

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

SS March 12, 2013

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, March 12, 2013.

This meeting was called to order by Mayor Chris J. Johnson

NOTE: The order of the Agenda has been changed to reflect the order business was conducted.

Mayor Present: Chris J. Johnson

Council Present: Councilman John Rice
Councilman Rich Perry
Councilwoman Mandy Simons
Councilman Robert Schmidlein

City Staff Present: Curtis Calder, City Manager
Delmo Andreozzi, Assistant City Manager
Shanell Owen, City Clerk
Matt Griego, Fire Chief
Ryan Limberg, Utilities Director
Fritz Sawyer, WRF Superintendent
Dennis Strickland, Public Works Director
Dawn Stout, Administrative Services Director
Doug Gailey, Human Resources Manager
Ben Mangeng, Information Systems Manager
James Wiley, Parks and Recreation Director
Dawn Leyva, Recreation Services Manager
Joe Carr, Parks Superintendent
Rick Magness, City Planner
Jeremy Draper, Civil Engineer
Ted Schnoor, Building Official
Don Zumwalt, Police Chief
Dave Stanton, City Attorney
Robert Spencer, Electrical/Facilities Superintendent
Diann Byington, Recording Secretary

ROLL CALL

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**

There were no public comments.

**APPROVAL OF MINUTES February 26, 2013
FOR POSSIBLE ACTION**

The minutes were approved by general consent.

I. SPECIAL PRESENTATION

- A. Review, consideration, and direction to Staff regarding the Fiscal Year 2013/2014 Budget, inclusive of the General and Governmental Funds, and matters related thereto. **FOR POSSIBLE ACTION**

Staff's presentation will exclude all Enterprise Funds, which will be reviewed at a subsequent meeting. DS

Dawn Stout, Administrative Services Director, explained she will be discussing governmental funds; the major one being the General Fund with the City of Elko, which is the main operating fund. She will go through the report in depth. The things provided out of the General Fund are all administrative services, which are basically all of the people in this building. We have Police and Fire which are in a public safety function. We have Public Works which includes the Street Department, our Fleet Department, our Engineering Department, and our Facilities Department. We have health which is the Animal Shelter and Cemetery. We have Park and Recreation which is the Pool and the Parks Department. The Municipal Court is paid out of the General Fund. We have community service support which is the various different community donations that the council makes every year to the various different organizations.

City Property Tax Breakdown: The City currently has a 0.92 property tax rate per \$100 of assessed valuation. That is based on 35% of the value of a home. When you talk about home valuation, she likes to look at the average assessed valuation of a home in the City of Elko. She has listed two different values; \$150,000.00 and \$200,000.00. Based on the various different tax rates that the city has you can see what that generates in revenue for the General Fund. The Debt Service tax rate which goes to help pay for the 2010 street bond is \$0.07. We have our Capital Equipment fund which gets an \$0.08 property tax. We have our Capital Construction fund which is the fund we use for reconstruction and construction of all of our major street projects that we have out there. At the \$0.92 tax rate on the assessed valuation that generates \$483.00 per home at \$150,000.00 or \$644.00 per home at \$200,000.00.

Taxes Paid by City Residents: Within the city we pay the overlapping tax rate. We pay taxes to the county, the state and the school district. Unfortunately when people get their tax bill they just assume all the monies come to the City of Elko. Based on the most recent information

received from the Department of Taxation, the total assessed valuation for the City of Elko is \$429 million. The total amount of that goes to the county taxes and they have a tax rate of about \$0.79 and they get about \$3.4 million. The school has the highest tax rate. They have two different tax rates which are both \$0.75 per \$100.00 of assessed valuation. They get about \$6.4 million. The TV district, the State of Nevada and the ECVA have small portions that they get as well. The city is at the bottom. The total amount of the monies that the city taxpayers pay to the City of Elko are about \$4.1 million. That is based on raw assessed valuation. This does not take into consideration any abatement.

Total Tax Paid by Home Owner: Based on \$150,000.00 average home, you can see the amounts on that home that go to the various different agencies in the county and the state from those taxes. The overall tax bill on \$150,000.00 in assessed valuation generates about \$1,800.00. Of that amount \$500.00 comes back to the City of Elko.

Elko County Sales Tax Distribution: is the consolidated tax which we talk a lot about. It is at 6.85% and based upon anything you purchase at the store that is taxable. Of those monies, only about 12.5% comes back to the City of Elko. You can see the breakdown of those various different taxes and where they go. The bottom line is that when those taxes are collected, only about 12.5% come back to the City of Elko.

Councilwoman Simons asked if the top one was supplemental.

Ms. Stout answered it was supplemental city/county relief tax. The bottom one is the basic. She continued with her presentation.

Sales Tax 10 Year History: in the sales tax formula there is a base and there is excess sales tax. There is a formula as to how that is distributed. Back in 2003 our base was a little over \$6 million dollars. Our base has risen to just over \$8 million. The additional monies are the excess monies. This shows what our base was, what our budget was and where we actually came in. In the most current year you can see that the budget amount and the actual amount appear to be the same. You aren't going to budget for more than you are going to take in as revenues. There are some other assumptions that have gone into that.

History of General Fund Revenues: This is broken down by the various different types of revenues that we receive in the General Fund. P/T is property tax. You can see that it is very stable and it doesn't go up from year to year very much. B/L is business license revenue which included building permits as well as franchise fees. In the Ctax there are six portions; cigarette, liquor, basic city/county relief, supplemental city/county relief, motor vehicle privilege tax and the real property transfer tax. F/T is fuel tax and it is very stable. Our charges for services (SVC) had a little spike in 2011-2012 because council authorized staff to raise some fees. O/T is other miscellaneous taxes and revenues that the city receives. You can see why we are so dependent on that Ctax revenue because it is a large portion of the revenues that we receive in the General Fund.

General Fund Outlook: We had budgeted a beginning fund balance of about \$3.6 million. When it was audited it actually came in at \$4.9 million. The additional available resources of

\$1.2 million have to be distributed based on the city's revenue stabilization policy. For 2012-2013 we had budgeted revenues of \$16.6 million. We are anticipating those revenues to be \$19.9 million. The additional available resources per that will be \$3.2 million.

The General Fund Outlook based on expenditures: Our budgeted expenditures were \$17.6 million. We are going to come in very close to that but we anticipate that we will be under a little bit. These are the various different functions of the General Fund.

The General Fund Outlook Projections: When you put the revenues and expenses together we can come up with our ending fund balance and what available resources we will have for budgeting in this upcoming year. Our revenue projections right now are \$19.9 million. Our transfers in are about \$240,000.00 from the Recreation Fund to help fund Parks and Recreation in the General Fund. It has nothing to do with the airport. Our expenditures are estimated to be \$17.6 million. Our transfers out are just over \$1 million. We would have about \$4.8 million in available resources to budget for the following year.

Projected General Fund Revenues – 2012/2013: This is a graph of what the revenues are in the General Fund. The Ctax is 68% and property tax is only 13%.

General Fund Revenue: Property tax used to be the main funding source for governments. It isn't so much anymore. Her graph showed the difference between Consolidated and Property Taxes from 2003/04 and 2013/14.

General Fund Expenditures: Ms. Stout showed some graphical depictions over a ten year history that mimics the sales tax (or revenues) and expenditures within the General Fund. We don't spend more than what we get. If we do have excess monies from year going into the next we can budget those for the next year.

Projected General Fund Expenditures – 2012-2013: Public Safety is expected to be at 52%; Public Works is at 24%; General Government is at 12%; Recreation is 6%; Health is 4%; and, Judicial is at 2%.

General Fund Summary: This is a summary of the General Fund of what we are anticipating for this year and how that flows forward to next year based on revenues and expenditures. This is a work in progress and there are some things they did not take into consideration. One being whether we are going to fund HSA's and HRA's for the high deductible health insurance plan as we did in the current fiscal year.

Councilman Perry asked what was that total this last year for the HRA/HSA and the subsidy.

Ms. Stout answered it totaled about \$300,000.00. The HRA/HSA is broken down by fund. She continued with her presentation.

FY 2013/2014 Rollup Costs: She went over the slide. The PERS rate is going up for all of the full-time employees. The rate on regular employees is going up 2% and the rate on Police and Fire is going up .75%. That percentage has to be split between the city and the employees

equally. They have worked in a 12% increase for health insurance costs. We typically have an increase in the liability insurance and the worker's comp. There are three contracts with unions in the city. Salary increases for each contract have been working into the budget. The CPI is usually what we use as an indicator for salary increases from year to year. The CPI for January was 1.5%. The budget includes that assumption for management personnel because management is not represented by a union contract. It also includes a 2.5% merit increase for management based upon availability. There is a 13 step management scale for both the management and the appointed officials (AO). Once you top out you don't get merit increases past that point. She has budgeted for 50% of the sales tax and the full property tax at this time. She wanted direction for staff to go ahead and budget the Ctax excess revenues at 50% and then direction for staff to include 1.5% CPI adjustment for salaries and 2.5% merit increase for management personnel based on performance.

Councilwoman Simons asked how many employees would be eligible for the 2.5% merit increase.

Ms. Stout answered there are a couple (2 or 3) that are topped out and some that are very close. This also is depending on the information that comes back from the compensation and classification study.

Councilman Schmidlein said he did some math. What is the average salary out of the General Fund for a full time person because he came up with \$104,428.00?

Ms. Stout answered there are 37 part-time people. They don't work 40 hours a week. It varies between the different groups. She offered to come back with that number.

Councilman Schmidlein asked can you breakdown the percentage proposed for salary increases. You were talking about 2.5% for the salary and then the remainder would be for benefits.

Ms. Stout answered that CPI was 1.5%. We are proposing a 1.5% increase for management personnel at this time and that will be dependent on what comes back on the compensation classification study. Keep in mind that the PERS rate is going up 1% for employees. In essence it will be a half a percentage increase for management personnel. The 2.5% merit increase would be based on whether it is available in the scale and whether they meet the evaluation criteria.

Councilman Perry said he doesn't see any reason to change the assumption for the Ctax revenues from what they have had in the past. He is mindful of the swings in the economy. He is comfortable with the 50% number.

