

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

SS May 11, 2010

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, May 11, 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 Jay Elquist
Councilman Chris Johnson
Councilman John Rice

City Staff Present: Curtis Calder, City Manager
Delmo Andreozzi, Assistant City Manager
Don Zumwalt, Police Chief
Alan Kightlinger, Fire Chief
Shanell Owen, City Clerk
Bob Goicoechea, City Attorney
Dawn Stout, Administrative Services Director
Eric Howes, Parks & Recreation Director
Ryan Limberg, Utilities Director
Dennis Strickland, Public Works Director
James Wiley, Parks Superintendent
Mike Hecht, Deputy Chief/Fire Marshal
Fritz Sawyer, WRF Superintendent
Darren Skelton, Public Works Superintendent
Ted Schnoor, Building Official
Scott Wilkinson, Development Manager
Jessica Johnson, Human Resources Manager
Tony Ferguson, Sr. Engineering Technician
Ed Wynes, City Planner
Jeremy Draper, Civil Engineer
Lorraine Martinez, Accounting Supervisor
Linda Buffington, Recording Secretary

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

**April 13, 2010 Regular Session Council Meeting
April 20, 2010 Joint Special Workshop**

April 27, 2010 Regular Session Council Meeting

**** A motion was made by Councilman Conner, seconded by Councilman Elquist to approve the minutes as submitted.**

Motion passed unanimously.

PRESENTATION OF CERTIFICATE OF APPRECIATION TO TETON SIGNS AND GRAPHICS

I. PERSONNEL

- A. Review, consideration, and possible approval to update the Water Reclamation Facility Superintendent Job Description, and matters related thereto. **ACTION ITEM**

Minor changes have been made to the Water Reclamation Facility Superintendent to reflect reporting to the Utilities Director. There have also been changes to the job requirements. JJ

Human Resources Manager Johnson advised all changes were minor.

**** A motion was made by Councilman Johnson, seconded by Councilman Rice to approve an update to the Water Reclamation Facility Superintendent Job Description.**

Motion passed unanimously.

- B. Review, consideration and possible approval of the revised City of Elko Safety Program, and matters related thereto. **ACTION ITEM**

The City's Safety Program has been updated and reviewed by the State of Nevada Safety Consultation and Training Section (SCATS). Areas of revision include: 1) Safety Committee; 2) Accident Investigation & Corrective Action; 3) Lockout/Tagout Program; 4) Respiratory Protection Program; and 5) Emergency Evacuation Plan. A copy of the revised Safety Program is included in the agenda packet for review. JJ

Human Resources Manager Johnson identified the specific changes for the Council.

Councilman Johnson questioned the monthly random inspections of facilities; does the entire committee complete that.

Ms. Johnson advised a different member of the committee is chosen each month to assist her and the Fire Marshall.

Councilman Johnson noted on page twenty under accident reporting, investigation and corrective action it states "all injuries, illness and property damage must be reported immediately to the

employee's supervisor, lead man or the safety administrator"; further down on the page it states "all injuries shall be reported to the supervisor"; that appears to be a housekeeping issue.

Councilman Johnson referred to page twenty-two which reads "Safety Administrator, Manager, shall review all incidents and conduct further investigation if necessary" and believed the committee was also involved in that.

Ms. Johnson verified that was correct.

Councilman Johnson commented the plan talks about the supervisors providing training; is that qualified? Does the committee look at each department to see what they are providing in training and give any input as to what the particular trainings are for a department?

Ms. Johnson advised not at this time; the committee conducts monthly safety training at the meetings.

Councilman Johnson believed another step in the plan is to identify that; each department will have a different safety plan for whatever tasks they are completing.

**** A motion was made by Councilman Rice, seconded by Councilman Elquist to approve the revised City of Elko Safety Program.**

Motion passed unanimously.

II. APPROPRIATIONS

- B. Review, consideration, and possible authorization to direct Staff of the Elko Police Department to apply for a Federal Grant (COPS), and matters related thereto.
ACTION ITEM

This grant will pay for up to three (3) officers for up to three (3) years, but the City must agree to keep the officers employed through the fourth year. Since the City is in a hiring freeze, authorization to apply for this grant is needed in case the department is awarded the grant. DZ

Police Chief Zumwalt advised the grant would cover up to three officer entry-level positions; including all salary and benefits for three years and has no local matching requirement. It requires the positions awarded be retained for minimum of twelve months at the conclusion of the three years of federal funding for each position. Chief Zumwalt indicated if the department receives the grant Staff will come back before the Council for approval to hire.

