

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

SS March 9, 2010

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, March 9, 2010.

This meeting was called to order by Mayor Michael J. Franzoia.

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

ROLL CALL

Mayor Present: Michael J. Franzoia

Council Present: Councilman Jim Conner
Councilman Chris Johnson
Councilman John Rice arrived @ 4: 30 p.m.

Council Absent: Councilman Jay Elquist

City Staff Present: Curtis Calder, City Manager
Delmo Andreozzi, Assistant City Manager
Alan Kightlinger, Fire Chief
Don Zumwalt, Police Chief
Shanell Owen, City Clerk
Dawn Stout, Administrative Services Director
Trent Moyers, Airport Director
Ryan Limberg, Utilities Director
Dennis Strickland, Public Works Director
Mike Hecht, Deputy Chief/Fire Marshall
Antonio Mendive, Water/Sewer Superintendent
Darren Skelton, Public Works Superintendent
James Wiley, Parks Superintendent
Jared McEntire, Electrical/Facilities Superintendent
Mike Hess, Landfill Superintendent
Jessica Johnson, Human Resources Manager
Ted Schnoor, Building Official
Ed Wynes, City Planner
Jeremy Draper, Civil Engineer
Lorraine Martinez, Accounting Supervisor
Linda Buffington, Recording Secretary

PLEDGE OF ALLEGIANCE

**** A motion was made by Councilman Johnson, seconded by Councilman Conner to approve the minutes of February 23, 2010 as presented.**

Motion passed unanimously.

2009 YEAR IN REVIEW PRESENTATION - PUBLIC WORKS DEPARTMENT

See Exhibit 'A'.

I. APPROPRIATIONS

- B. Review, consideration, and possible award of a Used Four-Wheel Drive Sport Utility Vehicle and matters related thereto. **ACTION ITEM**

This bid included a trade-in allowance for a Ford F350 Truck that the Council approved at the February 9, 2010 meeting. Bids were opened on Friday, March 5th. A bid tabulation and a recommendation will be provided at the meeting. DZ

Police Chief Zumwalt advised two bids were received; Gallagher Ford and Fallon Auto Mall. Staff recommends Gallagher Ford as low bidder; bid includes \$1,000 cash back to the city.

**** A motion was made by Councilman Conner, seconded by Councilman Rice to award the bid for a Used Four-Wheel Drive Sport Utility Vehicle to Gallagher Ford.**

Motion passed unanimously.

- C. Review, consideration, and possible award for the Silver Street Pavement Resurfacing Project; 5th Street to Idaho Street, and matters related thereto. **ACTION ITEM**

Council authorized Staff to solicit bids at the February 9th meeting. Bids were opened on Friday, March 5th. Staff will provide a bid tabulation and recommendation at the meeting. JD

Civil Engineer Draper advised the bid portion of this project came in approximately \$88,000 under budget; based on the engineer's estimate. There is a \$1.00 fee included for possible alternates to cover administrative costs if they have to pull out during the Motorcycle Jamboree. This project is partially funded with RF Funds (Reimbursable Funds); the City's portion, for construction if it stays as is will be \$377,000.

Councilman Johnson requested clarification; the City received four bids.

Mr. Draper verified that was correct and reviewed the bid tab sheet; bids ranged from \$363,000 up to \$1.0 million.

Councilman Rice questioned whether Staff was comfortable with the bids; that there is a large range of difference.

Mr. Draper advised the two lowest bids were within \$37,000 of each other. Larger costs were due to move and de-move.

**** A motion was made by Councilman Rice, seconded by Councilman Conner to award a bid for the Silver Street Pavement Resurfacing Project; 5th to Idaho Street to Staker Parsons in the amount of \$863,133.50 with the add-alternate of \$1.00 for a total base bid of \$863,134.50.**

Motion passed unanimously.

- D. Review, consideration, and possible authorization to reallocate funds in the Capital Equipment Fund, and matters related thereto. **ACTION ITEM**

Staff requested \$24,000.00 for the purchase of Signal detection equipment for Fiscal Year 2009/2010. Due to recent budgetary concerns, Staff would like to reallocate these funds and purchase LED street lights as a cost savings measure. Staff has not performed a thorough analysis of what those cost savings would equate to overall, but we expect power savings of approximately 30% to 50% on all of our metered lights. DS

Public Works Director Strickland advised Staff's original plan was to get our traffic signals where we wanted them but in light of recent budget constraints this is an area where a lot of street lights are metered; switching to LED lights will result in an immediate 30% savings on our electric bill. These lights are also easier to maintain. Vendors indicate within a four-year period the City would see a full payback on our investment.

Mayor Franzoia questioned how many signal detection devices would this have purchased; and how many lights will it buy instead.

Mr. Strickland advised a full set of cameras for one intersection. This project will change out multiple street intersections.

**** A motion was made by Councilman Rice, seconded by Councilman Johnson authorizing Staff to reallocate funding of \$24,000.00 to purchase LED street lights.**

Motion passed unanimously.

- E. Review, consideration, and possible award for the Ruby Vista Drive Water Storage Tanks Exterior Coating Project, and matters related thereto. **ACTION ITEM**

Bids were opened on Monday, March 1st. Five bids were received. Farr Construction Corporation of Sparks, NV submitted the lowest base bid and the lowest base bid plus Alternate 11A or Alternate 12A. Their base bid for the tank painting was \$64,400.00. Their bid for either Alternate 11A or for Alternate 12A was \$10,000.00 respectively.

ECVA has tentatively agreed, awaiting their Board approval, to financially contribute \$10,000.00 for the painting of design Alternate 11A or is willing to

contribute \$5,000.00 for Alternate design 12A. As such, Staff is recommending awarding the bid to Farr Construction Corporation for the base bid plus Alternate 11A, the Wagon Train Design, as this will be the overall lowest cost design to the City. RL

Utility Director Limberg advised five bids were received. Two of the lowest bids were approximately \$50,000.00 under budget, two were near our budgeted amount and one was roughly \$50,000 over budget. Farr Construction was low bidder. Designs were submitted by the ECVA and the Arts and Culture Advisory Board; Staff requests Council select the art design they prefer.

Don Newman, ECVA agreed with previous statements by Councilman Elquist; marketing should be funded by ECVA. They will support the art and cultural as well as informational process; it will be presented for board approval on March 23rd.

