

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

SS July 1, 2014

The City Council of the City of Elko, State of Nevada met for a special meeting beginning at 4:00 p.m., Tuesday, July 1, 2014.

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 Robert Schmidlein
Councilman Reece Keener

City Staff Present: Curtis Calder, City Manager
Delmo Andreozzi, Assistant City Manager
Dawn Stout, Administrative Services Director
Shanell Owen, City Clerk
Ben Mangeng, Information Systems Manager
Ryan Limberg, Utilities Director
Scott Wilkinson, Development Manager
Matt Griego, Fire Chief
Ted Schnoor, Building Official
Ben Reed Jr., Police Chief
Rick Magness, City Planner
Jeremy Draper, 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**

John Carpenter said he has a concern about how the city is not getting the supporting material out for the agendas. The NRS says you can wait until it is given to the members of the board but

in reality the Open Meeting Law is there so the people know what is going on. He didn't get any materials until this morning. He felt there is plenty of time to get the supporting materials out. That part of the NRS needs to be changed.

I. NEW BUSINESS

- A. Presentation, discussion, and review of the Elko Police Station Project by Lombard Conrad Architects-Nevada, LTD., including project history/overview, design presentation, and opinion of probable cost, and matters related thereto.
FOR POSSIBLE ACTION

This item will provide the City Council and the public the opportunity to review the proposed Police Station design and provide constructive feedback prior to final design, plan review, and bidding process. CC

Curtis Calder, City Manager, introduced the representatives from Lombard-Conrad Architects (LCA). They will be giving a presentation that was received after 5:00 pm last night and distributed first thing this morning.

Byron Smith, LCA, explained he was present with Russ Moorehead also from LCA. They gave a presentation (Exhibit "A").

Councilman Rice noted that a fair amount of the furniture and equipment will be brought over from the old facility.

Councilman Keener asked about the opinion of probable costs for the non-construction costs there is a \$250,000 line item for Silver Street Improvement Allowance. Does that include the 15th Street addition as well?

Mr. Smith answered no. That was a number that was furnished by Mr. Capps as part of his estimate. It is only for Silver Street.

Mr. Moorehead added to the cost of the cul-de-sac extension is in the purchase price of the site.

Mayor Johnson noted that we have a full house and short of time. This first item is about the project budget, cost, scope and design. There will be more discussion regarding the financing. We need to keep our discussion to the agenda item. He asked for public comment.

Kimberly Owen, 1289 Parkview Drive, said since we don't have a construction manager she wanted to make some suggestions. The first suggestion is to use a third party cost estimator. She felt the budget numbers are a bit skewed and a cost estimate would give more detail. The value of detailed cost estimates is significant considering the benefits. The absence of detailed cost information will bring about a multitude of subsequent issues. The second suggestion would be that if the cost estimate that comes next exceeds the project budget then your next step would be to perform a third party value engineering (VE) session. The goal of VE studies is to alter the design elements to bring project delivery within the projected budget without

compromising quality or construction time and make it easier to construct, ensure safe operations and ensure environmental and ecological goals. The need for cost reduction on the project is imperative and there needs to be a systematic method in place to lower the project costs. The best results of the VE occur right now in the design phase before it goes out to the bid phase.

Gene Shane, 3206 Scenic View Drive, asked if there was a basement in the building.

Mayor Johnson answered no it is a slab on grade.

Mr. Shane asked is that necessitating the building of the additional building on the site.

Mayor Johnson answered no. The annex building is used in a different manner. It is more of a garage setting.

Mr. Shane asked if there were a basement would that building still be necessary. (yes) You have designed all of the parking around behind the building with one entry and one exit. In the case of an emergency what happens if that's blocked?

Mr. Moorehead answered we a gated entry for security but there is also an emergency egress point with gates on it. There are two points in and out onto the cul-de-sac in case one is blocked.

Lee Hoffman asked at this stage of the process he assumes there is no detailed engineering done. It looked like there was a 5% contingency and he felt that was fairly low. Is there more that can be applied?

Mr. Moorehead answered in 2009 they completed engineering designs for the Kittridge Site. Those plans have been brought up to code. They are ready to be submitted to the building dept.

Benny Nelson, 698 Bullion Road, asked if there was room for expansion on this site.

Mr. Moorehead answered yes, they have thought about expansion on this building. It will be to the sides. With the power lines left in place, to expand the building the power lines would eventually have to be moved because they block expansion.

Mr. Nelson asked if parts of the inside finishes could be tabled until a later date to save money now. Maybe some of the offices not be completed until they are needed.

Mr. Moorehead answered it is a possibility, yes.

