

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

SS March 24, 2015

The City Council of the City of Elko, State of Nevada met for a special meeting beginning at 2:00 p.m., Tuesday, March 24, 2015.

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.

Mayor Present: Chris J. Johnson

Council Present: Councilman John Rice
Councilwoman Mandy Simons
Councilman Reece Keener

Council Absent: Councilman Robert Schmidlein

City Staff Present: Curtis Calder, City Manager
Scott Wilkinson, Assistant City Manager
Ryan Limberg, Utilities Director
Dawn Stout, Administrative Services Director
Shanell Owen, City Clerk
Dennis Strickland, Public Works Director
James Wiley, Parks and Recreation Director
Brian Mickels, Golf Superintendent
Rick Hofheins, Assistant Airport Director
Doug Gailey, Human Resources Manager
Ben Mangeng, Information Systems Manager
Jonnye Jund, Accounting Manager
Dennis Price II, Street Superintendent
Mike Hess, Landfill Superintendent
Fritz Sawyer, WRF Superintendent
Mike Haddenham, Assistant WRF Superintendent
Robert Spencer, Facilities Maintenance Superintendent
Matt Griego, Fire Chief
Ben Reed Jr., Police Chief
Rich Genseal, Police Lieutenant
Bob Thibault, Civil Engineer
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.

I. FY 2015/2016 BUDGET WORKSHOP

- A. Review, consideration, and direction to Staff regarding the Fiscal Year 2015/2016 Budget, inclusive of the General and Governmental Funds, and matters related thereto. **FOR POSSIBLE ACTION**

Dawn Stout, Administrative Services Director, explained this is abbreviated from what they saw previously and gave a presentation.

- GENERAL FUND SUMMARY

Mayor Johnson asked about the charges from Dispatch.

Ms. Stout answered Central Dispatch is looking to change their formula from a per unit cost to a 1/3 per unit cost and 2/3 per incident cost. Our use of dispatch comes from the people who call in for service. Changing that formula will make it fair across the board. It could take up to 6 months to go through the process of making that change. It could be a \$20,000 to \$50,000 hit to the General Fund when it goes through.

Curtis Calder, City Manager, added the formula is 1/3 of the cost based on the number of radios and then 2/3 of the cost based on the calls for service. The heaviest users will be the Elko County Sheriff's Office and the City of Elko Police Department. The bulk of the costs will be spread to those two agencies. \$50,000 would be the worst case scenario. It will take some time for that Interlocal Agreement to get approved.

Ms. Stout continued with her presentation.

Mayor Johnson asked about the revenue difference between last year and this year.

Ms. Stout answered that is because of the CTax monies. She put in what they expect them to come in this year. We never budget the full amount.

Ms. Stout continued with her presentation.

- FY 2015/16 ROLLUP COSTS

Councilman Keener asked about property tax increases.

Ms. Stout answered they have seen a lot of development and a lot of homes going in. Our connection fees are way up. Two years ago our connection fees in the Water Fund were about \$800,000 and the Sewer Fund they were about \$1.2 million. That is when we saw a lot of those large apartment complexes going in. For this most current fiscal year they were down a little bit. This year, what we are seeing year to date is in line with what we had in 2013. There is the tax abatement in place and we will see some reduction in these numbers when we get them in but it is typically a 3% reduction in our revenues. The numbers in the presentation do not include the abatement numbers because she hasn't gotten those from the Department of Taxation yet. She continued with her presentation.

- COMMUNITY SERVICE DONATION REQUESTS
- RECREATION FUND

Councilwoman Simons noted the money to State Tourism is statutory and we have to pay that. Are the others statute mandatory?

Ms. Stout answered the only two that are state statutory are the Elko County Recreation Board and the State Tourism. That represents 1% of the total 12% room tax. 5/8ths of that goes to the Elko County Recreation Board and it is intended for advertising events that happen in Elko and the rest goes to State Tourism. The rest is in City Ordinance as to how it is distributed.

Councilman Rice asked what the additional room tax that they would request would be.

Ms. Stout answered 2% and it would generate \$533,000 per year.

Councilwoman Simons asked if there are any projections on the room tax going up with all the new hotels.

Ms. Stout answered she didn't know if anyone has made any projections on that.

Ms. Stout continued with her presentation.