Mr. Newman commented the tanks are currently beige; the design submitted by ECVA will not go well with the proposed blue/gray water tank; they are willing to work with committee to arrive at a reasonable solution.

Utilities Director Limberg advised the tank painting contractor is required to submit to the city a full variation of colors to select from. Staff can meet to discuss various color options once the final design is select.

Councilman Rice expressed appreciation for the ECVA donation.

Don Newman noted the ECVA design covers multiple aspects of the area rather than focusing on only one.

Utilities Director Limberg advised May/June is the sixty-day construction window to complete the work. Staff has received direction from legal counsel on how to award the bid.

Councilman Johnson questioned how many comparable projects has the low bidder completed.

Utilities Director Limberg indicated three were listed; Staff spoke with two of the companies for feedback on the contractor.

**** A motion was made by Councilman Johnson, seconded by Councilman Conner award a bid for the Ruby Vista Drive Water Storage Tanks Exterior Coating Project to Farr Construction Corporation for the base bid plus add-alternate 11A.**

Motion passed unanimously.

- F. Review and possible approval of an Agreement for Professional Services with Cooper Roberts Simonsen Associates, Inc. (CRSA, Inc.) for the completion of a comprehensive update for the Land Use, Streets and Highways, and Parks, Recreation, Open Space Plan components of the City of Elko Master Plan, integrating the recently adopted Redevelopment Plan inclusive of the additive

alternate to develop a Public Arts and Cultural Plan, and matters related thereto.
ACTION ITEM

On December 8, 2009 the City Council selected CRSA Inc. to provide the above-noted professional services and directed staff to develop a Professional Services Agreement, scope of work and budget to be brought back for consideration.

Provided in your packet for review is an agreement with CRSA, Inc. to provide professional services in the amount of \$160,000.00. DA

CRSA, Inc. representative Laura Hanson was present to answer questions.

Assistant City Manager identified areas of minor revisions to the contract; Page 3 of 6 under sub-section 4.4, Page 5 of 6 under sub-section 10.3 and sub-section 11.4.

Ms. Hanson advised scheduled completion is late summer.

Councilman Johnson commented we need to recognize the financial picture of city is not what we anticipated at the beginning of this budget cycle; the trend is downward; this is an opportunity for the Council to save some dollars for this fiscal year and pass it on to future fiscal years. Councilman Johnson acknowledged it is important for planning of communities but with the current financial concerns he was opposed to awarding the contract; the funds should go back into the General Fund balance.

Mayor Franzoia appreciated Councilman Johnson's comments but supported moving forward; lack of updated land use formats and components has potential to create liabilities that may cost more than this project will.

Councilman Rice stated now more than ever is the time to engage in this plan.

Councilman Conner also expressed support; for the community to grow we need to update our master plan.

**** A motion was made by Councilman Rice, seconded by Councilman Conner to approve an Agreement for Professional Services with Cooper Roberts Simonsen Associates, Inc. (CRSA, Inc.) for the completion of a comprehensive update for the Land Use, Streets and Highways, and Parks, Recreation, Open Space Plan components of the City of Elko Master Plan, integrating the recently adopted Redevelopment Plan inclusive of the additive alternate to develop a Public Arts and Cultural Plan.**

**Motion passed 3 to 1.
Councilman Johnson opposed.**

After the motion and before a vote was taken John Carpenter questioned what problems make it necessary to update the master plan at this time.

Mayor Franzoia advised the land use components of the master plan are outdated; they go back over ten years. We also need to include transportation and redevelopment in the plan. The master plan will clarify what the uses are for and much of it will coincide with available resources.

Mr. Carpenter questioned if this would change zoning on parcels that are out there now.

Mayor Franzoia advised zoning changes are made at the request of property owners.

Mr. Carpenter questioned whether there would be public hearings regarding this.

Ms. Hanson stated she would be willing to meet with anyone that wants to learn more about the process. There are a number of public participation opportunities planned including a survey sent to every household and a minimum of two public meetings. They will meet monthly with the Planning Commission throughout the process and various focus groups. Ms. Hanson indicated the entire concept behind a master plan is to be sure you are developing a vision for the community that is reflective of the community.

II. UNFINISHED BUSINESS

- A. Review and possible approval for Staff to negotiate a contract for the Food/Beverage Concession area at the Elko Regional Airport, and matters related thereto. **ACTION ITEM**

On August 25, 2009 the Council authorized Staff to solicit proposals. On January 12, 2010 Council awarded the Food/Beverage Concession to Mike Lubliner (The Airport Bistro). Shortly thereafter, Mike Lubliner (The Airport Bistro) withdrew his Proposal. Per NRS 332.148, Staff solicited proposals. No Proposals were received. Staff is requesting direction to negotiate a contract per NRS 332.148.
TM

Mayor Franzoia questioned if Staff had someone in mind.

Airport Director Moyers advised there is an interested party and they have been advised Staff would first have to follow the NRS process before negotiating any type of contract. Staff has followed all NRS procedures and this now allows us to negotiate.

**** A motion was made by Councilman Rice, seconded by Councilman Conner directing Staff to negotiate a contract for the Food/Beverage Concession area at the Elko Regional Airport.**

Motion passed unanimously.

- B. Review, consideration, and possible acceptance of proposed changes to fee structures for the Elko City Cemetery ,and various other services provided by the Parks and Recreation Departments, and matters related thereto. **ACTION ITEM**

Staff has completed a benchmarking analysis of cemetery fees charged throughout the state and the region and is proposing changes to our fee structure based on the results of this analysis and a thorough review of actual costs incurred for services currently provided. Staff has also reviewed fees, policies, and City Codes pertaining to parks and facility usage and is also recommending changes in these areas. EDH

City Manager Calder advised Staff is requesting this matter be tabled.

**** A motion was made by Councilman Conner, seconded by Councilman Johnson to table this item.**

Motion passed unanimously.

III. NEW BUSINESS

- A. Review and approval of pending Special Events, and other matters related thereto. **ACTION ITEM**

This item has been added to the agenda in order to consider any application for Special Events received by the Clerks Office. Staff will report on any application on file. SO

There were no special events.