Mayor Franzoia stated the Council would first make the determination whether to accept a grant offer or not. Mayor Franzoia questioned the time line for notification of award.

Chief Zumwalt indicated the application is due in June and the outcome would be known by this fall.

Mayor Franzoia questioned the salary for those positions; does it stay at our pay levels.

Chief Zumwalt verified it does.

Mayor Franzoia indicated the risk is accepting in trying times with budget issues; would these positions be immune to any layoff?

Chief Zumwalt advised the wording for the grant states they fund positions; not necessarily people. The positions are protected but not the people; if someone is hired and don't meet the expectations they can be terminated; the position remains available.

Councilman Elquist commented it is basically buy one get three free. If we look at it in that context, over those three years can the department reduce their budget to find savings in other areas at a rate of approximately \$100,000 per year so by the time the fourth year comes up the funds are there? Councilman Elquist believed it was possible.

Chief Zumwalt replied overtime dollars would be saved; the exact amount is unknown. Chief Zumwalt acknowledged Councilman Elquist's statement and advised he was up for the challenge.

Councilman Elquist noted this grant would provide the city with three extra positions at no cost for three years; based on that he encouraged staff to look for areas of savings to cover the fourth year.

Chief Zumwalt advised he is not adding positions; he is using federal funds to fill positions the city cannot afford to.

Councilman Elquist questioned if we can't afford them now can we afford them in the fourth year; if we can't how do we fund that?

Chief Zumwalt indicated if the economy changes and our budget increases we can absorb them in; if it doesn't and we get to the fourth year and cannot, something else would have to happen. There are no guarantees.

Councilman Rice agreed there could be ways to plan and expressed support of going forward with application and at the same time working on various scenarios that will help us figure out how to fund this.

Mayor Franzoia agreed; it doesn't hurt to apply for the grant; we don't have to accept it.

Chief Zumwalt advised Staff can work on gathering any data the Council required between now and when the grant is awarded to help make the decision of whether to accept the grant or not.

Councilman Johnson indicated the Council has said no hiring and that is track he will take on this. If he understood the discussion there is favor from the Council to move forward; and accept the grant if awarded. Councilman Johnson encouraged making good use of the Chief's time; if he takes the time to complete the application, came back with funds and the Council said no; then we didn't make good use of his time.

Mayor Franzoia noted the Chief can apply for the grant without Council approval; because of the hiring freeze we have created a new step that wasn't required before and that is why he is before

us tonight. It is always subject to the Council having final say of accepting the grant. This is a tool we can utilize at a time we need it; it is not a final decision.

Chief Zumwalt addressed Councilman Johnson's concern and advised the application is already in the system from the previous year; it has to be updated by June and that is a simple process.

**** A motion was made by Councilman Conner, Seconded by Councilman Rice authorizing Staff of the Elko Police Department to apply for a Federal Grant (COPS) for the 2010/2011 Budget Year.**

**Motion passed 4 to 1.
Councilman Johnson opposed.**

Following the motion and before a vote was taken Mayor Franzoia questioned how many strings were attached.

Chief Zumwalt advised this is for entry level patrolmen in a police agency; the city has to pick up year four.

Mayor Franzoia questioned because it is under a grant program would they be union and therefore exempt from layoff.

Chief Zumwalt advised they belong to the union if they wish. He would have to research the layoff question.

Councilman Elquist believed we need to understand what our options are in the event we do have to go through layoffs. Councilman Elquist stated he would like to see organizationally how this plays out over four years before this gets approved; after three years does an entry-level officer progress to the next level.

Chief Zumwalt advised there are no promotional opportunities; the natural progression would be after year one come off probation and get 100% of their wages, after year one apply for a Patrol II status; in the four years of time that would be the only two things the officer would do. The grant would include those pay raises for that period of time.