Tony Buetner, Buetner Inc., asked if they have seen detailed cost estimates as to how those numbers came about.

Mayor Johnson said he based it on the architect's experience. LCA did a design for the Wells Elementary School and that project was at \$4 million and it came in at \$3 million. LCA is also the architect for the Elko County Jail Project and their estimates were very close to what the hard cost came in. He is confident in their numbers.

Mr. Buetner asked if those numbers could be made public so everyone could feel as confident as the Mayor does.

Mr. Moorehead said they had two separate contractors give them detailed cost estimates. They can do a summarized breakdown of the costs. They are comfortable with the costs they have provided.

Mayor Johnson said there are options the city can consider such as base bid alternates that can be used during the bidding process. That can help get the bare necessities completed and then work on others.

Ben Reed Jr., Police Chief, said looking at the history of this the department has had many visits from engineers, architects, mold experts, OSHA, asbestos experts, members of the general public, media and so forth. That all adds up to a critical need for a new facility. There have been 18 official sites evaluated and many unofficial suggestions. There have been dozens of City Council agenda items for public comments opportunities. It has been well vetted. The employees at the Police Department have been very patient over the last 9 years. He pointed out some of the issues the current building has; no heating or cooling in certain areas of the current building, disintegrating water pipes, mold in certain floors and walls within the facility, asbestos material within the facility, lack of proper security, rotten wood, lack of proper evidence storage, lack of meeting space, lack of parking, lack of storage capacities for equipment, lack of ADA access for the public and so forth. Staff has reviewed the plans to ensure the relevancy of the project and try to trim costs. They are trying to use existing equipment to save costs. By their estimate they figure they have shaved off \$250,000 to \$300,000 in amenities. He thanked council for getting them to this point because it is way overdue. He can't overstate the need enough. It is now time to make this happen.

Councilman Schmidlein asked if anyone has the estimated cost of the excluded items that need to be completed. Regarding the photovoltaics', what is the estimated costs? He is 100% in favor of building a Police Station. He has a problem with the garage/annex building. He personally felt that the garage estimate can be put on hold until we can get some money. He wants to look at some alternatives. He is over the issue with the property. He also wants to pay for the road improvements with a different funding source. When you start looking at these two items you are talking about \$900,000 and we can pay for the station a lot quicker and easier.

Mayor Johnson asked if Councilman Schmidlein was saying he wanted the budget reduced or if he would be in support that the annex building be an alternate. If the proposed budget were met during the bidding process then that alternate could be awarded?

Councilman Schmidlein answered that instead of financing those two items, let's build that police station and reduce the loan drastically.

Mayor Johnson confirmed that he wanted the budget reduced and not do those items at this time.

Councilman Rice said what we are doing now is approving this. This is not a decision to go to bid at this time. Later on when we go to bid we can conceivably have the garage be an add alternate.

Mayor Johnson asked in order to move this forward, does council need to make a decision on what will be an alternate or not.

Mr. Calder answered the agenda is worded broad enough. You could choose what could be an alternate if you wanted to. We aren't at that step yet.

Mayor Johnson asked if they are going to have another chance to talk about bid alternates.

Mr. Calder answered he envisioned the City Council saying "yes, this design is fine," and move forward for plan review because we still have a plan review process. We will come back to council after we get authorization for funding the project to ask to solicit for bids.

**** A motion was made by Councilman Rice, seconded by Councilman Keener, to accept the report as presented by Lombard-Conrad Architects tonight and the opinion of probable construction costs.**

The motion passed unanimously. (5-0)

After the motion and before the vote, Mayor Johnson asked if council wanted more public comment. It was agreed to allow more public comment.

Gene Shane, 3206 Scenic View Drive, asked if the old building when it is vacated, is it a total loss to the city? Can it be sold? Can that help finance this?

Mayor Johnson answered it can be sold. That could be an option to the city.

- B. Acknowledgment of receipt of the approval letter from the State of Nevada Department of Taxation for the proposed \$3,000,000 medium-term obligation for the Elko Police Station Project, and matters related thereto. **FOR POSSIBLE ACTION**

A copy of the approval letter has been enclosed in the agenda packet for review.
CC

Mayor Johnson explained this is to acknowledge that the State of Nevada has approved the medium-term financing course for the City of Elko.

Mr. Calder said this is a required step through the medium-term process.