- B. Review, consideration, and possible authorization for Staff to approve Parcel Map Application 2-10, and matters related thereto. **ACTION ITEM**

S/PPV Investments, LLC is proposing to divide property located adjacent to Sharps Access. The area is zoned General Industrial with ingress/egress provided via Sharps Access. Sharps Access is recorded as a private access easement for the benefit of Parcel 1 shown on File 183203, Parcels 2 & 3 as shown on File 383079 and Parcels 1 & 3 as shown on File 419689. The proposed division of property would divide Parcel 3 of File 611704 into three parcels. Access for proposed parcel 2 onto a public street would exceed the distance of 680 feet specified in Section 3-2-3(2) of City Code. Special circumstances applicable to proposed parcel 2 include the existing use as a gravel source, flood way and flood plain designations, lack of secondary access and adequate fire flow infrastructure which result in the low possibility of another type of development. SW

Assistant City Manager Andreozzi indicated this would be a normal administrative approval process for a parcel map; however with this item we have an exception to one section of City Code which will require the Council's approval. Mr. Andreozzi referred to an overhead to identify the exact location of the parcel in question. Staff supports the request and recommends Council consider granting Staff the authority to approve the request; with the special circumstance.

Mr. Andreozzi advised the only other option would be to require a roadway dedication and then you would have a city maintained road going off into a parcel that may or may not at any point in time, in the near future, have any improvements on it which would generate near to enough tax dollars for the ongoing maintenance and care of that roadway. This is the same area that has been discussed in the past for an urban fishery or some type of a park; if that ever came to fruition you would still have that main access.

Mr. Andreozzi noted quite a bit of Sharp's Access is private right now and serves the other three parcels.

Mayor Franzoia expressed support of the request.

Councilman Johnson questioned if there were other options.

Assistant City Manager Andreozzi outlined various options; 1) Administrative Staff would deny it at that level, they would appeal it and then would have come before the Council as Staff doesn't have the authority to do that 2) Council waives the requirement; that condition already exist on the other parcels there or 3) Council denies it and requests hem to create a public right-of-way that doesn't exceed that distance. It would then be the applicant's decision whether or not to parcel that ground or doing the infrastructure and parceling it off.

Councilman Johnson commented it appears a right-of-way is something to be considered. There are pitfalls doing it through a parcel map process; unless staff can show otherwise.

Mr. Robert Morley representing the applicant provided some history of the area in question. The right-of-way was granted as a public access and public utility easement in 1983 to a parcel further out on Sharp's Access; none of these parcels existed at that time. In 1996 the two parcels furthest to the north were created but the road was still public access easement at that time; the City required a note on the parcel map stating the street within that public right-of-way was to be privately built and maintained. The parcel closest to 12th St. was created by a parcel map in 1997; on that parcel map is a noting stating the public portion of that easement is changed to private and that was done at the City's request.

Mr. Morley advised the current parcel map is strictly to subdivide the property. It is owned by a partnership; Stitzel/PPV; they are dividing it into three parcels to dissolve the partnership. They are not trying to change anything that currently exists; the easement stays in effect which grants access to all parcels along Sharp's Access.

Councilman Johnson requested verification if this is approved the other property owners know what is happening.

Mr. Morley advised it does not affect them.

Councilman Johnson believed as a property owner he would want to know.

Assistant City Manager Andreozzi advised the condition already exists; we aren't changing anything.

Mr. Morley advised they are simply requesting staff be allowed to approve the parcel map for this parcel; nothing is changing for the other parcels; the easement stays as is.

Assistant City Manager Andreozzi appreciated Councilman Johnson's concern over the access; every time we evaluate a parcel map we want to make sure we don't create a land-lock situation. In this case there is an easement that exists and we aren't changing it.

Mr. Morley reminded everyone when the parcel closest to 12th street was created the parcel map includes a note saying they were granting a private access easement specifically for the benefit of the three parcels along Sharp's Access and the remainder.

**** A motion was made by Councilman Rice, seconded by Councilman Conner authorizing Staff to approve Parcel Map Application 2-10.**

Motion passed unanimously.

- C. Review and possible designation of an independent auditor to prepare the annual audit for Fiscal Year 2009/2010, pursuant to NRS 354.624 (3), and matters related thereto. **ACTION ITEM**

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. Last year Kafoury, Armstrong & Co. was selected to be the City's auditor for the five year period beginning July 1, 2008 through June 30, 2013. This is the second year of that commitment.

There is a copy of the engagement letter from Kafoury Armstrong Co. for audit services for the fiscal year ending June 30, 2010 for your review. The estimate listed is not to exceed \$75,000 unless there are more than three major programs requiring single audit procedures. DS

Administrative Services Director Stout advised if they have to do single audit procedures on more than three major programs there would be an extra fee of \$2,500 for each.

Ms. Terri Gage, Kafoury, Armstrong & Co. was present to answer questions.

**** A motion was made by Councilman Conner, seconded by Councilman Rice to approve Kafoury Armstrong & Co. as the City of Elko independent auditors for the fiscal year ending June 30, 2010.**

Motion passed unanimously.

- D. Review, consideration, and possible acceptance of a letters of resignation from Tony Dietz and Shane Gilligan from the Parks & Recreation Advisory Board, and matters related thereto. **ACTION ITEM**

Mr. Tony Dietz and Mr. Shane Gilligan have submitted letters of resignation from the Parks and Recreation Advisory Board. Both individuals have served well and their service has been greatly appreciated. Staff is also requesting authorization to advertise the vacancies on the board. EDH

**** A motion was made by Councilman Conner, seconded by Councilman Rice to approve the letters of resignation from Tony Dietz and Shane Gilligan from the Parks & Recreation Advisory Board and to thank them for their time and service.**

Motion passed unanimously.

- E. Review, consideration, and possible appointment(s) to the City of Elko Parks and Recreation Board, and matters related thereto. **ACTION ITEM**

There are currently three vacancies on the Parks and Recreation Board. Letter(s) of interest are included in the agenda packet. EDH

**** A motion was made by Mayor Franzoia, seconded by Councilman Conner to appoint Terry Hritz, Michael Muhlestein and Cathy McAdoo to the City of Elko Parks and Recreation Board.**

Motion passed unanimously.