Ms. Stout said we do that from year to year. She continued with her presentation.

Current General Fund Staffing Levels – Full-time positions: Currently the city has 126.25 positions full-time positions in the General Fund. We have 37 part-time positions. Overall in the city we have 162 full-time positions.

Councilman Perry asked if the 162 total included the Enterprise Fund. (yes) He asked what is the number for just the General Fund.

Ms. Stout answered it was 126.25. She continued with her presentation.

General Fund Personnel Requests: There were two requests; one from the Fire Department and one from the Police Department. The Police Department is requesting a PD Records Technician. They are willing to give up a part-time records technician and a part-time community services position to get this full-time position. It is not a complete wash because of benefits. The Deputy Fire Marshal is an additional position that the Fire Department is requesting. The total personnel requests are about \$154,000.00. There are additional resources of about \$642,000.00. She asked if Council wanted to take any action at this time or continue with the presentation.

Councilman Perry wanted to make motions for each item as we go along.

**** A motion was made by Councilman Perry, seconded by Councilwoman Simons, to continue with the assumptions for Ctax revenues for the 2014 at 50% of excess sales tax revenue.**

The motion passed unanimously. (5-0)

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to direct staff on inclusion of 1.5% CPI adjustment for salaries and 2.5% merit increase for management personnel based on performance.**

The motion passed unanimously. (5-0)

After the motion and before the vote, Councilman Schmidlein asked in reference to the merit, who actually does the evaluation on particular salaried employees.

Ms. Stout answered it depends on who the supervisor is. Her departments are IT, finance and HR. She does the evaluations of the managers in those departments.

Councilman Schmidlein asked with that said, if someone is approved on merit then when council votes on this it just happens.

Ms. Stout answered it is based on this motion if it is available and if they meet the criteria for a good evaluation.

Councilwoman Simons asked is there any degree of this. Do they just meet it and get the 2.5% increase or would they get less. Is it all or nothing?

Ms. Stout answered it is 2.5% or nothing. That is the way the scale is set up.

Councilwoman Simons asked what percent the union employees got.

Ms. Stout answered said it depends on the union. The Blue Collar Clerical have 2.5 % between their merit increases. The Police and Fire are different than that.

Councilman Perry said they actually had a CPI adjustment in their contracts that were just signed. It is in line with this. It is hard to tell the union people that they get this but the salary people don't get anything.

Ms. Stout said there are about five confidential employees; they get whatever the blue collar people get.

Councilman Schmidlein said in 2008 or 2009 a lot of raises were tabled or cut back. He wanted information on that. He understands the city is bringing in a lot of revenue but he wants to hear the back history of the raises that took place.

Ms. Stout answered there have been several years when the revenues weren't coming in as anticipated. Management has taken 0% increases in their merits for several years. In those same years we had union contracts in place and they got their increase. There was one year where all city employees including the union employees took a 1% pay decrease. The unions had whatever they had for their CPI minus 1%.

Doug Gailey, Human Resources Manager, said in reference to the 2.5% merit increase it is not just something that automatically happens. There have been people that did not meet the minimum for the increase.

Mayor Johnson said this is an option not to fund.

Ms. Stout said in some departments there are compaction issues just because of the reasons she mentioned. For some years management took no pay increases and in some years took pay decreases. In some departments the people coming up below the management are actually making as much or more than the management personnel are.

Council voted on the motion.

Councilman Rice asked on the full-time employee levels, we are at 126.25. Is that reflected?

Ms. Stout answered those are not included. With the available resources if you funded these positions that would leave about \$488,000.00 in additional available resources. Sales tax could be volatile at times. This can go away in one month.

Councilwoman Simons asked is that including the increases.

Ms. Stout answered this includes all increases for all personnel including management.

Councilman Rice asked the PD records position, is this a reflection of the Matrix recommendation.

Chief Zumwalt said the Matrix recommendation has some things for staff to do. Currently we have 3.5 record technicians. He wants to take that part time position and make it full time. He has two part time positions and wants to make one full time position.

Councilman Rice asked if this is a consolidation why is there an increase.

Ms. Stout answered it wouldn't be. When I said it was a wash, it wasn't really a wash. There are benefits for full-time employees that are greater than for part-time employees. There is a little bit of an increase and she did include the part-time people in the budget as it is proposed right now. If that were the case then she would make those changes and bring it back. The full-time employee (FTE) would increase by one and the part-time people would reduce by two.

Councilman Rice noted that would be a net zero in FTE.

Mayor Johnson asked if that 53,000.00 reflects full salary and benefits. (yes) If the part-timers were taken out of the budget that number would go down?

Ms. Stout answered that would go down by about \$30,000.00 to \$35,000.00.

Councilman Schmidlein said he wanted to hear more about the deputy fire marshal position.

Matt Griego, Fire Chief, explained with this position they are not looking at just current development. When he reviewed what they were going through once he came in and starting building this and looking towards the future, one of the things he has seen is that they are way behind on some of our fire prevention. Josh Carson is doing an awesome job of keeping up with plans review on new development but we are sorely lacking on maintenance of current buildings. They need annual and biannual inspections based on a hazard assessment of those businesses. They are finding discrepancies when there is a fire. The goal is to be proactive and not have fires. They will help business owners keep buildings up to code so they won't have losses. Without this position there is no way we can keep up with that even if we don't have any new buildings built in town. There are a couple of ways we can go about it. If we can prevent the fires then we can reduce the number of suppression staff we have. If we can't prevent the fires then we have to have that suppression staff on hand to put those fires out and keep them from spreading. Going forward it is a good investment. We are looking at pushing the limits of our ISO range. The city is compact now and as it grows farther from the station we may have a need to add forces to maintain our ISO ratings which will affect insurance costs. We need to be proactive and not let it go downhill.

Councilman Rice said in terms of a current need, we are under serving the community. Hypothetically, as the county begins to face their challenges with the dissolution of NDF, could they be coming to us for assistance?

Chief Griego answered the opportunities are there. There is opportunity between the city and county, but as far as sharing facilities, personnel or apparatus there is a number of options to where the community as a whole would benefit from the city and the county working together in any number of ways.

Councilman Rice said in terms of this additional inspector, he is concerned we aren't fully protecting the community now. He is supportive of this position. It might be necessary for our neighbors too.

Chief Griego said it may come down to the two political bodies and how much they want to work together to look at some of these issues.

Councilman Schmidlein said he is hesitant to dive right in and hire someone full-time. We do not know what is going to transpire at the beginning of 2015 when NDF rolls out of town. What are your thoughts about hiring a consultant to get through the day? Our Ctax may be souring straight up to the sky but if mining backs off he doesn't want to tell the hire that we have to lay them off. He is leaning towards a consultant. What if someone is hired through the building department to help with these fire inspections? They can cover double duties. Josh went into detail about the qualifications but we don't have to hire the individual through the fire department. He wanted to look at other options.

Councilman Perry said last year we promoted Josh Carson to a Fire Marshal and gave him a raise. He knows the work load is heavy. There isn't one department that isn't loaded up. He has a philosophy that if you can do this with a part-time person that is better. He is opposed to both of these position requests. No other departments have asked for additions. We need to share resources wherever we can. There is no reason there couldn't be help from other places.

Councilwoman Simons asked what are the mandatory qualifications needed to do these inspections.

Chief Griego answered depending the level you hire, you are looking at building inspection qualification, fire inspection qualification, and in our job description we also have some fire fighter qualifications so they can cross over to suppression and command if needed. The other thing we are looking at is building up a system so that if we were to lose a fire marshal we would have one already in place with the city.

Councilman Perry asked are you anticipating any retirements in the salaried staff in the next year.

Chief Griego answered one will be eligible in September but he has not gotten any indication on what he is going to do about it.

Councilman Perry said that is a valid concern but he isn't sure he wants to budget for it yet. Not until they know for sure.

Councilwoman Simons said it is evident that something needs to be done. Even with another full time person it would take a couple of years to get caught up. Her fear is that it will be tough to find someone to do this part-time. She doesn't think that will happen.

**** A motion was made by Councilman Rice to include the Police Department Records Technician and the Deputy Fire Marshal in the budget noting that the Police Department Records Technician will result in a net zero gain in the FTE for the Police Department and the Deputy Fire Marshal position will bring the community up to speed in terms of its current fire prevention needs.**

The motion died for lack of a second.

**** A motion was made by Councilman Perry, seconded by Councilman Schmidlein, that we don't add staff in the Fire Department or the Police Department at this time but keep that option open as the year progresses and in the event we have retirements that we need to backfill.**

The motion passed. (3-2 Councilman Rice and Councilwoman Simons voted no.)

After the motion and before the vote, Councilman Rice felt it is not prudent because we are betting on something we don't know and we are leaving the community at risk.

Councilman Schmidlein asked would you consider consultants.

Councilman Rice said that wasn't the motion but he might.

Councilwoman Simons said we need to do something.

Councilman Perry said the departments can budget for part-time or consultants in their operating budgets.

Mayor Johnson thought the options of additional personnel have not been weighed enough. He wants to hear more about combining. We have management and fire fighters. If anyone is going to know anything about fire prevention it is the guys in the field. We are doing with less. He wants to see these things looked at. He isn't in favor of the additional personnel at this time.

Chief Griego said we were here last year in the same spot asking for the same thing. He have implemented third party review and they have discussed having suppression staff doing inspections. Using suppression staff is not viable at this time due to their calls and mandatory training. In order to do inspections they would need to be cross trained and that can be difficult. Based on what happened over the last year to curb the problem and they didn't have any relief this was their best option.

Mayor Johnson asked will there be an increase in revenue for all these inspections.

Chief Griego answered that would possible. There are some operational fees that are not being collected because we don't have anyone to do the operational inspections. We take care of the high hazard stuff. There are other fees associated with hazard materials (cutting and welding) and numerous other fees that businesses have that have not been collected because we haven't been able to physically get to their place of business. We are falling behind on re-inspections.

