what they did with a legal act two weeks ago. He understood the way the vote, that vote went. We are punishing law abiding citizens in our community by not, in a way that would be more severe than simply suspending this license for ninety days. We have grounds to revoke this license, absolutely.

Councilman Keener said he understood that.

Councilman Rice said given the direction that the Council has taken, he thought it was becoming confusing if we don't revoke this license. If we simply slap their hands for ninety days and let them start up again with a Boy Scout promise that they'll do better, then he thought they were being hypocrites.

Councilman Keener said he thought it would be an entirely different conversation had other employees within the establishment known and had knowledge and had a positive UA, for instance, that drug use was going on. But he felt moved by the testimony that he heard from employees, co-workers that had absolutely no idea that this was going on. When you look at his room, my goodness, it looked a natural disaster area. He was sure no one else saw in there what was going on.

Councilman Rice said absolutely. It is his feeling and he thought it was in the findings that they ought to have known what was going on in that room. That wasn't Peter Alberro's private room. That is a room in Mona's. The manager never entered it. That is negligence. He questioned him extensively about how he would have, he never really answered the questions, but directly. In his opinion had he entered that room and seen what a wreck it was, that it would have raised some suspicions. He acts as the agent of the licensee. He was not managing that brothel the way we require it be managed.

Councilman Keener said he didn't disagree with that at all.

Councilman Rice said the motion has been made and seconded.

Councilman Schmidlein said his question was if it passes they move forward. If it fails do they come back another motion. Let's move forward.

Council voted on the motion.

Mayor Johnson asked for another motion. Here was where he was after listening to John. He thought they were on better ground to go for a suspension and give them a chance to think. The example that John brought up is probably weighing heavy on what decision should be made. He didn't know if that was quite fair. It is a very valid point of the actions they took in the past. He didn't know if it was fair in this case. Just weighing that, he thought it was fairer for all parties involved to go for the suspension for X amount of days. The City Council is still in control. It's not that they would be automatically reinstated. That they have to present to the Council and to the City of how they are going to change their business activities and then they could make a decision at that time.

Councilwoman Simons said that John was right. The negligence was bad so she didn't think a suspension for days. She thought its...

Councilman Rice said he was sorry. You guys go ahead.

Mayor Johnson said they could make the same motion again.

Councilwoman Simons thought a suspension, not thirty days. Like six months.

Councilman Rice said how about a 36 months.

Councilwoman Simons said she was thinking at least six months. It sounds like they have plans to go back to ground zero. Let's get it done. And then come back and then think about it again. Because...

Councilman Schmidlein said he was saying ninety. If she wanted to go six months then pick six months.

Councilman Keener asked if they were talking about cessation.

Councilman Schmidlein answered yes.

Councilwoman Simons said oh. Well it would be...

Councilman Schmidlein said basically temporary cease all operations for ninety days.

Councilman Keener said that was what he wrote down.

Councilman Schmidlein said basically they could go with all the findings that John presented on the last motion and then come back with a business plan after ninety days, or if it is one hundred eighty days, whatever you guys want to go for, and then they will review their business plan and make a decision whether we accept or revoke permanently.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Keener, to go with ninety days with all the findings that John presented previous to this.**

The motion failed. (2-3 Mayor Johnson, Councilman Rice and Councilwoman Simons voted against.)

Mayor Johnson said moved and seconded. Further discussion?

Councilman Schmidlein added then they will have to come back with a... okay.

Attorney Coyle said it is a condition suspension where it is suspended for ninety days. The licensee is to come back with a business plan. If that is accepted then they go forward. If it is not accepted then revocation.

Councilman Schmidlein said revoke permanently.

Councilman Keener said he would accept that.

Attorney Coyle said there was one point he wanted to say. He had to run this by Dave. The way he read the code is this is on the brothel license, not any other license that is there. You get to order their brothel license to be ceased and that includes brothel activities but, for example, the liquor license would not be applicable. Maybe that weighs in if you want any other conditions.

Councilman Schmidlein asked if he could add that. When he says cease all operations... I can't do that?

Attorney Stanton said you cannot do that. The liquor license is not before the Council tonight. Just the brothel license.

Councilman Schmidlein asked if they revoked the license, they still have a liquor license at the same establishment?

Councilwoman Simons said yea. It would just be a bar basically.

Councilman Rice said just dancing, no diddling.

Councilman Schmidlein said he would like to keep his motion the way it is. And when he says suspend all operations, it would be all the brothel operations. Because we cannot suspend the alcohol license.

Councilwoman Simons said you are saying all brothel operations, all brothel license.

Attorney Stanton said if you are suspending operations in this motion, it would operations permitted under the brothel license.

Councilman Keener seconded the motion.

Councilwoman Simons thought it was too light. The other one was too heavy and this one is too light but she gets where they are going.