- F. Review, consideration, and possible selection of a consultant team to complete the Recreation Center Feasibility Study, and matters related thereto. **ACTION ITEM**

During the meeting on December 8, 2009, Council authorized Staff to begin the process of selecting a consultant to complete a feasibility study for a recreation center. The selection committee has recommended a consultant to the Parks & Recreation Advisory Board and the Board has forwarded that recommendation to Council for consideration and selection. EDH

Park Superintendent Wiley presented the results from the selection and review committee which included Councilman Conner, Nikki Moore, Eric House and him. Mr. Wiley explained the scores were based on a 30% weighed based on the rankings from the SOQ and a 70% weighted score based on the actual interview. The rankings of 1-4 were unanimous and consistent with all four members of the selection committee. Staff believes TRP would best represent the City of Elko in this process. TRP has teamed with CRSA which is also involved with the city master plan; we could potentially see some cost savings due to overlaps between that process and this one.

City Manager Calder noted the agenda item was written before the Recreation Advisory Board met last week; due to the resignations they did not have a quorum. The SOQ states it is the Selection Committee that makes the recommendation to council and not the advisory board.

**** A motion was made by Councilman Conner, seconded by Councilman Rice to select TRP as the consultant to complete the Recreation Center Feasibility Study.**

**Motion passed 3 to 1.
Councilman Johnson opposed.**

- G. Review, consideration, and possible approval of an Interlocal Agreement with the Nevada Public Employees' Deferred Compensation Program through December 31, 2012, and matters related thereto. **ACTION ITEM**

On June 16, 2005, the Council approved Resolution 17-05 which approved the City's participation in the State of Nevada's 457(b) Deferred Compensation Plan under the Joint Powers Agreement. The Interlocal Agreement with the Nevada Public Employees' Deferred Compensation Program coincides with their agreements with Hartford Life Insurance Co. and ING Life Insurance and Annuity Company. DS

Administrative Services Director Stout advised this should have been done in 2008. The benefit to the city is some cost savings in administration fees.

**** A motion was made by Councilman Rice, seconded by Councilman Conner to approve an Interlocal Agreement with the Nevada Public Employees' Deferred Compensation Program through December 31, 2012.**

Motion passed unanimously.

III. NEW BUSINESS

- J. Review, discussion, and possible action to initiate a reduction of the Elko Fire Department fleet by two (2) units through disposal and/or deactivation, and matters related thereto. **ACTION ITEM**

The Elko Fire Department has identified two (2) older vehicles that can be removed from service for an initial cost savings of \$13,800, plus ongoing maintenance costs. Brush 9, a 1979 International AWD off-road wild fire unit, is recommended for sale and disposal. Engine 10, a recently rebuilt, 1981 International AWD urban interface unit, is recommended for deactivation and storage.

The disposal and/or deactivation of these units will require a modified mission with regard to perimeter wildfire threats. The Elko Fire Department will defend the City from the "back fence" of the perimeter fire break, rather than engaging the fires in the wild land areas. **AK**

Councilman Rice requested clarification of "back fence".

Fire Chief Kightlinger advised the City of Elko has a fire-break constructed around it; we will maintain that fire break. We will provide the resources for the Nevada Division of Forestry if they want to utilize them.

**** A motion was made by Councilman Rice, seconded by Councilman Johnson authorizing Staff to initiate a reduction of the Elko Fire Department fleet by two (2) units through disposal and/or deactivation.**

Motion passed unanimously.

IV. PETITIONS, APPEALS AND COMMUNICATIONS

- A. Review and discussion of the Elko County Fair Board's fiscal budget and water bill, pursuant to a request by Chairman Walter Winchell, and matters related thereto. **ACTION ITEM**

A letter from Mr. Walter Winchell has been included in the agenda packet for review. **CC**

Walter Winchell, Chairman, Elko County Fair Board was present to request a reduction in the water bill; currently they pay \$699.00 per month year round. They would also like the Council to consider some type of reduction in the Reuse Water Permit which is \$1, 215.00 per year. Mayor Franzoia questioned the number of services at the fair grounds for potable water.

Utilities Director Limberg indicated there were multiple services; at least three.

Administrative Services Director Stout advised there are two water bills; one at the residential rate of \$76.50 and the other for irrigation \$619.00 per year. Ms. Stout verified the fair board pays year round.

Mayor Franzoia believed there was minimal use in winter.

Ms. Stout indicated an option would be to install a water meter so they pay only for the water they use; currently they are on the flat rate.

Councilman Rice questioned whether there was any consideration to increase user fees.

Mr. Winchell advised user fees for overnight horses have increased substantially over past few years. Fees for events have not been increased; the clubs are having a difficult time meeting their own obligation to put the events on.

Councilman Rice acknowledged we don't want to overburden any organization but at the same time we can't continue to subsidize or we wash away any savings we just accomplished. Mr. Rice was not ready to act on this request as he believed there could be further conversation between fair board and staff to find some middle ground.

Mayor Franzoia referred to the irrigation; has it ever been adjusted since we changed rates.

Ms. Stout indicated it would have gone up with all rate increases we have had.

Utilities Director Limberg believed the city is going to be seeing more of this type of request based on recent Council approval for a similar situation.

Mayor Franzoia stated the previous decision related to a cemetery and is no way comparable to requests of this type.

Mr. Limberg advised a meter would be complicated; installation costs would outweigh savings for several years. We could look at something similar to a schedule we have for vacant apartments; maybe there is a possibility that way for the winter months.

Mayor Franzoia believed staff could consider some modification; the water is not utilized in winter.

Mr. Winchell indicated at the current rate they fair board is losing purse money at a rate of \$1,000 to \$5,000 per month.

Mayor Franzoia stated if we agree to this request we are opening the flood gates. Mayor Franzoia acknowledged the current economy but the city has limitations as well. This is a county wide use and should be funded by the users; that is the ultimate goal.

Ms. Stout reminded the council the Water and Sewer Funds are enterprise funds and would be affected by requests of this type; as more and more of these requests come before the council we will have to raise rates to help subsidize the various organizations we are giving free water and sewer to.

Mayor Franzoia questioned if the fair board had asked the county for help.

Mr. Winchell advised they are in the process of doing so. Mr. Winchell stated they were requesting a reduction for the months they not using the water.

Mayor Franzoia believed that had merit and requested staff to check into the number of taps and bring that information back to the council in a timely manner.

Councilman Rice commented he would like to have the fair board to at least meet us in the middle with some additional fees for users. Councilman Rice stated he was not supportive of anything that doesn't show the fair board making some effort.