Councilman Elquist believed we need to understand if there are layoffs in other roles or positions how that might impact the grant and the fourth year; if, in the third year, we cut two positions that aren't these. Councilman Elquist indicated he would like to see the operation with and without these three positions and scenarios where we see some operational savings by having three positions with no labor costs and overhead. With and without, can we save labor and benefits in other areas over time; anything that is a zero sum game would be the scenarios he is focusing on.

- C. Discussion, consideration, and possible authorization for Staff to solicit bids for the Equalization Basin Sealing Project, and matters related to thereto. **ACTION ITEM**

This project is part of the 2005 NDEP order to seal the equalization basin and is the last project of the order. Sealing of the Equalization Basin is part of the

approved December 2009 Master Plan and part of the 2010/2011 capital request. NDEP has approved the project design which was completed by Konakis Engineering. Approximately \$400,000 was budgeted for this project. Staff is recommending council approval pending 2010/2011 budget approval. FPS

Mayor Franzoia requested clarification on the location.

WRF Superintendent Sawyer advised the equalization basin was part of the original aeration basin that was built in the early 70's. It had gravel lenses to allow the ground water to migrate in and out; NDEP is concerned with ground water contamination and want us to seal that.

**** A motion was made by Councilman Johnson, seconded by Councilman Elquist authorizing Staff to solicit bids for the Equalization Basin Sealing Project.**

Motion passed unanimously.

Under further discussion Mr. Sawyer requested clarification on when he could submit the bid package.

Councilman Johnson advised it was one of the identified capital projects in the current budget so Staff could move forward.

- D. Discussion, consideration, and possible authorization for Staff to solicit bids for a Polymer Dilution System, and matters related to thereto. **ACTION ITEM**

The existing polymer system has proven to be maintenance intensive, unreliable with high operating costs causing major issues with biosolids dewatering. The replacement unit is part of the 2010/2011 capital equipment request. Approximately \$30,000 was budgeted for this project. Staff is recommending council approval pending 2010/2011 budget approval. FPS

WRF Superintendent Sawyer stated this piece of equipment has reached its useful life.

**** A motion was made by Councilman Elquist, seconded by Councilman Johnson authorizing Staff to solicit bids for a Polymer Dilution System.**

Motion passed unanimously.

III. UNFINISHED BUSINESS

- A. Review and possible approval of an Agreement for Professional Consulting Services for the Recreation Center Feasibility Study, and matters related thereto. **ACTION ITEM**

This item was tabled at the last meeting on April 27, 2010. Provided in your packet for review is an agreement with The Richardson Partnership to provide professional Consulting services for the Recreation Center Feasibility Study in the amount of \$25,000. EDH

Parks and Recreation Director Howes advised the updated copy of agreement was in front on the Council. Mr. Howes advised there were four minor changes;

- 1) First line of the document: The agreement was not approved on April 20th; that date will be changed.
- 2) Section 10, Item 3 - liability limits for consultants on the project was increased to \$599,000
- 3) Exhibit 'A', Section 6, Item 1 - change of language for clarification; it reads "lump sum fee billed monthly at \$25,000" It has been changed to read "lump sum fee billed monthly for work completed not to exceed \$25,000.
- 4) Exhibit 'A', Section 7, Item 1: changed amount of liability for consultant from \$25,000 to \$599,000 to match other portion of agreement.

Councilman Johnson noted a further agenda item mentions the creation of a recreational district and questioned if that does not pass how that would affect the project.

Mr. Howes advised it would not and referred to Exhibit 'A' of the Agreement which addresses that issue.

**** A motion was made by Councilman Conner, seconded by Councilman Rice to approve an Agreement for Professional Consulting Services for the Recreation Center Feasibility Study.**

**Motion passed 4 to 1.
Councilman Johnson opposed.**

After the motion and before a vote was taken Councilman Johnson stated with the budget shortfall he viewed this as an opportunity to save money and therefore he would not support it.

IV. 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 none

- B. Review, consideration, and direction to Staff regarding possible adjustments to the Fiscal Year 2010/2011 budget based upon revised consolidated sales tax revenue projections, and matters related thereto. **ACTION ITEM**

The Nevada Department of Taxation reported a 2% reduction in taxable sales for Elko County during the month of February 2010. For budgeting purposes, this translates into a 2.92% reduction in revenue, thereby reducing the City's projected fiscal year revenue by approximately \$145,000.