Councilwoman Simons said he has the same problem the Building Department had in that they are working as quality control for these people. You are giving them a list of things that need to be done and if you are able to get back multiple times they don't necessarily fix the list of things so you are having to go back multiple times. You talked about possibly doing a fee for going back because they aren't fixing the issues.

Chief Griego said that was one of the things that they were looking at proposing. We want to look at our whole fee structure. There are instances they have to go back multiple times and those issues haven't been taken care of. If the property owner or contractor knew there was a re-inspection fee they wouldn't call us back until they had their punch list done.

Councilman Schmidlein suggested another option is to bring in some of the volunteers. They can go around town and do these inspections.

Chief Griego said the problem with the volunteer staff is that they all work full-time. They have required training they have to go to and they struggle to go to the required training. The volunteer staff give as much as they can. The certifications required are a problem because it is a specialty field.

Don Zumwalt said he wanted to separate these items. He has two part-time people. He is asking to get rid of both part time positions and make it one full-time position. He won't have any more people. There will be a small increase for the benefits. Currently, there are a lot of things that are not getting done. In the Matrix report he has been asked to do things that they cannot do at this time. We need to add personnel or increase the time that person works so they can get more things done.

Councilman Rice said part of what the Chief of Police is saying is that his hands are tied as far as managing his personnel. He is not changing the number of FTE. He doesn't think passing this motion will allow him to manage his current personnel. He would move to split the two.

**** A motion was made by Councilman Rice to amend the motion to remove the Police Department Records Technician from the original motion.**

The amendment to the motion failed for lack of a second.

Council voted on the original motion.

Ms. Stout continued with the presentation.

Recreation Fund: The Recreation Fund is funded mostly by room tax revenues. She estimated that the room tax revenues are going to come in at around \$3.5 million. Of those monies about 50% goes back out to those various different entities as indicated on the overhead screen. We anticipate beginning the year with about \$800,000.00. Of that \$149, 000.00 is reserved for the bond payment. The total available resources will be about \$4.3 million minus expenses and transfers.

Recreation Fund Projects List: We do have some rollover projects from this year that we haven't gotten completed this year. They are in the budget for next year. She went over each project on the list. All of these are works in progress and we never know exactly what we are going to get in revenues and where projects are going to come in.

Councilman Rice asked if these are projects that have been considered and recommended by the Parks and Recreation Advisory Committee. (yes) There have been things that have been approved but we simply didn't have the funding for them so we didn't go forward with the project.

Councilman Schmidlein asked in reference to the main city park courts tennis courts he has a lot of heartburn over \$900,000.00 for some tennis courts. He has spoken to the Parks Department and to have a five star tennis court in the City of Elko he doesn't see it at the end of the day. He thought the city could rehabilitate what is there for less than \$906,000. In the City of Elko you may have 50 – 100 people that play tennis all summer long. At the end of the day there are a lot of children that are not getting to play sports. He felt the city can accommodate 500 children by building a complex rather than the tennis courts. You have the state of the art budget set for 4 tennis courts.

James Wiley, Parks and Recreation Director, there is no doubt about it that this project has a large price tag on it. It is almost through the design phase right now. It has also been through an extensive public process too. The main cost of this project is the basic structure of the tennis courts. As we get the final design and final estimate for the project that will all be broken down specifically. He did send Councilman Schmidlein and Councilwoman Simons the breakdown of the pricing. The bulk of that (\$406,000.00) is to deal with the post tension slab, curb, gutter and sidewalk, pedestrian ramps, signage, striping and asphalt replacement. \$237,000.00 of that goes towards tennis site amenities. He doesn't have the final approved document for this. The reason we are going with a post tension concrete is so that we don't have those frequent maintenance needs coming up like you do with an asphalt based tennis court. This is a big price tag up front but they feel in the long term it is the proper solution to the problem we have over there now.

Councilman Rice asked what the lifetime to a project like this is.

Mr. Wiley answered multiple decades. There will be ongoing maintenance costs but with that post tension slab, the research and justification is out there that we can reduce the frequency of the maintenance costs.

Councilman Rice said there is a fair amount of use and there are recreation programs where young children can take classes.

Mr. Wiley said the school district is probably the biggest user out there. That usage averages a couple hundred students on the courts a day. Curtis Calder has initiated talks with the school district to help fund the courts. The other point brought up, we do run some youth programs right now but they hope to grow that to help offset the cost. He also suggested some other ideas that may bring in more revenue to offset the costs.

Councilman Schmidlein said at the present time the school district is not entertaining partnering with the city on this project. On the surfacing it is estimated between 5-7 years as the life expectancy of the surface. (yes) After 5 years what will the cost be to recondition a million dollar facility?

Mr. Wiley answered he thought they could anticipate every 5-7 years but it depends on the use, weather and other factors. That is a significant cost. The breakdown on the current project is around \$60,000.00 for the surfacing. That does include some level of cushioning on there. An acrylic painted on surface (like the one at Southside) is probably going to be around \$33,000.00 at today's pricing. This is why we have a recreation fund. We can plan for that and we can anticipate that we are going to have to budget for this. Also on top of that, if we build a tennis court to a specification (United States Tennis Association) they have an interest in those amenities as well. They offer grants for surfacing, lighting and others. \$906,000 is a lot of money and we won't have those revenues by July 1. That project would likely be in the next budget year. He would like to start putting money aside in this account and then budget projects from that money that we have banked rather than working off anticipated dollars.

Mayor Johnson said it is probably the largest project that he has seen allocated. There is a lot more things when you have those numbers as far as support goes that needs to come into place. If the city decides to spend this money is there money saved that may be able to go towards it? At this point with the information presented it is difficult to support. He would need more data showing the benefits, if other entities will help, general support from the public and maybe a five year plan?

Mr. Wiley said he would like to involve the public in this. He wants to do this similar as the roadway project. They can bring all of that before it goes out to bid.

Councilwoman Simons asked if we voted not to proceed with the tennis courts project, are there projects in the waiting that would take that place.

Mr. Wiley answered the sports complex. His recommendation would be if we decide we don't want to do tennis the next big project that needs to be funded is the sports complex. That would fall in line and we can roll this over. There is a lot of competition as to where to spend the dollars.

Mayor Johnson said we don't have to finalize the list. Even if we said we were in to fund the recreation projects in the amount of \$1.4 million, you are hearing the concerns of council on the tennis courts. At this time that one project may not make that list. They would need more information and more community support.

Mr. Wiley agreed. The pool is a must this year if we want to keep the doors open. The playground replacement is one that is a carryover from last year. Above that is a pretty aggressive list of things that have been in the works for some time that we still need to finish. If we don't make a final decision tonight saying we aren't doing tennis courts, he doesn't think that is necessary.

John Carpenter said a five year plan makes sense. If you are getting a lot of room tax from contractors and miners, we don't know how long that will last. He knows of one project that the kids in this community would appreciate. Put a water slide in at Angel Park. If you go there in the winter time there were kids by the 100's. Angel Park is a perfect place for a water slide. You can just see that. At the very least you should do some engineering. Another thing in Angel Park is what used to be a tennis court. There are a lot of big parties held in Angel Park. Where the tennis courts are you can put up a building/pavilion that people would really use. A five year plan makes sense since you will know where you are going. He isn't saying anything about the tennis courts but wants a five year plan instead.

Mr. Wiley said we can do that. One reason he brought up banking money to do bigger projects is so that we can be ready for one and it would be easier to manage. If there was a balance so we can start spending that money we actually have it would be easier to have a five year plan. A pavilion and demolition of the existing courts is in the works. He hopes that happens within the next five years. The water slide idea would require more discussion and planning.

Councilman Perry suggested take the name "Main City Park Tennis Courts Rehabilitation" and rename it projects. Leave the \$906,000.00 in there and have Mr. Wiley to come back with a five year plan.

Councilwoman Simons said whether we use it for the tennis courts or anything else, this year it goes straight to savings. We wouldn't start the tennis courts project this year.

Mr. Wiley said we wouldn't be able to start this project until we knew we had \$906,000.00 in the bank. If we spent that it would roll into the next budget cycle.

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to direct staff to work on their projects list in the amount of \$1,403,606.00.**

The motion passed unanimously. (5-0)

Ms. Stout continued with her presentation.

Capital Equipment Replacement Fund: There were a lot more requests for capital than you see here. We did pare down the list. We have some pretty big needs coming up in the next couple of years so we are trying to bank some money. We feel these are the necessities for this year.

Councilwoman Simons asked about the unmarked police vehicle. What kind of unmarked vehicle costs \$50,000.00.

Chief Zumwalt answered it would be equipped with radios and other equipment. We very seldom buy used cars. A lot of that \$50,000.00 price is for the equipment.

Councilman Perry asked the cab and chassis item; is that the old international at Lee Engine.

Chief Griego answered yes. It was the original crash truck at the airport. The original body disintegrated off of it. When we received our new crash trucks we did a retro fit to make it a wild land vehicle. We want to replace the cab and chassis and reconfigure the pumps and tank on it.

Councilman Perry said he spent some time at Lee Engine and he agrees with this item.

Chief Griego said some of the replacement equipment is getting difficult to find for this vehicle.

Councilman Schmidlein asked in reference to the new fire marshal vehicle do we table this since we are not adding a new Deputy Fire Marshal.

Chief Griego answered this is for the current Fire Marshal. He is currently driving a truck that was food-chained down to them from fleet. We are having more and more trouble keeping it on the road. It spends a lot of time in the shop.

Dennis Strickland, Public Works Director, said at a staff level we had the fleet superintendent present and we really scrubbed this list really well. It is a solid list of needs. We have some other big ticket items that are going to be pending in the future.

**** A motion was made by Councilman Perry, seconded by Councilwoman Simons, to accept the Capital Equipment Replacement Fund for the 2013-2014 budget.**

The motion passed unanimously. (5-0)

Ms. Stout continued with her presentation.

Youth Recreation Fund: This is Dawn Leyva's fund that provides all the services to our various different youths and adults in the community. They do have two full-time employees and five part-time employees in this fund.

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to approve the Youth Recreation Fund as presented.**

The motion passed unanimously. (5-0)

After the motion and before the vote, Councilman Schmidlein said he wanted a breakdown of these employees and what we are paying for these full-time employees. He assumes the 5 part-time employees do not get any benefits.