- RECREATION FUND PROJECTS LIST

Mayor Johnson asked how much they would be able to bond for the golf course project.

Ms. Stout answered it would depend on whether or not you bond for both the Golf irrigation project and the Sports Complex or if you just want to bond for the Golf irrigation. She did some analysis on how much effluent goes to the Golf Course in comparison to the other areas that use effluent. It is about 7.25%. Based on a \$3 million project there might be a justification to bring in Sewer Fund monies in the amount of \$217,500.

Mayor Johnson asked how they envisioned paying for the Sports Complex.

Mr. Calder answered depending on many variables, if the interest rates are good we would recommend bonding for both projects at the same time and then utilizing a portion of that bonded amount to go towards the 1/3 of phase one of the Sports Complex.

Councilwoman Simons asked about when the current bonds will be paid off.

Ms. Stout answered the Airport Bond will be the first one we will be done with in 2027. The Police Station bond will be done in 10 years. California Trails may be refinanced but they have another 10 years.

Councilwoman Simons considered pushing the pool out until after the bonds are paid off.

Ms. Stout said we just don't have enough revenue for the projects that are out there. The only way we can get them done is to finance them. She asked about action for the 2% increase.

**** A motion was made by Councilman Rice, seconded by Councilman Keener, for council to make presentation to the Lodging Committee for the 2% Room Tax increase.**

The motion passed unanimously. (4-0)

Ms. Stout continued with her presentation.

- CAPITAL EQUIPMENT REPLACEMENT FUND
- YOUTH RECREATION FUND
- FACILITY FUND
- CAPITAL CONSTRUCTION FUND
- AD VALOREM CAPITAL FUND
- REVENUE STABILIZATION FUND
- MUNICIPAL COURT ASSESSMENT FUND
- PUBLIC IMPROVEMENT DEVELOPMENT FUND
- REDEVELOPMENT AGENCY FUND
- DEBT SERVICE FUND

Councilman Keener asked regarding the Public Improvement Development Fund. Can it be rolled into a different fund?

Ms. Stout answered it is money that was part of a development project that is supposed to go towards signalization at various different intersections impacted by the development. We got a little bit of money on the front side and we haven't received anything since then. There is a statute of limitations where the money does need to be returned to the property owners. Some of those properties have changed hands. We would have to track down the property owners. If we haven't passed the timeframe we are very close.

Mayor Johnson asked about raising fees.

Ms. Stout answered that they did consider raising the Building Department fees but after looking at them and comparing them to other areas they could not justify raising the fees at this time. There is a state statute when looking at increasing fees and we didn't meet the minimums for that.

- B. Review, consideration, and possible direction to Staff regarding the Fiscal Year 2015/2016 Budget, inclusive of all Enterprise Funds, and matters related thereto.
FOR POSSIBLE ACTION

Ms. Stout gave a presentation.

- WATER FUND

Mayor Johnson asked if the city can't get the water line at Exit 298 done at \$1.6 million is it worth it to push hard to spend \$2.7 million.

Ryan Limberg, Utilities Director, answered originally they had designed the water main to run from Exit 298 up to Mountain City Highway at \$2+ million dollar price tag. In working through that project a shorter term solution was discovered that there is a possibility of running the water line from Sundance out to Exit 298 at a much lower cost to kick off development. We looked at that as a smaller bite of the apple. The update on that project is that so far they have acquired the three easements we need out there to make that project happen and he will be bringing that back to council at our first meeting in April. At this point it does look like the possibility exists that we can run the waterline from Sundance to Exit 298 for the \$1.65 million. However, when we were doing this budget we didn't have those easements in hand.

Mayor Johnson asked if the city knew enough about the potential well to know what the production could be.

Mr. Limberg answered you never know about the wells until they are drilled and pumping.

Mayor Johnson saw that the City of Reno is going to restrict water usage by asking people to use 10% less. Is that something that Elko may be faced with this year? How would Elko monitor if that was something we need to do.

Mr. Limberg answered they test the drawdown in the wells each month. Some locations they test more often. They will continue to monitor that and they will be watching that very closely. By June they will really be looking at that to see how they compare to previous years. They had the same concern a year or two ago but even though some wells were down, others were up. It is difficult to predict right now.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to approve the additional personnel request for the Water Department.**

The motion passed unanimously. (4-0)

Ms. Stout continued with her presentation.