Mayor Franzoia believed it was important to know the location of all the taps and whether they could be shut off or not. Mayor Franzoia supported directing Staff to work with the fair board quickly to give them the benefit. They aren't using the water the same as they do in the summer; we have to give them the mechanism we give everyone else.

Councilman Conner agreed with Mayor Franzoia and believed we should consider a cost per fixture charge. A meter would be the fairest means but in this case would be cost prohibitive.

Councilman Johnson requested verification the fair grounds is paying a \$8,200-\$8,400 bill on water per year.

Mr. Winchell verified that was correct.

Councilman Johnson wanted to know how many taps were there; look at the current billing rate and see what the costs are; there was huge potential for a meter to be installed with a significant payback and it could even be a better deal than what the council could offer across the board and it is a good use in water resource because the issue that you have in the winter is if a line breaks and no one knows about it. The meter brings a lot; the down side is there is an initial expense to install it. We know we need to be careful of why one entity should have a reduced rate versus another; that is always a difficult discussion.

Mr. Limberg indicated staff could provide the requested information at the next council meeting.

Councilman Johnson advised he would meet with staff and also the with maintenance personnel at the fair grounds to gather information regarding the potential of installing a water meter.

Mr. Winchell stated they were willing to work with city in any way they can.

**** A motion was made by Councilman Johnson, seconded by Councilman Rice to table this matter and direct staff to gather the requested information.**

Motion passed unanimously.

- B. Review and possible approval of a request from Mrs. Debbie Jackson, dba Desert Sno, to extend the months on her concessionaire agreement (located at the Main City Park), and matters related thereto. **ACTION ITEM**

Mrs. Jackson's current agreement is for May thru October and her request is to add the month of April. DH

**** A motion was made by Councilman Conner, seconded by Councilman Rice to approve a request from Mrs. Debbie Jackson, dba Desert Sno, to extend the months on her concessionaire agreement (located at the Main City Park) to include the month of April.**

Motion passed unanimously.

V. 6:00 P.M. PUBLIC HEARINGS

- A. Public comment period. **ACTION WILL NOT BE TAKEN**

This agenda item is to provide time for the general public to address the City Council regarding items of concern. Action cannot be taken at this time, but a matter can be set on the agenda for a future meeting, as appropriate.

There was no public comment at this time.

IV. PETITIONS, APPEALS AND COMMUNICATIONS

- C. Consideration of a request by Mr. Terry Hritz, Operations Manager for KENV-DT NBC News 10, to support KENV's efforts to obtain a reasonable lease renewal with the Elko Television District, and matters related thereto. **ACTION ITEM**

Mr. Terry Hritz informed the council they were present asking for support in regards to their lease. Mr. Hritz advised there is a meeting scheduled with the television district on Wednesday, March 10th at 3:00 p.m. to discuss this matter. Mr. Hritz noted when Channel 10 went on the air in 1997 they signed a lease agreement with the Elko TV District for four ten-year lease agreements over that time period; at the end of each ten-lease it would come up for renewal of the price. In December of 2009 KENV turned on a sub-channel for their system and contacted the TV district to request they pull that same signal they are bringing in from a different market off and replace it with ours or do something else with it. Negotiations over that ended up with our attorney who then sent a letter to the TV district requesting that. After further discussion they did remove that signal off the air; shortly after that KENV received a lease renewal; our current lease with the television district is \$400.00 per month plus utilities; the new lease was for a one-year lease at \$3,600.00 month rent. To KENV that is unacceptable and would in a sense put us out of business; budgets are down; our revenues are down because of the economy. Tonight they are present asking for the council's support; being know that they are asking to do a lease in negotiable and financial, fiscal responsible way.

Mr. Hritz continued and noted during this same time period the television district had KENV on a translator on Lamoille Summit; they removed our signal and replaced it with an NBC station out of Boise, Idaho and KENV also feels that is unacceptable. Attempts to resolve that issue will be part of the negotiation process. They also feel it is the Elko Television District's job, in a sense, to provide TV signals to this county which they do. KENV is the only local TV station that has a lease with the television district that actually pays them for the services they provide to us; the stations they bring in off the translators don't pay anything to the television district for rent, utilities, etc.; the television district actually provides a translator, power and equipment for those stations to be broadcast.

Mr. Hritz advised currently KENV has no lease with the television district; the last lease received was for the \$3,600 per month and included a notice to not contact them directly but to go through their attorney; which they have complied with.

City Manager Calder advised staff would need direction from the council if they want staff to draft a letter on their behalf. The TV district has a public meeting scheduled for Thursday, March 11th at 7:00 p.m.; this could be an agenda item.

Councilman Johnson questioned whether the city has any input in this matter.

Mr. Hritz advised they are asking for the council's support regarding the 900% increase to their lease.

City Manager Calder noted city taxpayers fund a portion of the TV district's budget; if KENV went off the air and out of business city taxpayers who are paying for some portion of that service would not be receiving any local news or broadcast. Technically and legally the city has no authority over the TV district; KENV, just like any business, can approach the council.

Mr. Hritz advised the lease agreement they received and correspondence beyond that stated if they did not sign the lease they would be asked to remove their equipment and related items off the mountain top by March 31st at midnight. Mr. Hritz noted the email they received indicated they were not able to contact TV district to negotiate the lease they were to go through the attorney; that is why they are at the current situation; there was no one to negotiate with unless we negotiate with the lawyer. Mr. Hritz commented with the current weather situation it is unreasonable to move the equipment at this time of year and it would be a substantial cost to move that equipment at well. Mr. Hritz advised they are hopeful with the scheduled meeting they will be successful with the negotiations.

Councilman Rice disclosed the fact his wife works for KENV and he would not vote on this issue.

Councilman Rice advised he did have information that had nothing to do with KENV and related to comments made by City Manager Calder. Citizens of Elko pay a significant portion of taxes to the television district. A recent audit of the television district showed they have approximately \$590,000 in cash; about 150% of what they collect every year in taxes; that is a lot of money to be holding onto. The document shows significant expenses, director's fees, salaries and wages, employee benefits, travel and education along with services and supplies. The city provides the land for their facility; they pay us \$1.00 per year. The citizens of Elko should be concerned about

why they are paying significant taxes each year and the television district is sitting on several hundred thousand dollars; that is something that can be addressed at the meeting on Thursday. Councilman Rice was sure, as an elected board, the television district would have an answer; either at tonight's meeting or on Thursday. Councilman Rice stated we all need to be accountable and the citizen's are going to be asking the television district to be accountable.