Ms. Stout answered they get some benefits. They don't get health insurance and they don't get PERS contributions but we do pay workmen's comp, Medicaid and social security on them.

Councilman Perry asked are all the summer hires in this.

Dawn Leyva, Recreation Services Manager, explained the five part-time are the five that work for her all year long. Three of them are her latchkey program and two are in the various sports program they have.

Council voted on the motion.

Ms. Stout continued with the presentation.

Facility Fund: The only source of revenue for this fund is pursuant to the revenue stabilization policy. This year we had a transfer in and next year we are anticipating that \$2.4 million transfer in from the General Fund.

Councilman Schmidlein said he was glad to see money being put away for the Police Station. He asked if you don't use that money can be put away.

Ms. Stout answered it rolls over. In all governmental funds the monies roll over if they are not used and they stay in that fund and have to be used for the purposes of that fund.

John Carpenter said in regards to the \$2 million for the Police Station; you need to look at where you are going to put this facility. He doesn't like it half way to Wells. He felt there was a perfect spot out there where Mountain City Highway and Idaho Street connect. You can tie that land up for little to nothing. Out there you already have the jail, geo thermal and roads that go in four different directions. In his opinion location is important.

Councilwoman Simons said a location has not been locked down. They are trying to start saving now and then at some point make those decisions.

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to direct staff to work with this Facility Fund as presented.**

The motion passed unanimously. (5-0)

Ms. Stout continued with her presentation.

Capital Construction Fund: We don't really have any projects at this time slated for this year. This is one of those funds where we need to build up some funds.

Mr. Strickland said Council will have an item later to consider with regards to this item. Our only commitment to this fund that we are looking at for 2013-2014 will be the design for West Idaho Street curb, gutter and sidewalk and possibly sitting on some funding to see what NDOT ultimately does. We have been assured that if we design and put in the curb, gutter and sidewalk out there that they would build to our profile.

Councilman Perry asked this needs to be used on roads? (yes)

**** A motion was made by Councilman Schmidlein, seconded by Councilman Rice, to accept the Capital Construction Fund budgeted for 2014 to move forward.**

The motion passed unanimously. (5-0)

Ms. Stout continued with her presentation.

Ad Valorem Capital Fund: This one is a \$0.05 tax that is in place by statute. It is a flow through from the county that we get.

Councilman Perry asked these have to be used for facilities?

Ms. Stout said she has a copy of the statute and she read it.

2. *The money in the fund may only be used for:*

(a) The purchase of capital assets including land, improvements to land and major items of equipment;

(b) The renovation of existing governmental facilities not including normal recurring maintenance; and

(c) The repayment of a medium-term obligation issued to fund a project described in paragraph (a) or (b).

Councilman Perry said if we did decide to buy land for a new Police Station we could use this money for that.

Councilwoman Simons asked about new buildings. You can't use it for buildings, just renovations to buildings?

Ms. Stout answered it says "...renovation of existing governmental facilities not including normal recurring maintenance..." Even though it can be used for repayment for median term obligations; median term is designated as anything ten years or less because the money cannot remain in the fund for more than ten years.

Councilman Perry said the line item capital projects is really unbudgeted cap x.

Ms. Stout said it is budgeted but it is not specific.

**** A motion was made by Councilman Perry, seconded by Councilwoman Simons, to accept the Ad Valorem Capital Fund for the 2013-2014 budget.**

The motion passed unanimously. (5-0)

Ms. Stout continued with the presentation.

Revenue Stabilization Fund: Currently we have about \$1.5 million. That was transferred in from the General Fund through the revenue stabilization policy.

Councilman Perry said this is the rainy day fund.

Councilwoman Simons asked does it have a limit like ten years or does it roll over.

Ms. Stout answered this one has no limit. The statute allows us to have it without any timeframes.

Councilman Perry asked if money is put into it in excess of the transfer from the General Fund.

Ms. Stout answered no moneys come in other than the General Fund.

Councilwoman Simons asked if this could be spent on anything.

Ms. Stout answered it has to go back to the general fund.

Councilman Schmidlein asked if the Ctax accelerates we can throw the extra monies into this fund. (yes)

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to accept the Revenue Stabilization Fund as presented.**

The motion passed unanimously. (5-0)

Ms. Stout continued with the presentation.

Municipal Court Assessment Fund: This is the Municipal Court Building assessment fund. These monies can only be used for municipal court buildings. We don't have a municipal court because we contract that with the county. These funds have just been building up and would be available whenever the county were to make a request to the city.

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to accept the Municipal Court Assessment Fund as presented.**

The motion passed unanimously. (5-0)

Ms. Stout continued with the presentation.

Public Improvement Development Fund: We have not seen any revenues come into this fund in quite some time. The purpose of this fund was to help with signalization of affected areas by development. We probably need to look at this fund to see what we need to do with it in the future.

**** A motion was made by Councilman Perry, seconded by Councilman Rice, to accept the Public Improvement Development Fund as presented.**

The motion passed unanimously. (5-0)

Ms. Stout continued with the presentation.

Redevelopment Agency Fund: This item was discussed in the meeting before Council Meeting. She was not specific with it then because she wasn't sure of the outcome of the meeting. This is a work in progress.

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to accept the Redevelopment Agency Fund with expenditures to be determined.**

The motion passed unanimously. (5-0)

Ms. Stout continued with the presentation.

Debt Service Fund: It has to be used for debt service. The only two bonds that we have in this fund are the 2010 Street Bonds and the California Interpretive Center Bond.

**** A motion was made by Councilman Perry, seconded by Councilman Rice, to accept the Debt Service Fund as presented.**

The motion passed unanimously. (5-0)

Ms. Stout continued with the presentation.

Community Service Donation Requests: These are what she had when she was putting the budget presentation together. The only request she has received since she printed this was a \$10,000.00 donation the county is asking for the Elko Area Transit system. That is to help fund the bus system around the city.

Councilman Rice noted the Vitality Center's request keeps getting larger.

Ms. Stout offered to show the request. She can put it in their boxes.

Councilman Rice believes it is a great organization but was concerned with the increases.

Councilman Perry said there are always a lot of requests from the city for donations. He proposed a few changes. He is sure CADV will ask for their usual donation and he proposed donating \$3,000.00 to them. He is concerned about the increase to Vitality and he wants to just give them \$5,000.00. The Family Resource Center was a capital donation. The Nevada Small Business Development we discussed last year when they came to us. That was a split vote. His opinion is that the city should not be funding that. He felt that was duplicated by other entities already. He proposed the donation go to zero. He does agree with the Elko Area Transit and we should respond with their \$10,000.00 request. That would take it to \$35,000.00.

Councilman Rice agreed with everything but the Nevada Small Business Development Center. He disclosed it is located at Great Basin College where he is employed but he doesn't think that relationship prevents him from voting on the motion. He doesn't think that their services can be found in other businesses in town. He feels that it is a vital component of economic development and sustainability that is not covered by NNRDA right now. NNRDA doesn't provide the one

on one business consulting for small businesses. Their clients are small startup businesses. He recommended that we fund it.

Councilman Schmidlein said this was voted on prior to him and Councilwoman Simons coming in. They did sit in the presentation. He would like to see them come back and do the presentation again before it gets put into the budget.

Ms. Stout said this will come back. You do not have to act on this but you can give direction.

Councilman Perry said it isn't a non-profit organization. NNRDA is funded through the city in a different mechanism. He feels this should be somewhere else.

Ms. Stout said there is another department within the governmental services that is economic development. This is where we pay NNRDA and the Carlin Water line. Maybe that would be a more appropriate place for this.

**** A motion was made by Councilwoman Simons, seconded by Councilman Perry, to approve the request with the changes of \$3,000.00 to CADV, \$5,000.00 to Vitality Center, \$10,000.00 to Elko Area Transit and move the Nevada Small Business Development into the governmental fund.**

The motion passed unanimously. (5-0)

Mayor Johnson asked if we need to go back and approve the General Fund Summary.

Ms. Stout said she was good with all of the motions. She will bring back the entire city budget in the April meeting. We will see Water, Sewer, Landfill, Airport and Golf funds at the next meeting. She asked if council wanted to fund HRA's or HSA's and keeping them at the level they are at currently. Also the subsidy the city provides to employees for their dependent coverage as well as retirees for their coverage for health insurance. In the water fund, Councilman Elquist had requested last year to put some kind of a program in place for people on low incomes who are currently on the flat and if they are on small lot. He wanted a program to address those needs. Staff has come up with possibly putting in a line item in the water fund for that program. For that we would encourage them to install a water meter. The city grant program would pay for the installation of the meter pit but the person would still have to buy the meter and the appurtenances to the meter. We are proposing about \$20,000.00 in that water fund for that but she wanted council's direction on that.

Mayor Johnson said he would like to take all those last questions and move them to the next council meeting.

Ms. Stout said there is a lobbyist firm that the city is looking at employing. They are expensive but they are on the federal level. We are looking at getting some grant funds to help with the water infrastructure. Their cost is about \$120,000.00. Staff is recommending splitting that cost between the RDA and the water fund. The reason being is that they can help with the purchase of the UP project.

Mayor Johnson that is a big ticket item and they would have to weigh the options.

Ms. Stout said it will be included in the next budget presentation.

VII. 6:00 P.M. PUBLIC HEARINGS

- A. Review, consideration, and possible adoption of Resolution No. 2-13, a resolution of the City Council adopting a change in zoning district boundaries from R (Single Family and Multiple Family Residential) to R1 (Single Family Residential), involving approximately 0.97 acres, located generally on the northwest corner of Khoury Lane and East Jennings Way, filed by The Pointe II, LLC and processed as Rezone No. 1-13, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the subject zone change request on February 5, 2013 and took action to forward a recommendation to Council to approve Rezone No. 1-13. RM

Delmo Andreozzi, Assistant City Manager, indicated the area using the overhead screen. This will rezone the highlighted area to R1. He recommended approval.