**** A motion was made by Councilwoman Simons, seconded by Councilman Keener, to acknowledge the receipt of the approval letter from the State of Nevada Department of Taxation for the proposed \$3 million medium-term obligation for the Elko Police Department.**

The motion passed unanimously. (5-0)

- C. Review, discussion, and possible action to proceed with the issuance of either Medium-Term Obligations by the City of Elko, Nevada in the maximum amount of \$3,000,000 or General Obligation (Limited Tax) Public Safety Bonds (Additionally Secured by Pledged Revenues) in the maximum amount of \$3,000,000, and matters related thereto. **FOR POSSIBLE ACTION**

At the April 22, 2014 Council meeting, Council directed Staff to run concurrent processes for financing of the Elko Police Station Project. All appropriate City Council resolutions have been approved. CC

Mayor Johnson explained council has three options: Not to approve any; option to approve medium-term financing; or, option to approve long-term financing, which if that was approved the city would have to decide what to do with the petition process.

Mr. Calder explained bond counsel is present in the audience to answer questions. This isn't the final step and there will be additional steps regardless of the methodology selected tonight.

Mayor Johnson asked for public comment.

Clint Bogdon, Elko, said in his opinion the city shouldn't even consider funding a proposed Police Station that sits in the same area as the biggest amount of hazardous materials in Elko. They have ignored the risks not only to the taxpayers but also to the people working in the proposed site. They have taken the side of the developer in this selection. The site sits within the old flood plain of the river. No studies have been involved with the water table and where it sits during a wet year. It is within 200 feet of the railroad tracks. It is placed within 700 feet of the flammable storage facilities. Some safety specialists would suggest a safety zone of at least half a mile away from a propane levy. Is there adequate storage ponds for the amounts of water that would be required to extinguish a fire? Are the diversion ditches in place to divert that water from running onto 12th Street or down into the Police Station site? With the expanding development could the Fire Department even deliver adequate water based on the amount of fuels that are stored in the area? These petroleum businesses have to undergo a slew of new inspections or limit the amount of materials they can store onsite. Will they face costly modifications to their properties to come into compliance based on what the city may not be able to provide?

John Carpenter said a great point was made there. He didn't think they could put this in this site with all the propane and diesel. Someone needs to look at this and what is stored there. If something would happen out there then it would be simple to take out the Police Station. Someone needs to look at this and see if this is a safe site because no one has done that yet. He thinks that what you are doing with this gas tax money is just not right. You are taking that

money for 10 years and it is just not the right thing to do. Put this thing on the ballot to raise 5 cents. If we really need it then maybe the people would vote for it. Put it on the ballot because it won't be done this year anyway. Sell it to the people.

Kimberly Owen, 1289 Parkview, said on the bond issue, pursuant to her previous comments, the city should not be asking for any money until they get the project costs determined. The city is proposing to encumber their citizens with another bond. The public will not take this lightly and will be looking closely at the consequences of these choices. Both city officials and local citizens are being called upon to make complicated decisions involving large sums of money to finance a long-term capital project. Thus far the city staff and city officials have failed to gain the public's confidence as evidenced by the petition. The voters seek to take the decision out of the council's hands because they lack faith in council's judgment. If you really do have the public's best interests in mind you need to share with us the information that you have utilized to come to this decision so we can also share your confidence in the project. Why hasn't the process been more transparent? Why are you volunteering information to the public to increase their comfort level? She is bombarded with questions on this project by people that want answers. She requested from the City Engineer to see plans for site work she was told that there weren't any and he hadn't seen any. Her colleague went down to the Building Department yesterday to see the grading permit she was told that it wasn't there. Does it even exist? Another colleague requested a copy of the CLOMR and a copy of the improvement plans and he has yet to receive these items. Are we subsidizing a private developer with taxpayers' money? She didn't understand why there are so many barriers to obtain public information. Why is this project shrouded in such mystery? There has been no effort to reduce costs in this project.

Glen Guttry, Elko, read a statement (Exhibit "B").

Gil Hernandez, 1316 7th Street, said we have heard city council bring up many times for people to get involved and make public comments. This room isn't as full as it has been in the past. He agreed with the medium-term financing and wants to keep that storage unit left in there. The costs will continue to go up. Proceed the way you have been going. He has been to a lot of these meetings and some people have had personal vendettas. They say the election will bring out the true vote but the City Council will not change because of this agenda item.

Sara Sweetwater, 1375 Oak Street, commended Glen Guttry for all of his good work. She also commended all the leaders for what they have done over the last 9 years. Marie Montessori said on the ladder to your goals you may find angry dogs barking at your heels. Take a couple of steps up on this ladder and revision your goals. Get above this angry barking and look at the vision of Elko that our city leaders have been working towards. Silver Street suffered the contamination and left over debris of moving the railroad tracks from the center of Elko. As the city paved the west end of Silver Street, new life sprang up along this alternative artery. What was once a waste land is now busy with business. Locating the Police Station on the east end of Silver Street will be steps needed towards clearing the rest of this vital artery. This \$250,000 that so many people are worried about is just another step in getting this Silver artery opened. Our city leaders have seen the vision of this progressive movement for this Silver Street corridor. Our Police personnel have told us that the Silver Street location is the best location for their accessibility and future development. Progress costs money.