The above shortfall will need to be addressed during the approval of the Final Budget on May 18, 2010. Possible action(s) may include increasing transfers to the General Fund or further reductions of personnel costs through layoffs, wage reductions, or a combination of both.

Sales tax statistics have been included in the agenda packet for review. CC

City Manager Calder advised the employee groups we are not negotiating with have agreed to a 1% reduction. Based on that it was Staff's recommendation, for final budget purposes, to look at transferring into the General Fund the \$145,000; either through the Revenue Stabilization Fund, which is the preferred preference, or through the Capital Equipment Budget.

Mayor Franzoia questioned how much remained in the Revenue Stabilization Fund.

Administrative Services Director Stout advised \$315,000; we started with \$460,000.

Councilman Rice questioned how much was available in the Capital Equipment Fund.

Ms. Stout advised with the budget previously presented we still had over \$300,000 additional funds available.

Councilman Rice questioned if both funds were available for use.

City Manager Calder advised that was possible.

Councilman Johnson believed Elko is starting to recover. If the city continues to see the 2% declines it was his suggestion to exhaust the Revenue Stabilization Fund; at Staff's discretion to get through the next couple of months. If at the end of that the city needs to make another adjustment start working on different ways the city can govern differently and work on those over the summer and fall.

Mayor Franzoia expressed support of Councilman Johnson's statement.

Ms. Stout advised Staff's goal at this time is to get a balanced budget for presentation at the final budget hearing. We have eight months of sales tax information in front of us with four months still out; with what we know right now this is what we need to provide a balanced budget.

**** A motion was made by Councilman Conner, seconded by Councilman Elquist to transfer from the Revenue Stabilization Fund approximately \$145,000 to compensate for the decline in Sales Tax to balance the budget for presentation at the final budget hearing.**

Motion passed unanimously.

Under further discussion Councilman Elquist shared the optimism of others but stated the reality of the situations is we've cut our investment in streets and capital equipment and nothing into facilities; in addition our ending fund balance has gone from \$460,000 to approximately \$170,000 to balance this year's budget. Councilman Elquist didn't want to lose site of the ideas and options discussed over the past months. We can't do this again; this is not a sustainable path!

- C. Review, consideration, and possible approval for Staff to participate in and assist (provide documents) the Nevada Attorney General's office who will be filing a complaint in intervention on behalf of the State of Nevada and various local governments and water districts, alleging Nevada common law claims and other statutory claims against JM Manufacturing (aka JM Eagle) and Formosa Plastics U.S.A., and matters related thereto. **ACTION ITEM**

The City has purchased, or has accepted on new construction, several thousand feet of pipe from this manufacturer and has a vested interest in the quality and longevity of that pipe. RL

Utilities Director Limberg advised this is a Whistle Blower case where the pipe manufacturer is alleged to falsely represent the product they sell as meeting various pressure and hydrostatic test standards.

Mayor Franzoia questioned whether the city had any of this pipe buried.

Mr. Limberg verified the city has this pipe in four areas; the most recent is on Bullion Road with 6,300 feet of pipe purchased in 2008.

City Attorney Goicoechea indicated it is not known if the State is bringing this on behalf of the various cities or if the City of Elko will be a named plaintiff. That is very important; if the City of Elko is a named plaintiff then the city is going to incur substantial attorney fees. Mr. Goicoechea recommended tabling the item which would allow Staff time to talk with the Deputy Attorney General for clarification on how this would be addressed.

Mr. Limberg indicated he spoke with Susan Stewart, Construction Law Counsel, at the Nevada Attorney General's Office and was told their office would be bringing the false claims on behalf of the city and other municipalities in the State.

Mayor Franzoia preferred to have legal counsel contact the Deputy Attorney General for clarification.

Mr. Limberg noted the pipe was used on two sewer related projects and two locations of high probability for water projects in private, new development; one being the Kerr's development and the other the Pepsi project.

Mayor Franzoia requested Staff bring back the actual cost of the pipe we have installed in the event the city incurs legal costs.

Mr. Goicoechea advised this suit was filed in federal court; the pipe manufacturer prevailed.

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

Motion passed unanimously.