**** A motion was made by Councilman Perry, seconded by Councilman Rice, to adopt Resolution No. 2-13 which approves a Rezone No. 1-13 as recommended by the Planning Commission.**

The motion passed unanimously. (5-0)

- B. Review, consideration, and possible action to conditionally approve Preliminary Plat No. 1-13, filed by The Pointe II, LLC with authorization from The Pointe at Ruby View, LLC, for the development of a subdivision entitled The Pointe at Ruby View Phase 2B involving the proposed division of approximately 13.01 acres of property into 26 lots for residential development within an R1 (Single Family Residential) Zoning District. The subject property is located generally on the northwest corner of Khoury Lane and E. Jennings Way (APNs 001-562-016, 001-562-017 and 001-567-001 thru 001-567-010) and is currently zoned R1 and R with a companion zone change request applied for, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered this preliminary plat on February 5, 2013 and took action to forward a recommendation of conditional approval to City Council. SAW

Mr. Andreozzi explained the applicant/developer is in the audience along with his representative. This subdivision went through a review. There are some topography challenges and some lots are large on the backside. It has developed into an executive style subdivision. There is a list of conditions that have been forwarded from the Planning Commission. Staff recommended approval with the conditions outlined by the Planning Commission.

**** A motion was made by Councilman Perry, seconded by Councilman Schmidlein, to conditionally approve Preliminary Plat No. 1-13 for the Pointe at Ruby View Phase IIB subdivision subject to the conditions as recommended by the Planning Commission and as updated by staff.**

The motion passed unanimously. (5-0)

- C. Review, consideration, and possible action to conditionally approve Preliminary Plat No. 20-12, filed by The Capps Group, Inc. with authorization from Parrado Partners LP and W.R. and Frances A. Henderson, for the development of a subdivision entitled Great Basin Estates involving the proposed division of approximately 18.977 acres of property into 64 lots for residential development within an R (Single Family and Multiple Family Residential) Zoning District, and matters related thereto, located generally north of Clarkson Drive approximately 725 feet east of 12th Street (APNs 001-630-062 and 001-630-064), and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered this preliminary plat on February 5, 2013 and took action to forward a recommendation of conditional approval to City Council. SAW

Mr. Andreozzi explained Mr. Fisk from High Desert Engineering was present. We looked at this subdivision before but it didn't come to fruition at that time. We went through this plat again. It is off Clarkson and east of 12th street. This subdivision had some utilities that had been developed in the site. Not all the lots met the dimension requirements. They made some modifications to code to allow this to move forward. There are recommended conditions. One is the requirement for a traffic study because of the volume of traffic they are seeing on 12th street. Recommend conditional approval.

Councilman Rice said some time down the road, way down the road there has been talk of a Burner Basin connection to Jennings Way. Would that be further east?

Mr. Andreozzi answered that is farther east.

Councilman Rice asked how about the additional traffic pouring onto 12th Street and the volume of traffic going onto 12th from Opal. Would there be any requirement for turning lanes.

Mr. Andreozzi said we envision a signal there at some time. All of these things are leading to that. A challenge in this area with the connection on Last Chance Road is getting a better road that accesses 12th Street.

Councilman Perry asked to be able to see the property on the overhead screen. Is this in the floodplain?

Jeremy Draper, Civil Engineer, answered this is in the floodplain so they will have to meet any FEMA standards for development.

Councilman Perry said he remembered when the condos were built on Opal Drive we were talking about that \$15,000.00 in the Capital Fund. He thought a lot of that money was collected from that developer for a light onto 12th street.

Mr. Draper said when these apartments were completed their traffic study accounted for this subdivision and the subdivision that is proposed behind it. We need to review and see what needs to be updated or not.

Mr. Andreozzi said that subdivision is a nice subdivision. It is nice to see some variety in housing. There isn't really other appropriate land use in that area. It meets the criteria in the master plan.

Councilman Perry asked since it abuts to the river, will HARP extend.

Mr. Andreozzi answered he doesn't recall if that was one of the conditions.

Floyd Fisk, High Desert Engineering, said HARP wasn't a consideration or a requirement.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Perry, to conditionally approve Preliminary Plat No. 20-12 with the Great Basin Estates subdivision subject to the conditions as recommended by the Planning Commission and/or as updated by staff.**

The motion passed unanimously. (5-0)

After the motion and before the vote, Dia Meek, 1710 Clarkson Drive, said units that are closely adjacent to this, we have been concerned about apartments. Mr. Andreozzi said this is going to be single family. If we ended up with an apartment building with an absentee landlord this could be very messy and detract from property values. Another question is about the traffic. She got stuck on Idaho Street for 2 blocks to make the turn onto 12th street. Even in the paper they are commenting about the backup to make that turn.

Mr. Andreozzi said this area is zoned R and not R1. Zoning R does allow for multifamily housing.

Councilman Rice asked regarding HARP is there a HARP right-of-way in that direction.

Mr. Andreozzi answered there is an easement through the Riverside Condos but no further than that.

Councilman Schmidlein asked is there enough room from the curb to extend the HARP path.

Mr. Fisk answered there is quite a bit of property available to do that.

Council voted on the motion.

II. PERSONNEL

- A. Review and possible approval of a compensation and benefits package for Jan Petersen, City Sexton, and matters related thereto. **FOR POSSIBLE ACTION**

Curtis Calder, City Manager, explained based upon the appointment made last time, he and Ms. Peterson got together and discussed the compensation and benefits package. They came to an agreement in regards to an annual salary of \$10,000.00 including enrollment in the group health insurance plan. Since this is a salaried position there would be a PERS contribution too. The total cost would be about \$24,100.00 per year. This isn't budgeted in the current year.

Councilwoman Simons asked how many hours per week.

Mr. Calder answered they estimate at least 15 hours a week of work. She is currently employed at the trail center. On her two days off she will meet with people at the Recreation Department office. She can also meet with people before and after working hours on an as needed basis.

Councilman Perry noted the description of City Sexton in the Charter says "other duties as assigned." He knows she has a lot of work to get it all together. Once that is all done and you are still working 2 days a week, he assumes the city could also use you for other duties.

Jan Petersen said she is flexible in her work hours and duties as assigned. She would consider thoughtfully whatever was asked of her.

Councilman Perry said we need to look at the graveyard as something that maintains itself a bit better. He wants her to work on that as a business model. He wanted to know how many years to we have based on current death rates before we have to build a new graveyard.

Ms. Petersen said James Wiley has that figured out and there are some plans. There is a spot on N. 5th Street that is loosely set aside.

Mr. Calder said there are a lot of sites being looked at and one is on N. 5th Street on city property.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to approve the negotiated annual salary of \$10,000.00 plus \$14,100.00 in benefits which will include group health insurance enrollment, HSA contribution and PERS contributions.**

The motion passed unanimously. (5-0)

- B. Administration of the Oath of Office for Jan Petersen, and matters related thereto.
NON-ACTION ITEM

Mayor Johnson administered the Oath of Office.

III. APPROPRIATIONS

- C. Review, consideration, and possible direction to Staff for early payment of the WesTech STM Aerotors, and matters related thereto. **FOR POSSIBLE ACTION**

The STM Aerotors are ready for shipment. KG Walters wishes to delay shipment to avoid double handling the equipment. WesTech is requesting a 60 percent payment to accommodate the delay in shipment, and an additional 20% in June. The city's contract states 80 percent payment upon delivery of equipment. There will remain in place 10% retention after these fees are paid. FPS

Fritz Sawyer, WRF Superintendent, explained the aerotors are ready to ship. KG Walters has asked if we can delay shipment. We don't have a problem with that. WesTech says they want 60% payment now with 20% paid in June. The shipment will be coordinated with KG Walters. Insurance would be covered by WesTech on their property. There is no liability for the city right now.

Mayor Johnson asked if there is no additional cost to make this work. (no)

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to direct staff to pay the 60% invoice in the amount of \$1,050,274.80.**

The motion passed unanimously. (5-0)

- D. Review, consideration, and possible approval of the final acceptance for the Golf Cart Storage Building, and matters related thereto. **FOR POSSIBLE ACTION**

The golf cart storage building was awarded to Core International on July 10, 2012 and has recently been completed. There were a total of two change orders on the project and Staff is recommending final acceptance of the project. JD

Jeremy Draper, Civil Engineer, explained the project has been completed. Staff is pleased with the product. There were some delays with NV Energy with the meter set. It is ready for final acceptance.

**** A motion was made by Councilman Perry, seconded by Councilwoman Simons, to recommend final acceptance of the Golf Cart Storage Building.**

The motion passed unanimously. (5-0)

- H. Review, consideration, and possible approval of the expenditure of funds from the Arts & Culture Advisory Board budget, for the purposes of conducting "Discover Elko" Community Round Table Discussions, and matters related thereto. **FOR POSSIBLE ACTION**

The Arts & Culture Advisory Board has a \$5,000 budget for FY 2012/2013. The Board estimates each “Discover Elko” Community Round Table Discussion will cost approximately \$750. CC

Mr. Calder explained the Arts and Culture Advisory Board is unique because they were the only one given a budget. Now the Arts and Culture Advisory Board has determined what they would like to spend the money on. The Advisory Board doesn't really have the authority to spend money, so they are before council to pitch their idea and see if the City Council will approve those expenditures.

Katherine Wines, Chairman, said we didn't know how much of the \$5,000.00 was going to be spent on the memorial out front. Now they have some money left over that they would like to spend on a cultural endeavor. We are calling it “Discover Elko.” It will be an open forum and we will have a panel of 3 people that are diverse on different topics and then a facilitator. After some discussion they will open it up to the public. You need to pay people for their time if you want them to take it seriously. If people are asked to volunteer they won't show up. They anticipate paying people for their time and refreshments. The first one is planned in April. She has already talked to people about being on the panel. This would deal with the sports complex and other entities.

Councilman Rice said this whole program is modeled after a very successful series that was sponsored by the Nevada Humanities. The whole idea is to gather experts on particular topics; people with divergent and expert views to engage in discussion. There is a small pay. The chief would probably be exempt since he is already employed by the city. The panelists and the audience could engage in discussion in a real formal way. When it is all over the entire room engages in a discussion in a social way. He felt we have a community of people who are expert in a variety of fields.