Mayor Johnson said they have moved and seconded for suspension for ninety days.

Council voted on the motion.

Councilwoman Simons asked Mayor Johnson why he voted no.

Mayor Johnson answered length of days. That's fine.

**** A motion was made by Councilman Rice to revoke the brothel license.**

The motion died for lack of second.

**** A motion was made by Councilman Schmidlein, seconded by Councilwoman Simons, to cease all brothel operations for one hundred eighty days (180) based on the findings that have been discussed previous in all the motions, and then they come back with a business plan after 180 days, and they make a decision whether they accept it or not. If the business plan is accepted then the suspension is lifted and if the business plan is not accepted the license is revoked.**

The motion was restated below.

Attorney Stanton added if the business plan is accepted then the suspension is lifted and if the business plan is not accepted the license is revoked.

Councilman Schmidlein added with that, there will be a probation period. He got where he was going. There will be a probation period for two years after that if Council grants that. Is that possible to do that?

Attorney Stanton said it's a probationary period if there is some condition that makes is probationary.

Councilman Rice said you could do that when they come back.

Councilman Schmidlein asked they could do the conditions when they come back.

Attorney Stanton said what they could do is, and he offered to help rephrase the motion. This would be a motion **to suspend the brothel license for a period of 180 days, subject to the following condition. That after the expiration of the 180 days, the licensee will present a business plan to the City Council and based on that business plan, the City Council will either A) lift the suspension, B) place additional conditions on the licensee to include probation with conditions, or, C) revoke the brothel license permanently.**

The motion passed. (4-1 Councilman Rice voted against.)

After the motion and before the second and the vote, Councilman Schmidlein agreed to the rephrased motion.

Councilwoman Simons seconded the motion.

Councilman Schmidlein said everything that he mentioned. He wasn't going to repeat it. He was half asleep but not really. He wanted to understand A. Repeat that again.

Attorney Stanton answered lift the suspension.

Councilman Schmidlein said then C was revoke.

Attorney Stanton answered yes.

Councilman Schmidlein said his motion stands.

Councilwoman Simons said she would second it.

Council voted on the motion.

Attorney Liker asked if they were done as of right now.

Councilwoman Simons said it has to be posted at the facility, right?

Attorney Coyle said there has to be a notice of proceeding that will be prepared and then posted.

Mayor Johnson said he would work out the details with the Chief. It could be immediate.

Councilman Schmidlein said that was what they did with the Horseshoe. Do they need to go back and add that on right now to say it will cease as of midnight tonight?

Attorney Stanton said it is in the code how it works.

Councilman Schmidlein said never mind then.

BREAK

Councilman Schmidlein left around 10:20pm

- F. Second reading, public hearing, and possible adoption of Ordinance No. 826, an ordinance increasing the corporate limits of the City of Elko, Nevada, pursuant to the provisions of N.R.S. 268.670 annexing thereto a certain tract of land partially contiguous to, and not embraced within the present limits of the City of Elko described as follows: a parcel of land located northeast of the intersection of Statice Street and Delaware Avenue in Section 36, T. 35 N., R. 55 E., MDM, Elko County, Nevada, consisting of 62.03 acres, filed by Surebrec Holdings LLC., and processed as Annexation No. 2-17, and matters related thereto. **FOR POSSIBLE ACTION**

Council accepted the petition for the subject annexation on January 23, 2018, and directed Staff to continue with the annexation process by referring the matter to the Planning Commission. The Planning Commission considered the annexation on February 6, 2018, and took action to forward a recommendation of approval with

findings back to Council. City Council held First Reading of the ordinance on February 13, 2018. CL

Cathy Laughlin, City Planner, explained where the parcel is located. They were here tonight but they left. The utilities are in close vicinity of this parcel but sewer will require a lift station or a bore under I80. She recommended adoption.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to adopt Ordinance No. 826.**

The motion passed. (4-0 Councilman Schmidlein was absent.)

- G. Second reading, public hearing, and possible adoption of Ordinance No. 827, an ordinance increasing the corporate limits of the City of Elko, Nevada, pursuant to the provisions of N.R.S. 268.670 annexing thereto a certain tract of land partially contiguous to and not embraced within the present limits of the City of Elko described as follows: a parcel of land located on the north side of West Idaho Street approximately 2,500 feet east of I-80 Exit 298, in Section 19, T. 34 N., R. 55 E., MDM, Elko County, Nevada, consisting of 3 acres, filed by Swire Coca-Cola USA and processed as Annexation No. 3-17, and matters related thereto. **FOR POSSIBLE ACTION**

Council accepted the petition for the subject annexation on January 9, 2018, and directed Staff to continue with the annexation process by referring the matter to the Planning Commission. The Planning Commission considered the annexation on February 6, 2018, and took action to forward a recommendation of approval with findings back to Council. City Council held first reading of the ordinance on February 13, 2018 CL

Ms. Laughlin explained where this parcel is located. It is owned by Swire Coca-Cola. The sewer is not available at this time but there will be water service. She recommended adoption.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to adopt Ordinance No. 827.**

The motion passed. (4-0 Councilman Schmidlein was absent.)