Councilman Johnson believed this had nothing to do with city business and was not the place for this discussion; we need to utilize and be mindful of the time we are in chambers; every second we are here costs the City of Elko money. This discussion is outside the City Charter and should be handled by the board responsible for television district business. Councilman Johnson advised he could not make a decision on this without listening for several hours to every side; in the end he likely could not offer a substantial solution. He would support the council if they wanted to listen and believed it was city business but personally believed it was outside the council's duties.

Mayor Franzoia advised the council was not deciding an issue.

Councilman Johnson noted the council has been requested to support KENV in negotiations with the district; in order for him to consider a request like that he would need to hear more. But, in the end we are responsible for city business, they are the TV board, an elected board that is mindful and considers that taxpayers are spending money. Simply because they are Elko citizens paying taxes to the TV board doesn't give the City of Elko, or Elko County, any other right to be any part of the negotiations.

Mayor Franzoia stated we are not part of the negotiations; it is support. This is no different than other government entities that come before the council asking for our support.

William Hance, elected member representative of the Elko Television Board explained the board structure. They are chartered under NRS 311 and 315; it operates as a separate entity outside the city or county although they do collect Ad Valorem property taxes and receive funding from the state and lease revenues from other agencies. They do lease property from the city, it has no water or sewer service and until recently had no paved access. Mr. Hance questioned how much rent KENV pays at the college; which he believed was zero.

Mr. Hance asked Councilman Rice, since he does have a conflict in this matter, to please keep it at that point or the Ethics Commission will probably be visiting the issue there.

Mr. Hance continued and advised they are chartered to provided television signals to the citizens of the Elko Television District which originally when chartered went from north of the Ruby Mountains east of the City of Wells and north to the Adobe Range. In 1997 or 1998 the law changed and the district was expanded to include from 93 west and the Ruby Mountains north with the exception of the incorporated cities of Carlin and Wells and all the unincorporated townships other than the City of Elko. That increase in coverage means they have to cover not only the original area chartered but also Tuscarora and other rural areas i e. Contact and areas within that boundary. They have been going through a digital transition with the FCC; up until last year the FCC did not have a set of rules to give the translators on what we could or could not do in delivering signals. They have not been able to buy equipment because they have not had the rules to buy the equipment nor get the proper licensing from the FCC until this last year.

They will be adding a sight in the Tuscarora area to serve those citizens potentially in the Mountain City area and adding additional programming to the Elko area.

Mr. Hance addressed the comment on programming by Mr. Hritz; that was a legal issue and was privileged attorney correspondence and was unsure why the information was released; Mr. Hritz also took this request to the county commission and John Carpenter. Mr. Hance indicated he was waiting for a special session to be called over this matter. They have had three meetings since this discussion began; no representative from Channel 10 has attended any one of those meetings up until this point. They had a lease that expired and they needed to get the terms of the lease taken care of, negotiate or terminate the lease.

Mayor Franzoia questioned if the television board posts their agendas and hold regularly scheduled meetings.

Mr. Hance verified they do.

Mayor Franzoia expressed concern over the process and the 900% increase.

Mr. Hance advised they did compare rate with other entities; both in Utah, Wyoming and California.

Mayor Franzoia requested verification the entities were set up the same; as a taxing district.

Mr. Hance verified they were.

Mayor Franzoia believed when a situation got to this level of consternation it was because we weren't clear enough; if happens for various reasons and we have to start the communication process over again.

Mayor Franzoia believed the council has an obligation to support something the citizens pay for and care about.

Mr. Hance advised the local cable company carries their programming at no cost and charges end users in the city.

Mayor Franzoia advised his concern is over the political process; there may be things out there that have never clear and this is an opportunity to get them understood.

Mr. Hance expressed appreciation for the council's time.

Councilman Conner expressed support of local television. Councilman Conner also supported fair and open negotiations.

No action was taken on this item.

III. NEW BUSINESS

H. Review, discussion, and possible selection of a financing strategy for the Regional Road Repair Plan, and matters related thereto. **ACTION ITEM**

The City of Elko is currently in the process of selecting an engineering firm to perform professional engineering services related to the Regional Road Repair Plan (primarily consisting of Idaho Street, but possibly including other regional roads if funding becomes available).

The funding of the Regional Road Repair Plan is envisioned to come from two (2) sources, namely the City of Elko (\$3,500,000) and the City of Elko's portion of the Elko County Regional Transportation Commission (RTC) funds (\$6,500,000). Although Staff has been in contact with Elko County regarding the status of available RTC funds, the City and the County are still in the process of reconciling the City of Elko's portion of available funding from the RTC revenue source. Once reconciled, the City expects the RTC funding to be financed through a separate and distinct RTC revenue bond.

The balance of the Regional Road Repair Plan is expected to be funded through the City of Elko. Due to the retirement of a previous bond, the City of Elko has \$.075 of available ad valorem tax rate for financing the Plan, which amounts to approximately \$3,500,000 in bonded debt (assuming a 20 year term).

Although the previous bond was structured as a General Obligation (Limited Tax) Bond, Staff is recommending that a Consolidated Tax Bond (i.e., Various Purpose Bond, additionally secured by pledged revenues) be considered. In essence, the Consolidated Tax Bond is secured by Consolidated Tax revenues, but would be paid through the \$.075 of available ad valorem tax rate. Whereas a General Obligation (Limited Tax) Bond requires voter approval, the Consolidated Tax Bond does not, thereby streamlining the financing process.

Two (2) alternate financing schedules have been enclosed in the agenda packet for review. Staff is requesting the City Council select one (1) of the two (2) financing strategies before proceeding any further. CC

City Manager Calder advised initially he was not in favor of pursuing a Consolidated Tax Bond due to the volatility of consolidated taxes. However, he has spoken with bond counsel and our financial advisor and has changed his mind; there doesn't seem to be any down side. We would need to educate everyone because if you look at the financing schedule there is ninety day protest period under the Consolidated Tax Bond process.

City Manager Calder believed it was worth a discussion as to which method to select; the schedules are different; the General Obligation Bond requires a vote of the public and will take longer. Even if we went with a Consolidated Tax Bond you still are not going to make this construction season.

Mayor Franzoia questioned the closing dates on each type of bond.