Ms. Wines said they would also like to ask for the Nevada Arts Council for a matching grant to continue with this.

Councilman Perry thought the committees that the city has set up should have community meetings.

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to grant the Arts and Culture Advisory Board \$3,000.00 for their series of Discover Elko community roundtable discussions.**

The motion passed unanimously. (5-0)

- I. Review, consideration, and possible approval of the expenditure of funds from the Arts & Culture Advisory Board budget, for the purpose of issuing a one-time, \$1,000 grant to the Elko Euzkaldunak Club, for the promotion of cultural activities within the City of Elko, and matters related thereto. **FOR POSSIBLE ACTION**

The Arts & Culture Advisory Board has a \$5,000 budget for FY 2012/2013. CC

Ms. Wines explained they want to start a grant fund for different organizations. This year will be the Basque Club 50th Anniversary. It is different this year because they are suggesting giving it to the Basque Club. In future years it would be like a normal grant with a review process.

**** A motion was made by Councilman Perry, seconded by Councilwoman Simons, to grant the Arts and Culture Advisory Board to issue a onetime \$1,000.00 grant to the Elko Basque Club for the promotion of cultural activities.**

The motion passed unanimously. (5-0)

After the motion and before the vote, Mike Lattin, Canyon Construction, said after listening to the last two presentations, he has a hard time believing the city is funding this kind of thing. You are giving money to a group of people and they are going out and funding other people to do things. It doesn't seem appropriate and he doesn't think it is a wise use of tax dollars.

Council voted on the motion.

IV. NEW BUSINESS

- A. Review, consideration, and possible designation of an independent auditor to prepare the Annual Audit for Fiscal Year 2012/2013, pursuant to NRS 354.624 (3), and matters related thereto. **FOR POSSIBLE ACTION**

Each year the City is required to designate an independent auditor prior to March 31 of the year in which the audit is to be conducted. Kafoury, Armstrong & Company was selected as the City's auditor for the five year period beginning July 1, 2008 through June 30, 2013. This is the fifth year of that commitment.

There is a copy of the engagement letter from Kafoury Armstrong Company for audit services for the Fiscal Year ending June 30, 2013 for your review. The estimate listed is not to exceed \$77,000 unless there are more than three major programs requiring single audit procedures. DS

Dawn Stout, Administrative Services Director, explained Terry Gates with Kafoury Armstrong is in the audience. This is our fifth year of the contract.

Councilwoman Simons asked is it \$79,500.00 because there were more than three major programs.

Ms. Stout answered typically there are not more than three. This fee has no increase from the current fiscal year.

**** A motion was made by Councilman Perry, seconded by Councilman Rice, to approve Kafoury Armstrong & Company as the City of Elko independent auditors for the fiscal year ending June 30, 2013.**

The motion passed unanimously. (5-0)

VI. PETITIONS, APPEALS, AND COMMUNICATIONS

- A. Review, consideration, and possible action to accept a petition for the vacation of a portion of the 12th Street right-of-way consisting of an area approximately 365 feet in width by 25 feet in depth, filed by Michael H. and Tana M. Gallagher and processed as Vacation No. 1-13, and matters related thereto. **FOR POSSIBLE ACTION**

Nitin Bhakta, Summit Engineering, explained they are requesting to vacate a portion of the 12th Street right-of-way for the use of some additional parking. It equates to 8000 sq. feet. They have done research and there are no existing utilities in the area.

Rick Magness, City Planner, said staff reviewed this and approved it according to the conditions. It doesn't affect anything. It has not gone to Planning Commission yet.

**** A motion was made by Councilman Perry, seconded by Councilwoman Simons, to accept the petition for vacation and direct staff to commence the vacation process by referring the matter to the Planning Commission.**

The motion passed unanimously. (5-0)

- B. Consideration of an appeal submitted by Michael W. Lattin, President of Canyon Construction Company, seeking \$12,783 in reimbursement for invoices associated with the evaluation of the 5th Street HMA pavement, payable to Staker Parson Companies, and matters related thereto. **FOR POSSIBLE ACTION**

The above referenced appeal originates from problems associated with the 2008 5th Street Reconstruction Project, awarded to Canyon Construction for \$1,397,638.98. During the warranty period (September 27, 2008 – September 27, 2009), problems were noted with regard to asphalt raveling.

On May 29, 2009, Summit Engineering Corporation sent a letter to Canyon Construction Company regarding various “punch list” items. One item in particular addressed the condition of the asphalt pavement: *“Throughout the entire length of the project, there seems to be raveling occurring at the surface of the new asphalt pavement. The larger aggregate within the surface are beginning to show and in some cases starting to show coarse raveling. Mitigation of the 5th street corridor will need to take place with some type of slurry seal to prevent further raveling and maintain the integrity of the asphalt pavement surface.”* As a result, a slurry seal was placed under warranty between August 6, 2009 and September 1, 2009.

Despite the project area being slurry sealed in 2009, Staff noted further deterioration (i.e., cracking) of the asphalt pavement surface beginning in early

2010. As a result, the City of Elko commissioned Lumos & Associates to core sample and test the asphalt pavement. During the coring operations, Lumos' field personnel noted and photographed the observed lack of bonding of the aggregates. The April 7, 2011 letter from Lumos & Associates stated ***“that the aggregate had 92% fractured face (50% minimum fractured faces required per Orange Book) and the aggregate was not treated with lime per the mix design.”***

Upon review of the report from Lumos & Associates, Summit Engineering Corporation commissioned PRI Asphalt Technologies, Inc. to prepare an evaluation report. This second report concluded that the lime content of the asphalt pavement was significantly below the requirements of the approved mix design, the amount of asphalt contained in the asphalt pavement was significantly below the requirements of the mix design, the asphalt paving contained significantly greater gradations of fine aggregates than allowed by the mix design, and the dust to asphalt ratios were significantly high.

On September 21, 2011, the City of Elko sent Canyon Construction Company a “Notice and Demand Letter” and a copy of the PRI Asphalt Technologies, Inc. report. In summary, the letter stated that the HMA asphalt pavement provided by Canyon and its supplier failed to meet the requirements of the Contract Documents and must be removed and replaced.

In response to the City of Elko's letter, Staker Parson Companies commissioned AMEC Environmental and Infrastructure, Inc. to perform a pavement investigation report at three locations along 5th Street. The report's summary of observations stated that moisture was present at the asphalt/cement treated base interface at all sample locations, that water was present between the asphalt layers at one location, that the degraded cores are evidence of the detrimental effects of water present during freeze thaw cycles, that the very rigid surface of the cement treated base may develop cracks which could transfer into the asphalt, and that the physical properties of the re-heated asphalt specimens met the design specifications. However, the AMEC report concluded that the in-place air voids were abnormally low and that the cracking was not a result of reflection cracks in the concrete treated base, but rather a result of “thermal cracking.” ***“After the crack(s) developed, water entered the pavement which is the probable cause of the moisture damage observed in the cores.”*** Interestingly, the AMEC report and corresponding laboratory analysis did not appear to test for lime content.

Due to the continued deterioration of the asphalt surface, the City of Elko crack sealed 5th Street on October 10, 2011. Additionally, the City of Elko micro-paved 5th Street during the 2012 construction season. Over the course of this winter, potholes have developed and have been filled with temporary patching material.

A copy of Canyon Construction Company's December 4, 2012 letter to the City of Elko requesting reimbursement for the AMEC report, and the subsequent

denial letter dated December 14, 2012 has been included in the agenda packet for review. CC

Councilman Schmidlein disclosed this is a direct involvement with his partnership in Canyon Construction, recused himself from the vote and left the room.

Mike Lattin, Canyon Construction, explained he brought Mike Newby with Staker Parsons who did the paving under a subcontract with Canyon Construction. Basically what they received on September 21 was a letter saying they needed to tear out and replace the pavement that was done on 5th Street in 2008 because it didn't meet the specifications. It alleges that 1) the lime content of the asphalt is significantly below the requirements of the approved mix design; 2) the amount of asphalt contained in the asphalt pavement is significantly below the requirements of the mix design; 3) the asphalt paving contains significant greater gradations of fine aggregate than allowed in the mix design; and, 4) the dust to asphalt ration is significantly higher. The problem he has in this is he felt the city was premature and erroneous in writing this letter to us. Staker came back with ample evidence that they did meet specifications. He feels it was inappropriate correspondence from the city. He felt the claim made by the city was unwarranted and would result in economic waste if they did what the city told them to do. If the asphalt meets the specifications what right do you have to impose that on the contractor? He feels the city should reimburse Staker for the testing to prove they met the specifications.

Mike Newby, General Manager Staker Parsons, said regarding the finding by Lumos testing that the aggregate was not treated with lime; the results of that test were not made available to him. The cores were taken in horribly distressed areas. He wasn't surprised that those samples didn't meet the tests that they ran. You cannot sample distressed samples and come up with a conclusion as to what caused that. He is curious to know how they determined there was no lime in the mix. He asked Mr. Calder to expand on that with the data he received from Lumos.

Mr. Calder said he has a copy of the report. On the cover letter from Lumos on April 7, 2011, they cited the procedure they used. "During the coring operations Lumos' field personnel noted and photographed the observed lack of bonding of the aggregates therefore the filter papers utilized during the quantitative extraction tests were sprayed with phenolphthalein to determine if lime was present and a fractured faces test ASTND281 was performed on the extracted aggregate.