Jay Elquist, 3108 Midland Drive, talked about making decisions like this. The best towns in America poll people and they rate. Businesses and retirees look for basic building blocks in a community. They all look for a strong education system. They look for good healthcare. They look for a good transportation system. They look for nice parks and recreation and a safe and secure town. Elko has these building blocks and is in great shape. During his eight years on City Council they invested millions of dollars. His parting comment as he left council was that we have neglected our buildings. Our facilities are falling down around us. It is time to do this Police Station. He felt City Council was doing a good job and taking the needed steps. What is best for businesses to succeed, to have his kids move back to, what is best to retire to and what kind of community do we want to live in? He didn't understand why this is an agenda item since the school district doesn't go through this scrutiny when they build buildings. Delays cost money. Reviews cost money. This scrutiny isn't necessary.

Lee Hoffman, 1085 Barrington Avenue, said he recognized the stress of this decision. In his 16 years he never made a decision based on a threat to not be elected the next time. Make your decisions based on what is best for the City of Elko. As a citizen he supported the medium-term funding.

Mike Franzoia, 2500 Alta Vista Drive, noted the city is always spending a lot of money without public vote. The public puts their faith in City Council to do what is best for the city. There is no question that going with the shorter term financing that we will save money. It is not a popularity contest. No matter what decision you make you will upset half the room. Do what you think is right based on the facts that you have. He supported the medium-term financing.

Mayor Johnson asked if there were any more public comments without a response.

Councilwoman Simons appreciated everyone that showed up. This has been well vetted and we have done our due diligence. Because of the naysayers and penny-pinchers and these people scrutinizing this project we have been forced to look at things over and over. She is grateful for the process but it is time to make a decision. We are a representative government. That means we make the decisions for the public and we don't have an election for every decision. You have every right to bring a petition but it is detrimental to this decision. She would have liked to have done the 20 year financing but because of the petition. That option has been taken out of their hands and they need to go with the medium-term financing.

Councilman Rice said he has been in this process for seven years. Seven years ago this was a \$6.5 million project. Now it is less than \$6.5 million. It is remarkable that we have been able to come in with a project that is no more expensive than it was seven years ago. It is a modest and functional facility. He is in support of the medium-term financing. We will save \$1 million in the long run. We will make it work.

Councilman Keener supported the medium-term financing. The big question for council tonight is; are we going to get swept up with the fear, uncertainty and doubt crowd or are we going to make a decision for the future of Elko's public safety tonight? He does not take the citizen's petition drive lightly. It is important that we hear from all sides. When this came out there was a

letter from the organizer to the editor where he said there was overwhelming support for the petition drive. If there was overwhelming support then why aren't the petitioners submitting 1000's of signatures instead of 100's? Why did it take them until the deadline to produce the minimum necessary signatures with a safety margin? Why did they have to resort to going door to door to gather signatures? What were citizens told when they were confronted to sign the measure? In the face of overwhelming support, why haven't Councilmembers been besieged with inquiries from concerned citizens? Where is the overwhelming outrage?

Mayor Johnson supported medium-term financing. He stated that in a letter to the editor. The medium-term financing brings savings. This is a simpler process to go through and the city is in a position to have that happen. The option to pay for half of this with cash puts the city in a supporting position. His goal in these meetings is to have everyone feel comfortable to come and express their opinions. He has heard all of the comments made.

**** A motion was made by Councilwoman Simons, seconded by Councilman Rice, to proceed with the issuance of a medium-term obligation by the City of Elko, Nevada, in the maximum amount of \$3 million.**

The motion passed. (4-1 Councilman Schmidlein voted no.)

- D. Acknowledgement of receipt of the petition seeking "Voter Approval for Funding of Elko Police Station," including possible direction to the Elko City Clerk with regard to signature verification, and matters related thereto. **FOR POSSIBLE ACTION**

The above referenced petition was received by the Elko City Clerk on Monday, June 16, 2014. CC

Mayor Johnson noted this item is moot but he was welcome to comments.

Councilwoman Simons said we could just acknowledge the receipt of this.

Councilman Keener commented that in one way or another, this will be on the ballot in November because three of the council members that are supporting this are up for re-election. He felt strongly that this was long overdue and the time to act is now.

**** A motion was made by Councilman Rice, seconded by Councilman Keener, to accept the petition.**

The motion passed unanimously. (5-0)

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