City Manager Calder advised the General Obligation Bond would not close until March 22, 2011 and the Consolidated Tax Bond would close on September 29, 2010.

Mayor Franzoia supported the option that gives the city the most advantage in construction and getting the best prices.

Mayor Franzoia questioned the financing cost.

City Manager Calder advised the bond counsel cost will be the same regardless of which method we choose.

Mayor Franzoia requested verification the longer it takes to get through the process the greater the risk of a higher bond rate.

City Manager Calder agreed that could be the case; up until the day they are sold the rates can change; the further out in time you get the more risk you have. An initial concern on the Consolidated Tax Bond was the fact there will be a regular session next February and what if the legislature change the tax distribution; it could affect local governments. Our bond counsel indicated a lot of local governments have already issued these types of bonds and that is one of the best arguments against changing the consolidated tax formulas; there is already bonded debt guaranteed by those consolidated taxes. If you had the bond in place before the regular session begins; any change in the distribution formula would be against the bond regulations in place. It may be a good defensive strategy to keep the legislature from changing the tax formulas with regard to consolidated taxes.

Mr. Calder stated bond counsel has advised us well in the past; whatever method we go with they will make the same amount of money. Not only is it streamlined; it does take away the risk of the voters turning it down if you go with the general obligation bond. Mr. Calder didn't see that as a big risk, most people in the community want to see Idaho Street fixed and this is the only way it is ever going to happen.

Councilman Johnson questioned whether the \$.07 the city had for the 1989 bonds; are those \$.07 still freed up and going to fund and available.

Administrative Services Director Stout advised as shown on the budget presentation, in this current fiscal year we have \$.02 going to the Debt Service Fund because we had funds that built up for reserve in that fund to help pay that bond; the additional \$.05 we redirected to the Capital Construction Fund in this current year we are in. As show on the budget presentation that full amount would go to the Capital Construction Fund, dependent on this bonding; that \$.0752 is our avenue for paying those new bonds.

Councilman Johnson questioned if the \$.07 can be utilized for the bond without voter approval.

Ms. Stout verified that was correct; the tax rate was never voter approved; the GEO Bond always has to be voter approved.

Councilman Johnson requested verification we would have to get permission from the voters to put the city in debt.

Ms. Stout advised if we do it as GEO debt that was correct. If we go with C Tax that is dedicated revenue the city receives anyway and does not need voter approval; similar to what we did for the airport bonds when we refunded those.

Councilman Johnson questioned if all bonds are twenty year notes; is that the only option.

Ms. Stout advised you can go longer but typically we don't like to; the road probably won't last longer than twenty years.

Councilman Johnson then questioned if we assume twenty year debt the \$.075 will create a bond amount of what.

Ms. Stout advised it would create \$3.5 million; the city's portion of the RTC fund is estimated at \$6.5 million; which gives us the \$10 million for Idaho Street.

Councilman Johnson indicated from what we know that should do Idaho Street; we won't know more until we get the engineer's estimate. Councilman Johnson believed the city should consider including 12th Street as well but that is another discussion. Councilman Johnson believed we need to work on hiring an engineering firm based on what kind of direction is provided tonight.

Councilman Johnson indicated it was his understanding that city council, without voter approval, could agree to \$10 million in bonds with a twenty year note.

Ms. Stout clarified the city can only do the portion we can fund which is the \$3.5 million; the RTC would have to do the other \$6.5 million. Ms. Stout advised there were two portions to the 1989 bonds and similar to what we are proposing for this bond; there was the RTC portion that did certain projects and the city's tax rate bond (GEO Debt) that did another portion of that project. At that time it was approximately 35% city funds and 65% RTC funds which is basically what we are proposing with this; if we get RTC buy-in.

Councilman Johnson questioned if \$10 million was enough to make it work and can we get 12th Street in there. The other option is to look at the \$.11 between what the rate is up to the cap; but that requires voter approval.

Ms. Stout verified that would require voter approval and the Department of Taxation gives you the verbiage that you can use for your questions on the ballot. If we were to go with a general obligation, voter approved, debt issue, you have one that is tax-neutral; it doesn't increase your taxes and then you have one that is an override; that would affect taxes. Should the council decide to go that direction and the voters approved an override that override is not subject to the abatement process.

City Manager Calder advised caution; on a voter override issue there are down sides. Assuming it got approved at the Debt Management Commission level; because it is an override situation, everyone that is going to be affected i.e. Elko County would have to acknowledge the effect. That information would be brought to the Debt Management Commission because it might have an impact on their availability for tax rate. The second item to consider in that is that it can only be for a ten year bond that would roll every ten years.

Ms. Stout advised it is very similar to the school district's pay-as-you-go bond issue.

Mayor Franzoia believed Idaho Street has lasted close to thirty years; had Staff done a scenario for what twenty-five years or less would generate in revenues we could bond for.

Ms. Stout advised Staff would have to speak with financial counsel regarding that if that is the council's wish.

Mayor Franzoia believed it was an option to consider.

City Manager Calder indicated another thing to consider would be if the fuel tax rate was increased to the maximum; the city would receive additional allocations and that might be enough to take care of 12th Street which Staff estimates at approximately \$2.0 million.

Mayor Franzoia noted there is no penalty in paying a bond off early.

Ms. Stout advised when we go out for bonding it will be for an amount "not to exceed" \$3.5 million if that is what we can do with our \$.075 tax rate and for whatever period of time we decide. If the bids come in well and the project comes in at \$8 million instead of \$10 million that still gives us an additional \$2 million for 12th Street.

Councilman Johnson questioned whether the city could hire an engineer, get a design and get the bid out for construction season this year; do we still have that opportunity?

City Manager Calder advised we are still in the engineer selection process so we need to complete that. Mr. Calder believed getting the design done this year is totally achievable; but in looking at the schedules, even on the consolidated tax, and knowing you aren't going to have the money until the end of September makes it highly unrealistic that you get the project built this construction season.

Councilman Johnson requested verification there is no scenario to get the road built this year.

Mr. Calder indicated it was possible but you would have to know how long the project would take and you are getting into the narrow window for the construction season.

Public Works Director Strickland believed the only other option would be to take a more phased approach.

Mayor Franzoia commented that runs up the cost and eliminates the opportunities for 12th Street.

Councilman Johnson questioned if there was any benefit that we move forward quickly and get an engineer hired.