Mr. Newby said from that he concluded the test they did was spray a chemical on there which turns blue or purple in the presence of lime. After that lime has bonded with the aggregate, that testing is not approved by any asphalt institute/agencies. There is no approved test to determine lime content in in-place asphalt. Those cores were taken from depressed areas. Summit stated the lime content was low below the requirements of the mix design. Because it has failed on the surface the lime will be skewed. Those were cut partway in a distressed area and partway out. AMEC didn't test for lime because there is no approved test. They did run a test that is a tensile strength test. The TSR ratio indicates if the material is inducive to striping (which is why you need the lime in it). The only way to measure lime content accurately is to have an inspector in your plant witnessing the marination process and taking the recorded numbers off the equipment as the materials process. The only other way is to request a report from them (a marination

record) that shows how much lime was produced or how much aggregate was produced per lime volume and some simple math can give you those percentages of what was used in that product. Their plant is open to inspectors. That is what they gathered from their testing. He questioned the road base. He said it was so solid the cutting device wouldn't penetrate it. There are pictures of very concentrated levels of concrete powder within the base. It is great to pave on because it is hard but it doesn't let water drain through it or let asphalt flex. We requested that the prime be deleted on this project. Canyon was directed to keep the surface wet until it was paved. The definition of keeping wet is a mist or a fog. We kept that road wet for 3 or 4 days with a regular water truck. He thinks they trapped that water in there before it was paved. Stress on asphalt usually starts at the bottom and works its way up because that is where most of the stress forces are being generated. He thinks some of the cracks started on the bottom and are now present in the surface.

Councilman Rice asked if the water was going to be detrimental to the asphalt, should you have paved the asphalt. Whose responsibility was it to lay the asphalt on the water?

Mr. Newby answered that he doesn't know if it was too wet or not. It was merely a question in his mind that we moved from stuff that is usually cured with prime coat (an emulsion type product) vs. keeping it wet to not lose the moisture.

Councilwoman Simons thought it was helpful to understand who did what to know whether or not to reimburse them.

Councilman Rice thought it sounded like it may not have been in the best interest of the workmanship to lay asphalt on a wet surface. That may have been the root cause of the deterioration of the surface.

Mr. Newby corrected him and said he questioned it in his mind. He just wondered if excessive moisture may have been trapped.

Councilman Rice said from his perspective you may have done the wrong thing by laying the asphalt on that surface.

Mr. Newby said he questions decisions he made at the time.

Councilwoman Simons noted the base was hard. Is there a different mix that should have been used?

Mr. Newby said they had no way of knowing that until after we come back and did this research testing the properties. The engineer had certain tests that they perform to say it meets certain compactions and that it is ready to pave on.

Councilwoman Simons asked it should have passed those tests and then the asphalt should have worked.

Mr. Newby answered in theory, yes. A sidewalk that rigid we saw expansion cracks in it for stress relief. We did nothing for stress relief in this surface and it is as hard as concrete. It's just another question in his mind.

Councilwoman Simons asked in his opinion who is at fault.

Mr. Newby answered he is not in the business to point fingers. It would have been his druthers to have had this settled in a partner session at the lower position possible and not here. They deal with a lot of agencies. From the tests they ran the asphalt still inspects to this day. Why it cracked in certain areas and the distressed areas he doesn't have an answer.

Councilman Rice asked the decision to lay the asphalt on that surface Dennis Strickland was in those conversations.

Dennis Strickland answered he was in those conversations. So were Nitin Bhakta from Summit Engineering and Mr. Newby from Staker Parson. They were all major players in deciding that spraying the oil on there wasn't the best idea. They decided to hydrate the surface.

Councilman Rice asked if it may have been over hydrated.

Mr. Strickland answered possibly but there are several things that could have possibly happened. The subgrade was extremely hard but that was the design professional's recommendation for that surface up there. We did get some moisture down there. He has never seen this particular type of failure. The report that AMEC produced leaves some question in his mind because we have used this same type of oil ever since he has worked at the city and he struggles with cracks and water in the surfaces all over the city but we haven't seen the same failure. We may never know all the answers. The main goal was to find out what happened so we don't repeat this in the future. We still don't know what caused this.

Councilwoman Simons asked what was the warranty period.

Mr. Strickland answered it was for one year and they performed their warranty work. The slurry seal was placed on it. That street has had more preventative maintenance in five years than any other road in the city and we are still struggling with its performance.

Mr. Lattin asked if it was Mr. Strickland's recommendation to tear out the asphalt on 5th Street. (no) Who came up with this recommendation in this letter?

Mr. Strickland answered it was not his recommendation to remove all the asphalt from the project.

Mr. Calder admitted he wrote the letter.

Mr. Lattin asked if he was the engineering expert for the City of Elko.

Mr. Calder answered he was basing it on a report.

Mr. Lattin said (without using the microphone) he thought that was a great part of the reason the city just spent \$3.5 on experts. He felt the city has an incompetent City Manager. He is not resolving controversies; he is creating them.

Councilman Perry interrupted Mr. Lattin and told him to stop.

**** A motion was made by Councilman Perry, seconded by Councilman Rice, to deny the reimbursement of \$12,783.00 to Mr. Lattin of Canyon Construction Company.**

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

III. APPROPRIATIONS (cont.)

- B. Review, consideration, and possible authorization for Staff to solicit bids for the Public Works Department for Plantmix Bituminous Pavement materials to be used for the Year 2013 Construction Season, and matters related thereto. **FOR POSSIBLE ACTION**

This is an annual bid request for Plantmix Bituminous pavement materials based upon a unit price per ton amount. The materials are primarily used by the Public Works Department on streets, but the material may also be used by other departments as needed. DWS

Mr. Strickland explained this is an annual item that allows them to bid hot mix for public works projects for the season.

Councilwoman Simons asked if this was the same amount used every year.

Mr. Strickland answered it depends on what is budgeted in that line item. It can fluctuate.

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to authorize staff to solicit bids for Plantmix Bituminous Pavement materials to be used for the 2013 construction season.**

The motion passed unanimously. (5-0)

- E. Review, consideration, and possible approval for Staff to solicit bids for the Main City Park Reconstruction project, and matters related thereto. **FOR POSSIBLE ACTION**

At the August 28, 2012 City Council meeting, Council accepted a design option for the Main City Park Parking Lot Reconstruction Project, the design documents have been completed, and Staff is requesting authorization to solicit bids for the project. JD

Jeremy Draper, Civil Engineer, explained this project was listed in the Parks budget. They were instructed to hold public meetings and they did hold two follow-up meetings. There were discussions about three design options. The one on the overhead is the design selected. Council approved the design and directed staff to work with donated labor where possible and look for fund raising opportunities for the performance stage. Mr. Andreozzi conducted the public meetings and Highmark donated labor and tore up the swimming pool slab. The Basque Club, one of the biggest users of the stage, will be moving their festivities up to the Basque Club. They would like to do the stage as a separate project so we can get a full design done.

Councilman Rice asked how about the demo that has been done. Will that get completed?

Mr. Draper answered yes. We are going to do a raised grass platform. They would have the start of the stage and could be used for activities in the park.

Councilman Rice said there is still a lot of concrete. Will you cover that over?

Mr. Draper answered yes. They will cover that up and possibly remove some. They will be coming up above where that concrete is now.

Councilman Rice asked will we need to complete the removal of that at some point later.

Mr. Draper answered after talking to some geotechnical engineers they indicated there is no need to remove everything in that pool and proceed from there. They said to re-compact the top three feet from wherever the finished grade is.

**** A motion was made by Councilman Rice, seconded by Councilman Perry, to authorize staff to solicit bids for the Main City Park Parking Lot Reconstruction Project as presented.**

The motion passed unanimously. (5-0)

After the motion and before the vote, Councilwoman Simons asked the base minus any additive alternatives plus the engineering plus the QA/QC testing is \$506,440.00.

Mr. Draper answered yes it is. He is still trying to finalize before they go out to bid to get that base bid under that \$500,000.00 number. He may pull a few more things out of that base bid from what was presented.

John Carpenter said he has commented on this project many times. He wanted to say it is too much money to spend on this. The money could be used in other places much better.

Councilman Schmidlein asked do you guys intend to use asphalt as a base.

Mr. Draper answered yes. The Public Works Department has indicated they will go through and grind it and we will use that as a base material. We are trying to recycle as much as we can.

Councilman Schmidlein asked installing the water line and the fire hydrant, is that something the city may be able to do in-house. Or does that become a conflict of new construction?

Mr. Draper answered we could do in-house. It wasn't required but he felt it may be prudent considering the BBQ section. We don't have any hydrants located near this parking lot.

Councilman Schmidlein asked what about a fire hose connection instead of an actual hydrant. He suggested a riser that spurs off with two 2.5 inch lines in lieu of a hydrant. That would be a little bit cheaper. The only thing you are trying to fight there is if any of the BBQ's catches on fire. You aren't looking at a huge volume of an actual structure there.

Mr. Draper said typically the ones he was talking about, those are used for structures and tied into the sprinkler systems in the structure. The Fire Department uses that to pressurize that system. It is not something we would use as a fire hydrant.

Mr. Strickland said anything that we can do internally we will look at that to keep the costs down for this project. They are scheduled to grind it and help with some of the profiling.

Councilman Schmidlein asked with all of the existing curb going around there, it is mostly all post curb. A lot of it is deteriorated. He walked through it on Saturday morning. For the most part the asphalt is completely deteriorated. With the drainage issues, post curb doesn't help a lot.

Mr. Draper said for drainage on this, most of the parking lot will drain straight to the grass. They won't have curbing around a lot of where the parking spaces are. The only places we are going to have curbing is at the roundabout at the end to keep people from driving on the grass.

Councilman Schmidlein asked would you be able to utilize some of the post curb there. (no)

Councilman Perry asked when will this be done.

Mr. Draper answered if we go out to bid next Friday, we hope to have everything done by July 1st for Art in the Park.

Council voted on the motion.

Councilman Perry had to excuse himself so he may be able to attend and judge the science fair.

- F. Review, consideration, and possible approval of entering into a Professional Services Agreement (PSA) with Newfields Engineering for the Quality Assurance Testing on the Main City Park Parking Lot Reconstruction Project, and matters related thereto. **FOR POSSIBLE ACTION**

As with any construction project the City will hire an engineering/testing firm to conduct Quality Assurance Testing for the project. Staff recommends hiring Newfields Engineering for the Main City Park Parking Lot Reconstruction Project. JD

Mr. Draper explained this is just for the testing on the project. They are looking at separating the asphalt testing and concrete testing. They did provide a quote. This is a new firm in town but we do have experience with some of their engineers when they were with previous firms.