- D. Review and possible approval of a Clinical Affiliation Agreement between Great Basin College and the City of Elko, and matters related thereto. **ACTION ITEM**

The proposed agreement applies to Great Basin College students enrolled in various health and human services programs such as emergency medical technician, nursing, certified nursing assistant, radiology, etc. These programs require student internships, practicums, and clinicals in a variety of local agencies. In this instance, the Elko Fire Department could be used to complete student training requirements.

A copy of the proposed agreement has been included in the agenda packet for review. CC

City Attorney Goicoechea stated the contract was a form and does not apply to the City of Elko. Mr. Goicoechea requested this item be tabled until the college can bring back an appropriate contract between the city, on behalf of the fire department.

Fire Chief Kightlinger indicated college representatives advised this is generic form they use throughout Elko.

Councilman Rice stated as a member of Great Basin College he would not participate in this discussion.

**** A motion was made by Councilman Elquist, seconded by Councilman Johnson to table this item until a more updated agreement can be provided.**

**Motion passed 4 to 0.
Councilman Rice abstained.**

After the motion and before a vote was taken Chief Kightlinger requested clarification on who was to update the agreement.

Mayor Franzoia stated the agreement was submitted by the college; they are the responsible party.

- E. Review and consideration of a proposal from the Parks & Recreation Advisory Board requesting that Council consider supporting the formation of a Recreation District and authorize the Advisory Board to forward a request to the Elko County Commission to consider the initiation of the process for formation of a Recreation District and matters related thereto. **ACTION ITEM**

The Parks and Recreation Advisory Board has considered the formation of a Recreation District as part of the process of providing for the construction and long term operation of a Recreation Center for the Elko area. The Board is requesting that Council support this proposal and authorize the Parks & Recreation Advisory Board to forward this request to the Elko County Commission. EH

Parks and Recreation Director Howes advised he was requesting this item be withdrawn based on the recommendation by the advisory board.

Councilman Johnson requested clarification on why this was being withdrawn.

Mr. Howes advised it was due to the 3% Tax Cap Legislation passed a few years ago. The abatements, as a result thereof, for a new district wouldn't generate the revenue that would be sufficient to support a recreation center operationally.

Councilman Johnson questioned if a voter override would help.

Mr. Howes advised it would for a general bond but it would have to be through an election. There are too many questions between now and the election this fall that need to be answered; it is not feasible at this time. If we are going to pursue this it needs to be looked at very carefully and a multitude of questions need to be answered by now and that time; we aren't prepared to answer most of those at this time.

Councilman Conner noted the advisory board wants to look at some other avenues also, along with the feasibility study.

Councilman Conner continued and stated this isn't over; he was going to see the center get built even if it is ten years after his term in office; the recreation center is important for our community.

Administrative Services Director Stout also advised a district for that type of facility would probably encompass Carlin and Wells; Carlin is currently at their tax cap and could not sustain any additional taxes. If the taxes were raised as mentioned, they would probably all be abated; the only real revenue we would see from that agency would be from new construction growth; you would get the first year's tax revenue but in the following years you would be subject to that abatement as well. Also, whenever you increase a tax you cannot adversely affect any other taxing entity; it limits the amount of revenue any new agency would be able to produce.

No action was taken on this item.

V. RESOLUTIONS AND ORDINANCES

- A. Review, consideration, and possible approval of Resolution No. 13-10, a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to General Obligation (Limited Tax) Street Bonds (Additionally Secured by Pledged Revenues) for the purpose of financing the cost of acquiring, constructing, improving and equipping street projects; providing the manner, form and contents of the notices thereof; providing other matters properly related thereto; and providing the effective date hereof, and matters related thereto.

ACTION ITEM

The Debt Management Commission, at their meeting held April 12, 2010, approved Resolution No. DMC 3-2010 authorizing the City of Elko to proceed with the issuance of the City's General Obligation (Limited Tax) Street Bonds

(Additionally Secured by Pledged Revenues) in the maximum amount of \$10,500,000. This resolution is the next step in the bonding process and authorizes the City to make the proper publications in the local paper. DS

Administrative Services Director Stout advised this item has been brought back for clarification and Kendra Follett with Swendseid & Stern, bond counsel, was present to answer questions.

