

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

SS March 22, 2016

The City Council of the City of Elko, State of Nevada met for a special meeting beginning at 3:00 p.m., Tuesday, March 22, 2016.

This meeting was called to order by Mayor Chris Johnson.

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

ROLL CALL

Mayor Present: Chris J. Johnson

Council Present: Councilman Robert Schmidlein
Councilman Reece Keener

Council Absent: Councilman John Rice
Councilwoman Mandy Simons

City Staff Present: Curtis Calder, City Manager
Scott Wilkinson, Assistant City Manager
Ryan Limberg, Utilities Director
Shanell Owen, City Clerk
Dawn Stout, Administrative Services Director
Jonnye Jund, Accounting Manager
Aubree Anderson, Human Resources Manager
Ben Reed Jr., Police Chief
Ty Trouten, Police Lieutenant
Jeremy Draper, Development Manager
Matt Griego, Fire Chief
Brian Burgess, Deputy Fire Chief
Mike Hess, Landfill Superintendent
Bob Thibault, Civil Engineer
James Wiley, Parks and Rec Director
Brian Mickels, Golf Maintenance Superintendent
Dennis Strickland, Public Works Director
Fritz Sawyer, WRF Superintendent
Mike Haddenham, Assistant WRF Superintendent
Dale Johnson, Water Superintendent
Dean Cernick, Assistant Water Superintendent
Cathy Laughlin, City Planner
Ted Schnoor, Building Official
Diann Byington, Recording Secretary

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

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

There were no public comments.

I. FY 2016/2017 BUDGET WORKSHOP

- A. Review, consideration, and direction to Staff regarding the Fiscal Year 2016/2017 Budget, inclusive of the General and Governmental Funds, and matters related thereto. **FOR POSSIBLE ACTION**

Dawn Stout, Administrative Services Director, reviewed the General and Governmental Funds using a presentation (included in the packet):

- General Fund Summary
- Recreation Fund

ACTION TAKEN BELOW WITH THE NEXT ITEM.

- B. Review, consideration, and possible direction to Staff regarding the Fiscal Year 2016/2017 Budget, inclusive of all Enterprise Funds, and matters related thereto. **FOR POSSIBLE ACTION**

Ms. Stout gave a presentation regarding the Enterprise Funds (included in the packet):

- Water Fund

Councilman Keener asked about the Vactor HXX truck.

Ryan Limberg, Utilities Director, answered that would be a large vacuum truck similar to the trucks we have now. It will be a little bit larger. The trucks we have now will both vacuum and jet sewer lines but they are overused. They are designed more for 30% hydro-excavating and 70% vacuuming. We use them for 90% vacuuming and maybe 10% sewer jetting. This would just be for hydro-excavating or vacuuming out leaks where contractors would normally use a backhoe. It wouldn't have the sewer jetting component on the front of it. It is built heavier than our existing models so it will take the wear and tear of the heavier gravels and rocks.

Ms. Stout continued:

- Sewer Fund

Councilman Schmidlein asked regarding the Sports Complex, will the sewer main crossing go through the river.

Mr. Limberg answered that will actually be for two different components. The sewer main into the Sports Complex is both a bore across the river for a sewer main and it is also the extension of the reuse line from down by the treatment plant.

Councilman Keener asked with all of the infill development, do you feel like your department is achieving some good economies of scale.

Mr. Limberg answered yes. With the larger projects especially. The smaller projects not nearly as much. Our Sewer Fund is very solid. The Water Fund has been in good shape up to this point with our infill development. On that one, as we are going forward to the new areas, we will be behind on our revenue if we don't increase that slightly.

Ms. Stout continued:

- Landfill Fund

Councilman Schmidlein asked, last year we bought a water pool and a loader the year before?

Ms. Stout answered yes we have had some capital expenditures. They are all big ticket items.

Councilman Schmidlein asked moving forward, what we are anticipating on additional large equipment that we will propose to purchase. We are asking for an increase for next year's budget and he wanted to make sure it was justified.

Ms. Stout answered they always get those types of questions whenever we look at raising fees. We are prudent in raising our fees and this one has not been increased since 2008.

Councilman Schmidlein wondered how many years this fee increase would take us. He doesn't want to come back in a couple of years and increase it again.

Ms. Stout answered that depends on the economy.

Councilman Schmidlein wondered what the fee increase would do to the residential customers of Elko Sanitation.

Ms. Stout guessed her trash pickup bill would go up \$5 per quarter.

Scott Wilkinson, Assistant City Manager, said if the council takes action and we move this direction, we will immediately be contacting Elko Sanitation and asking for their input so they can start punching those numbers for us. They will want to come back and adjust their rates accordingly.

Ms. Stout added that we would also have to send out a business impact statement to all of the customers letting them know what our intent is. That is an onerous process. She continued with the presentation:

- Airport fund

Councilman Schmidlein asked how many more years are there on the payment bond.

Ms. Stout answered seventeen. She continued with the presentation:

- Golf Fund

Councilman Keener said her recommendation was to not include the transfer in from the Recreation Fund but that would be for the 2018 budget year?

Ms. Stout answered no. Our recommendation will always have the Recreation Fund transfer in there. That was a decision that was made by council many years ago to help fund all of the recreation related departments within the city. The portion that staff is recommending is the portion that covers the administrative costs that we charge out to the Golf Course Fund. That is for everything that we do here in City Hall for the Golf Course. In addition to that we have been subsidizing their liability insurance. It is staff's recommendation to take that transfer away. She continued with the presentation:

- Proposed Schedule

Mayor Johnson asked, regarding the General Fund, the increase in expenses of \$1.2 million, is that about what the city has been seeing.

Ms. Stout answered when we get to budget it is typically around \$1 million a year. But when it actually comes down to it, if there is nothing unforeseen that happens, we typically come in under budget and we never spend our contingency. The biggest cost is in the General Fund is employee expenses and those costs do go up every year.

**** A motion was made by Councilman Keener, seconded by Councilman Schmidlein, to approve the working tentative budget for 2016-2017 understanding that staff will make some updates and bring it back to council after which time they received information from the State on March 30, 2016.**

The motion passed unanimously. (3-0)

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Mayor Chris Johnson

Shanell Owen, City Clerk