- SEWER FUND

Mr. Limberg explained the Truck Loadout Building is needed for a dump truck that they have at the WRF. The building would house the dump truck and would also have a carbon air scrubber

to clean out the fumes from the truck. It is a big cost but a good part of the cost will be the carbon air scrubber.

Councilman Keener asked what size the building would be.

Fritz Sawyer, WRF Superintendent, answered the building will be 35 feet long, 16 feet wide and 16 feet tall. Most of the costs will be driven by the block work and the odor scrubber. It is one of the most odorous places remaining at the plant. The truck gets pretty pungent. We are going to encapsulate it and scrub the fumes.

Ms. Stout continued.

Mayor Johnson asked what the grit removal study is bringing.

Mr. Sawyer answered most waste water plants have grit removal. That typically takes out sand, grit, coffee grounds, egg shells and hair. We are one of the few plants that he has ever visited that does not have grit removal. It has been on their list since he came to work at the plant. There always seems to be other issues. We are at the point where we need to do it because we are starting to see some affects with capacity in the digesters. When we improved the quality of the effluent, we are now taking more solids out of the water. We have great quality of water leaving the plant but now we have more solids to deal with so we are going to have to look at solids handling. The study will tell us how much it will cost to do it and will we do it.

Mr. Limberg added the last they looked at grit removal was several years ago. Maybe there is some new technology that is cheaper and easier now.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to approve the personnel request for the Water/Sewer Operator III/IV.**

The motion passed unanimously. (4-0)

After the motion and before the vote, John Carpenter said the audit showed \$36 million in the sewer fund.

Ms. Stout answered without a specific reference in the audit she wasn't sure what he was referencing. This is what we have and we have never had that much in the fund. She didn't know what he was referencing.

Councilwoman Simons stepped out to get a copy of the latest audit so Ms. Stout could answer Mr. Carpenter.

Councilman Keener asked if it was possible to bring a new employee at a lesser grade level than what is proposed.

Mr. Limberg answered they prefer a more advanced level operator because they already have operators at a level 1.

Council voted on the motion.

John Carpenter read from the audit “the Net Position end of the year is \$36,266,522.

Ms. Stout answered Net Position includes all the assets. It isn’t just the cash. She continued with her presentation.

- LANDFILL FUND

Mayor Johnson asked what is the gain to the city to realign the entrance to the landfill.

Dennis Strickland, Public Works Director, answered it would mainly be aesthetics but also when they extended the scales it pushed everything towards the main gate. We had to widen and move the gates. They would like to extend the curb and gutter up Pinion and re-grade around the scales so it looks nice and functions nice.

Councilman Keener said the administration costs seemed low compared to other departments.

Ms. Stout said they come up with that cost based on total expenditures for the Enterprise Funds. We take the expenditures of the General Fund in relation to the Enterprise Funds over a rolling five year average. She continued with her presentation.

- AIRPORT FUND

Councilman Keener asked about the Master Plan that was approved.

Ms. Stout explained that was pushed back so they could put in the PAPI improvements. She continued with her presentation.

- GOLF FUND

Mayor Johnson asked if they were good on carts.

Brian Mickels, Golf Superintendent, answered 9 more carts have been included in the budget. With these 9 carts we should be at the limit that we want to keep and maintain.

Mayor Johnson asked if that would give us enough carts for all events or would they still have to bring in more carts.

Mr. Mickels answered there would be very few events that they wouldn’t be able to cover. We brought in 15 carts last year for the Mining Expo. It depends on other private events but sometime the double shotgun tournaments require a few extra carts. It isn’t feasible to have more golf carts because most of the time they are just sitting.

Don Newman, ECVA, said they pay for the additional golf carts during the Mining Expo.

Mayor Johnson asked if they needed to bottom line whether or not the Sewer Fund is a source of cash for the Golf Course Irrigation Project.

Mr. Calder answered there is still time for that. They will need to pick an option they like and they will come back with a plan as the budget develops. We aren't even to a tentative budget at this point.

Ms. Stout talked about what was left to do in the budget process. She will get more updated information on the abatements and sales tax monies at the end of the month. If council has any other questions or would like to see additional information, if they let her know she could bring it forward as a report on a regular council meeting.

Mr. Calder said there is an item in the next agenda for the new Get My Ride bus and the bus is outside now.

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