Ms. Stout reviewed the process to date. Council chose to use the 'C' tax option which is the Consolidated Tax. We can use up to 15% of our Consolidated Tax as pledged revenue for this bond; which is what the Council chose to do. The actual revenues that will go to pay this bond are our portion of the RTC funds and the \$0.075 tax rate previously in place to pay the 1989 Street Bond. The reason we chose this direction is we can get more economies of scale by issuing one bond through the city and use our 'C' tax monies to guarantee that bond as pledged revenues for that bond; however we don't necessarily use those revenues to pay the bond. We can get more money by using that because you typically have to have 1.25% coverage on your bond. We know our RTC monies are approximately \$525,000 per year; it would reduce the amount of money we could bond for that. Likewise on the \$0.075 side of our bond we know what we could bond for on that amount of money but there again you have to have 1.25% coverage to get a better interest rate. With two bonds you pay bond counsel and financial counsel twice therefore you can't get as much money.

Councilman Johnson indicated Ms. Stout's description was how he understood it also; as far as the allocation of dollars that are going to pay the note back. It sounds as though the city has the discretion on how to allocate those funds. Councilman Johnson believed the city was okay to move forward.

Ms. Follett advised Ms. Stout's description was accurate; legally the bond holder will look only to the 'C' tax; how the city decides to actually pay the bond is up to the city. Legally the pledge is on the 15% of 'C' tax and bond holders can only look to that for the payment; they have no other claim on any revenues of the city. Ms. Follett advised 'C' Tax is most flexible source of pledged revenue in the state because it can be used for a variety of different projects and is utilized by many entities because of its inherent flexibility.

Councilman Johnson questioned whether there was any issue as far as the gas tax coming to the city; does the city have discretion there.

Ms. Stout advised it will go directly to the Debt Service Fund; that will be incorporated into the Interlocal Agreement so the county is aware of where those monies are going; as well as the \$0.075 property tax.

Councilman Johnson requested verification bond counsel was okay with the 'C' Tax revenues and if paid from another source that doesn't cause an issue.

Ms. Follett advised the bond ordinance will say "the pledged revenues shall be deposited as required under the bond ordinance to pay the debt service or any other monies the city deposits." Ms. Follett stated the city is not required to deposit any other monies; only the 'C' Tax.

Councilman Johnson requested verification there are three options for the city to borrow money for bonding; 1) 'C' Tax 2) Property Tax and 3) voter approval.

Ms. Stout indicated for this issue you have to have pledgable revenue. You can have a voter approved override; if approved that would not be subject to the tax abatement but it is a very lengthy process. With the 'C' Tax in place, 15% of that is approximately \$1.4 million as estimated by the state for our next year's budget which could be used for the bond payment. This bond only requires a payment of \$825,000 to \$850,000; which is \$500,000 short of what we could bond for.

Councilman Johnson questioned if there was another option where the city would commit property tax to the bond.

Ms. Stout advised that would have to be approved by the voters. We have the \$0.075 in our general operating tax rate; we never absorbed that into the General Fund or any other fund; it has always been dedicated to debt service for the previous 1989 bond and is not allocated. Once the bond is approved and we go forward it will be allocated to this bond as well as the RTC funds.

Councilman Johnson questioned whether the 1989 bond was an override.

Ms. Stout advised it was a general obligation bond and therefore had to go to the voters by state statute. What we are doing now is a General Obligation Revenue Bond.

Councilman Johnson indicated it was his belief Council went to the voters to ask if they could put the city in debt for 'x' amount of money but didn't tie the property tax to that.

Ms. Stout verified that was correct; the voters allowed the city to go out to bond and assess whatever tax rate we needed at that point in time to pay the bond.

Councilman Johnson commented that is why the \$0.075 does not have to go back for voter approval.

Ms. Stout verified that was correct; it is already in the city's tax rate and is not a voter approved override.

Ms. Follett believed Council chose this option because the 15% of 'C' Tax was a larger pot of money therefore giving bond holders more security than the other two sources which only gave approximately \$850,000; they would want to see revenues more than 1X their payment. Because the city wanted to make a yearly payment of \$850,000 you needed more money to pledge to them; if the revenues fluctuated they want more money pledged than what you actually owe. If the city was going to use strictly the \$850,000 stream you would have to downsize.