Mr. Strickland believed there was but it is a gamble.

Mayor Franzoia questioned whether there is a short-term funding we can go after while we work on the long term. We have the resources to pay for it.

City Manager Calder indicated if you were looking at phasing the project you would want to get the RTC bond out; it is going to be quicker than the CT bond. However, you are going to need to have enough time, even if you're doing only a portion of Idaho Street, to make sure there is enough engineering done on the infrastructure beneath Idaho Street, to make sure those utility issues get checked out and resolved before you start building the road.

Mayor Franzoia was opposed to do phasing the project; it costs more. Our only hold up in getting something done this year is the timeline for financing no matter which way we go.

Mr. Strickland addressed the infrastructure comment by City Manager Calder; Staff is under the impression we have pretty sound utilities under Idaho Street and did not go down this path looking at addressing sewer or water. If we have concerns now that we have bad infrastructure we need to back up; the plan we have now and the estimated dollars do not address the infrastructure.

Mayor Franzoia requested verification it has always been Staff's assumption the infrastructure under the asphalt is in good shape.

Mr. Strickland verified that was correct. If we have to get into the roadbed forget \$10 million; call in \$20 million; if you're lucky.

Mayor Franzoia questioned whether the engineers would go that far in their design work.

Mr. Strickland advised Staff has already gone that far by checking with the water department etc.

Mayor Franzoia questioned other utilities.

Mr. Strickland advised Southwest Gas does not run down Idaho Street.

City Manager Calder indicated one utility issue to take a serious look at is the 9th Street crossing; it is something the water department could complete. Another issue is the storm drain crossings; we need to at least look at that since we are working on it. We would want to take advantage of any economies of scale we have; Silver Street will be done before the end of the fiscal year but we don't see any realistic way to take advantage of those contractors; unless they are going to be here all summer and make this happen.

Mayor Franzoia expressed support of an interim construction loan while working toward a take out loan for long-term. It is something to consider; we don't know what is going to happen next summer and this is a good summer. We have to be optimistic things are going to get better.

Assistant City Manager Andreozzi questioned if an interim loan changes the debt service payment due.

Mayor Franzoia advised you would have some costs; there could be some benefits but you are going to pay an interest rate no matter when you start it.

Ms. Stout advised we would need to get Department of Taxation approval for any type of financing we would do. There are processes to go through; we would have to put the financing out for bid. Anyway you look at it there are timelines and it is going to take time to do things.

City Manager Calder believed we should seize the opportunity of construction in a favorable environment; which may not be favorable in the summer of 2011; it is worth a try.

City Manager Calder indicated if we want to pursue that we can contact our financial advisor and ask about all the options; they would be able to tell us if this is even possible; we can have them come up for the next council meeting Barring that, Staff would like to have the council select one of the two options presented tonight so we can prepare a resolution to start the process moving.

**** A motion was made by Councilman Rice, seconded by Councilman Conner to select financing Option two; the Consolidated Tax Variable Bond, for the Idaho Street Improvements.**

Motion passed unanimously.

- I. Review, consideration, and possible direction to Staff to initiate the Business Impact Statement process for a proposed change in methodology for accessing building valuation and a possible revision of the current building fee schedules/calculation, and matters related thereto. **ACTION ITEM**

The Building Department has reviewed procedures for accessing valuation and the current fee schedules/calculation. Through benchmarking with other Nevada jurisdictions and data analysis, the Building Department is recommending that the Council consider changing four (4) procedures to enhance services to contractors and balance operating expenses. TS

Building Official Schnoor with the assistance of Building Permit Technician Larreau gave an overhead presentation of the proposed changes and the associated benefits; see Exhibit 'B'.

Following the presentation Mr. Schnoor informed the council currently large projects supplement the smaller ones and help keep us stable.

Councilman Johnson questioned how much the proposed changes will make up.

Mr. Schnoor indicated a standard permit, without a plan review associated with it, i.e. an over the counter permit costs the city approximately \$62.00-\$63.00 to produce; that is just costs we are incurring.

Councilman Johnson questioned how much was being proposed.

Mr. Schnoor advised a minimum cost of \$43.50; that would include \$23.50 which is the minimum permit cost that has been established for a number of years along with a \$20.00 processing fee to cover our costs.

Councilman Johnson requested verification if the city gets big projects it works, if not it is being supplemented by the General Fund.

Mr. Schnoor indicated that was a possibility. Mr. Schnoor advised the entire staff is getting certified for in-house inspection and plan review which will be a great help in keep costs down.

Mr. Schnoor advised he was present requesting some consideration for the proposed changes; there is an impact and it will require a Business Impact Statement.

**** A motion was made by Councilman Johnson, seconded by Councilman Rice directing Staff to initiate a Business Impact Statement process for the proposed change in methodology for assessing building valuation and possible revision of the current building fee schedule calculation and matters related thereto.**

Motion passed unanimously.

Following the motion Councilman Johnson informed Mr. Schnoor before the Business Impact Statement goes out he would like to learn more of the department costs and what the schedule is. Councilman Johnson suggested having a two year plan; it makes good sense to get bigger projects with a lower permit cost to attract the bigger projects and get the smaller permits to pack their own.

Mr. Schnoor recommended a code change every three years.

I. APPROPRIATIONS

A. Review and possible approval of Warrants. **ACTION ITEM**

**** A motion was made by Councilman Conner, seconded by Councilman Johnson to approve the warrants as presented.**

Motion passed unanimously.

VI. REPORTS

- A. Mayor and City Council
 - 1. Councilman Conner – appreciation to staff for budget work
 - 2. Councilman Johnson – re-emphasized his role on council
- B. City Manager
 - 1. Special Budget Workshop Tuesday, March 16th @ 4:00 p.m.
- C. Utilities Director
 - 1. Emergency repair at sewer plant – broken 8” pipe repaired by Canyon Construction at an approximate cost of \$3,000
- D. Public Works
 - 1. Elko Sanitation/Waste Connections Survey-will cost share in data re: recycling
- E. Civil Engineer
 - 1. FEMA Training
- F. City Planner
 - 1. RDA Advisory Meeting
- G. Administrative Services Director
 - 1. Attending PEBS meeting in Carson City March 11th

ADJOURNMENT

There being no further business, Mayor Michael J. Franzoia adjourned the meeting.

Mayor Michael J. Franzoia

Shanell Owen, City Clerk