- B. Review, consideration, and possible action to adopt Resolution No. 6-18, a resolution of the Elko City Council, adopting a change in zoning district boundaries from AG (General Agriculture District) to IC (Industrial Commercial), approximately 62.03 acres of property located generally northeast of the intersection of Statice Street and Delaware Ave., filed by Surebrec Holdings, LLC. and processed as Rezone No. 10-17, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the Subject Zone Change Request on February 6, 2018, and took action to forward a recommendation to Council to adopt a resolution, which conditionally approves Rezone No. 10-17. CL

Ms. Laughlin explained this is the same parcel we just discussed the annexation application on. They requested that a rezone be done at the same time. They requested Industrial Commercial and staff felt it was good fit for the area. She recommended approval.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to adopt Resolution No. 6-18.**

The motion passed. (4-0 Councilman Schmidlein was absent.)

- C. Review, consideration, and possible action to adopt Resolution No. 7-18, a resolution of the Elko City Council, adopting a change in zoning district boundaries from (LI) Light Industrial to (IC) Industrial Commercial, approximately 1.5 acres of property located generally north side of Silver Street between River Street and 1st Street, APN 001-691-007, filed by MRP, LLC., and processed as Rezone No. 11-17, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the Subject Zone Change Request on February 6, 2018, and took action to forward a recommendation to Council to adopt a resolution, which approves Rezone No. 11-17. CL

Ms. Laughlin explained this parcel is along Silver Street. It is the property in which the one building that has Social Security Administration in it. They have plans for a second building on this property. They feel the rezone is consistent with the RDA Plan. She recommended adoption.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to adopt Resolution No. 7-18.**

The motion passed. (4-0 Councilman Schmidlein was absent.)

- D. Review, consideration, and possible action to adopt Resolution No. 8-18, a resolution of the Elko City Council, adopting a change in zoning district boundaries from (AG) General Agriculture to (LI) Light Industrial, approximately 3 acres of property located generally on the north side of West Idaho Street, approximately 2,500 feet east of I-80 Exit 298, filed by Swire Coca Cola, USA and processed as Rezone No. 12-17, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the Subject Zone Change Request on February 6, 2018, and took action to forward a recommendation to City Council to adopt a resolution, which conditionally approves Rezone No. 12-17. CL

Ms. Laughlin explained this is the same parcel we just discussed annexation for. The applicant has asked for the rezone of Light Industrial. Staff felt that was a good fit for the surrounding area. She recommended adoption.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to adopt Resolution No. 8-18.**

The motion passed. (4-0 Councilman Schmidlein was absent.)

- E. Review, consideration, and possible action to adopt Resolution No. 9-18, a resolution of the Elko City Council adopting a change in zoning district boundaries from R (Single Family and Multiple Family Residential) to RO (Residential Office), approximately 0.086 acres of property located generally on the south side of Court Street, approximately 50 feet east of 9th Street, filed by Jason Land on behalf of Blaine Branscomb and processed as Rezone No. 2-18, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the Subject Zone Change Request on February 6, 2018, and took action to forward a recommendation to City Council to adopt a resolution, which conditionally approves Rezone No. 2-18. CL

Councilman Rice disclosed he is the next door neighbor and friends with Blaine Branscomb but he didn't believe that relationship had any effect on his judgement on this particular matter.

Ms. Laughlin explained this parcel is on Court Street and next to Bella's Interior, that is now vacant. It is extremely blighted and ran down. The applicant is proposing to refurbish the property. The applicant has requested RO zoning to turn this into a professional office. It will also require a conditional use permit. It is in conformance to the RDA plan. They felt it was consistent with the surrounding properties in the area. It is not in strict conformance to the Master Plan but they do not feel it frustrates the goals and policies of the Master Plan. She recommended conditional approval.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to adopt Resolution No. 9-18.**

The motion passed. (4-0 Councilman Schmidlein was absent.)

VIII. REPORTS (cont.)

- A. Mayor and City Council
- B. City Manager

Curtis Calder reported on the sales tax for December. It is trending 10% up. We are over \$700,000 over budget. Staff is working on budget. They are going to plan on a budget workshop. Frontier, he got an email from them and they will be present for a presentation March 27th.

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. **ACTION WILL NOT BE TAKEN**

There were no public comments.

There being no further business, Mayor Chris Johnson adjourned the meeting.

Mayor Chris Johnson

Shanell Owen, City Clerk