Councilman Schmidlein asked about the \$2,400.00 for a vehicle here in town when their office is right here in town. When we do a lot of work directly here in town we don't charge for it. Is there a possibility we can discuss that issue with them a bit?

Mr. Draper answered we could discuss that with them. We do have other engineering firms here in town that do charge us for vehicle time. He doesn't like it but he has paid for it to other firms. He expects the final bill to come in well under the quoted price.

Councilman Rice said it may be that they are itemizing their costs so we can see them up front.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Rice, to enter into a Professional Services Agreement (PSA) with Newfields Engineering for the quality assurance testing on the Main City Park Parking Lot Reconstruction Project.**

The motion passed unanimously. (4-0)

- G. Review, consideration, and possible authorization for Staff to select an engineering firm for the design of curb, gutter and sidewalk along West Idaho Street from Mountain City Highway to approximately 350' west of Hot Springs Road, and matters related thereto. **FOR POSSIBLE ACTION**

NDOT has recently completed a road profile for West Idaho Street but did not include the design work for the curb, gutter and sidewalk along West Idaho Street. Staff is requesting authorization to negotiate a Professional Service Agreement with an engineering firm to complete the design work for the curb, gutter and sidewalk profile along West Idaho Street for a possible Capital Construction Project to be completed in FY 2013/14 prior to NDOT completing their project scheduled to begin in the fall of 2013. JD

Jeremy Draper explained this is an unscheduled project that they want to get done. After meeting with NDOT over the last couple of weeks they are saying they are ready to go with their project. We feel the work is essential for us to have a complete street along West Idaho Street. He is requesting authorization to begin the negotiations with an engineering firm.

Councilman Schmidlein asked will you put curb on one side of the road or are we going to curb both sides and put sidewalk on one side.

Mr. Draper answered they are looking at just the curb, gutter and sidewalk on the south side. With the north side abutting the airport they don't see a need to put the curb and gutter there. There are no access control issues or drainage issues on that side of the street.

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to negotiate a Professional Services Agreement with an engineering firm for the design of curb, gutter and sidewalk profile along West Idaho Street and bring the agreement back to Council for approval.**

The motion passed unanimously. (4-0)

NEW BUSINESS (Cont.)

- B. Review, consideration, and possible action to accept the 2012 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 the City Council. The Planning Commission considered this item at its regular meeting of March 5, 2013, and took action to approve the 2012 Annual Report of Planning Commission Activities and forward the matter to the Council. RM

Rick Magness, City Planner, said he would touch upon the highlights of the plan. Planning Commission was busy last year. With regards to the applications that were processed, parcel maps have been constant from 2011 through 2012. Also, subdivisions were up in numbers in 2012. Variances were up too. There was a resolution adopted amending the land use plan and adding development agreements. We have found that is very helpful with some of the developers. The land use map was helping to identify uses along Mountain City Highway and help create transition zoning. The increased fees for zoning applications has helped. Conditional use permits used to be very minimal in charge and we seem to have a lot of activity in those filings. Since we raised that we have started to see constructive applications come before us.

Mayor Johnson noted it is still far below the cost of what it takes to get it through anyway.

Mr. Magness said as you see the city continue to expand and grow, we may be looking at this as we move along. It helps defray some of the cost of administration and it also helps developers focus on what they truly want to consider. The total fees collected are up from last year but that is just reflective in the increase of fees that was adopted earlier that year.

Councilman Rice asked Mr. Magness to relay to the Planning Commission how much we appreciate their work.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Rice, to accept the 2012 Annual Report of the Planning Commission activities.**

The motion passed unanimously. (4-0)

V. RESOLUTIONS AND ORDINANCES

- A. Review, consideration, and first reading of Ordinance No. 762, an ordinance amending Title 3, Chapter 2, Section 3 of the Elko City Code entitled “General Provisions,” by adding an as-built provision, and matters related thereto. **FOR POSSIBLE ACTION**

It is crucial for the City Water Department to have accurate “As-Built” drawings for all new construction projects. These drawings are referenced for emergency repairs, future maintenance, and to update utility mapping systems. Currently, Staff is unable to adequately obtain “As-Built” drawings on several projects (primarily commercial and industrial) as this provision/requirement is not defined in City Code. Staff desires to amend the current City Code to require “As-Built” drawings for all new construction. RL

Ryan Limberg, Utilities Director, explained this is an item that he brought to council a few weeks back for input and feedback. Subsequent to that it was presented to the Planning Commission on March 5th. They took action to forward a recommendation to the City Council to adopt this ordinance. He had one mistake he made that he wants to clarify and have included in the ordinance if passed tonight. That would be that on the 6th line down as it is currently written it says stamped and signed paper copy. He wants to add to that “...by the professional of record for the project.” That would complete the sentence.

Councilman Schmidtlein said he assumed this is before Certificate of Occupancy. Is that correct?

Mr. Limberg answered yes; the exact same language as last time.

**** A motion was made by Councilwoman Simons, seconded by Councilman Rice, to conduct first reading of Ordinance No. 762 and set the matter for second reading, to include the change as written but including “...stamped and signed paper copy by the profession of record for the project.”**

The motion passed unanimously. (4-0)

- B. First Reading of Ordinance No. 771, an ordinance amending Title 3, Chapter 5, Section 4 of the Elko City Code entitled "Uses Permitted and Minimum Standards" hereby increasing garage and carport setbacks to 20 feet from 15 feet for property bordering a public street and from 12 feet for property bordering an internal street, and to direct Staff to set the matter for public hearing, second reading and possible adoption, and matters related thereto. **FOR POSSIBLE ACTION**

This amendment is similar in nature to the possible amendment to City Code Section 3-2-5 which is also proposing garage and carport setbacks being increased to 20 feet from 15 feet in order to address the issue of oversized vehicles parking in driveways and overhanging sidewalks. RM

Mr. Magness explained using the overhead screen to show an example they are trying to minimize the frequency where vehicles overhang onto pedestrian areas. Pedestrians have to walk in the street. That is a standard you find on new construction for a single family detached product. Most parking is 9 x 20. This is to consider for first reading.

Councilwoman Simons asked will 20 feet allow for these big extended cab trucks.

Mr. Magness answered in some cases yes but in some cases no. What happens if we even try to increase that at a greater depth, then how will we have set backs in a residential district? Now we have to increase the depths of lots. This will minimize that impact that may happen. Now we have developers that are considering 5 extra feet of concrete and that might be detrimental.

Councilman Schmidlein said it will state to impact development if you go 25 feet. If you have an extended long bed crew cab it will exceed the 20 feet. Not everyone has one of those types of vehicles. For the most part, most vehicles are going to be under 20 feet.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to conduct the first reading of Ordinance No. 771 and direct staff to set the matter for public hearing, second reading and possible adoption.**

The motion passed unanimously. (4-0)

- C. First Reading of Ordinance No. 772, an ordinance amending Title 3, Chapter 2, Sections 3 and 5 of the Elko City Code entitled "General Provisions and Residential Zoning Districts" hereby adding the words "street and" to Section 3-2-3 B. 6., adding setback requirements for detached accessory buildings within the RS Zoning District, increasing garage and carport setbacks to 20 feet from 15 feet, removing language which pertains to the general maximum density of three and four-family residential developments, and clarification of language and fixing formatting errors throughout Section 3-2-5, filed and processed as Zoning Ordinance Amendment No. 1-13, and to direct Staff to set the matter for public hearing, second reading and possible adoption, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission determined that it is necessary to amend the zoning regulations of the Elko City Code to clarify the requirements for "full frontage" public improvement construction/installation consistent with City Code 3-2-17, regulate setbacks for accessory buildings in the RS Zoning District, increase the front yard setback associated with garages and carports in Residential Zoning Districts, and clarify density language relating to three and four-family dwelling units, and pursuant to Section 3-2-21 made a motion to initiate the process at its regular meeting of February 5, 2013. The Planning Commission held a public hearing on March 5, 2013 and took action to forward a recommendation to City Council to approve the amendment. RM

Mr. Magness explained this is a housecleaning item. Staff recommends first reading and set for second reading.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to conduct first reading of Ordinance No. 772 and direct staff to set the matter for public hearing, second reading and possible adoption.**

The motion passed unanimously. (4-0)

III. APPROPRIATIONS (Cont.)

A. Review and possible approval of Warrants. **FOR POSSIBLE ACTION**

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

The motion passed unanimously. (4-0)

VIII. REPORTS

A. Mayor and City Council

Councilman Schmidlein reported he did a ride along with the Police Chief on Saturday night.

B. City Manager – Legislative Update

Mr. Calder reported a week ago Monday; the City of Elko gave the presentation to the Assembly Government Affairs Committee in Carson City. He reported Bill 68 (Ctax Bill) passed out of the Senate a week ago. He invited everyone to attend the California Trail Center Advisory Board meeting.

C. Assistant City Manager

Mr. Andreozzi reported he will be headed to Carson City with Shanell Owen and Jeremy Draper to pitch the CADV project.

D. Utilities Director

E. Public Works

F. Airport Director

G. City Attorney

H. Fire Chief

Chief Griego passed out a copy of the March newsletter. He just returned from a week of training at the Center for Public Safety Excellence Conference. Twitter and Facebook will have department feeds to get information out to the community.

I. Police Chief

Chief Zumwalt reported the status of the report done at the special meeting; the events of the weekend and an update on the victims and suspects. He thanked staff for setting aside money for a new police building. They started industrial cleaning in the current building and have had some severe problems with coughing, sneezing, headaches and sore throats.

J. City Clerk

K. City Planner

Rick Magness reported he may bring the Planning Commission work plan for 2013 to the next council meeting. We had a recommendation from RDA to have a joint meeting with RAC so they will be checking schedules and getting that arraigned.

L. Development Manager

Jeremy Draper reported they did receive a letter last week from FEMA, final notice for their FEMA for flood maps that would be effective starting in September.

M. Administrative Services Director

Doug Gailey reported the Airport Director recruitment is in full swing and goes until April 5th.

N. Parks and Recreation Director

James Wiley reported that he and some other staff sat in a booth at the health and fitness fair last weekend.

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