Councilman Elquist requested verification any money collected in the meantime will wash out on this project.

Ms. Stout verified that was correct. We had to dedicate \$0.02 to the Debt Service Fund to finish the bond payment because we didn't have quite a one-year reserve to pay off the last year. The other \$0.055 went to the Capital Construction Fund which will accumulate more monies; we

potentially will have the \$1.0 million to pay the engineering costs; the full \$10.5 million will go to the street project.

**** A motion was made by Councilman Elquist, seconded by Councilman Rice to approve Resolution No. 13-10, a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to General Obligation (Limited Tax) Street Bonds (Additionally Secured by Pledged Revenues) for the purpose of financing the cost of acquiring, constructing, improving and equipping street projects; providing the manner, form and contents of the notices thereof; providing other matters properly related thereto; and providing the effective date hereof.**

Motion passed unanimously.

- B. First Reading of Ordinance #713, an Ordinance amending Title 8, Chapter 2, Section 4 of the Elko City Code entitled "Asphalt Pavement Repair" amending the procedure for construction of temporary and permanent asphalt pavement repairs to allow the permittee to use a properly licensed contractor to perform the work with City approval, and other matters appropriately related thereto.

ACTION ITEM

**** A motion was made by Councilman Elquist, seconded by Councilman Rice to set for Second Reading, Public Hearing and possible adoption Ordinance #713, an Ordinance amending Title 8, Chapter 2, Section 4 of the Elko City Code entitled "Asphalt Pavement Repair" amending the procedure for construction of temporary and permanent asphalt pavement repairs to allow the permittee to use a properly licensed contractor to perform the work with City approval.**

Motion passed unanimously.

VI. PETITIONS, APPEALS AND COMMUNICATIONS

- A. Modification of existing retail liquor license; adding Raj N. Duggal to the existing liquor license issued to Kaur Mandeep dba, Hi Discount Liquor located at 438 S. 5th Streets, Elko, NV 89801, and matters related thereto. **ACTION ITEM**

Police Chief Zumwalt advised Staff recommends approval.

**** A motion was made by Councilman Conner, seconded by Councilman Rice approving modification of existing retail liquor license; adding Raj N. Duggal to the existing liquor license issued to Kaur Mandeep dba, Hi Discount Liquor located at 438 S. 5th Streets, Elko, NV 89801.**

Motion passed unanimously.

II. APPROPRIATIONS

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

**** A motion was made by Councilman Elquist, seconded by Councilman Rice to approve the warrants as submitted.**

Motion passed unanimously.

Mayor Franzoia called for brief recess @ 5:49 p.m.

Mayor Franzoia called the meeting back to order @ 6:06 p.m.

VII. 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.

B. Review, consideration, and possible approval of Resolution No. 3-10, a Resolution Establishing Building Valuations and Amending Building Permit Fees Pursuant to Elko City Code, Title 2, effective July 1, 2010, and other matters related thereto. ACTION ITEM

A copy of the Business Impact Statement and Resolution has been enclosed in the agenda packet for review. SO

There was no public comment on this item.

**** A motion was made by Councilman Rice, seconded by Councilman Conner to approve Resolution No. 3-10, a Resolution Establishing Building Valuations and Amending Building Permit Fees Pursuant to Elko City Code, Title 2, effective July 1, 2010.**

Motion passed unanimously.

C. Review, consideration, and possible approval of Resolution No. 4-10, a Resolution Amending Various Fees Including Auctions, Business Licenses, Brothel Licenses, Liquor Licenses, Gaming Licenses, Temporary Merchant Licenses, Peddlers/Solicitors Licenses, Special Event Fees, Traveling Show Fees, effective July 1, 2010, and other matters related thereto. ACTION ITEM

A copy of the Business Impact Statement and Resolution has been enclosed in the agenda packet for review. SO

There was no public comment on this item.

Mayor Franzoia requested verification the fees were all inclusive.

City Manager Calder advised the resolution presented is the resolution for approval.

Mayor Franzoia advised he was unaware of that at the previous meeting. As previously stated he is opposed to increasing certain fees and is supportive of increasing others. Mayor Franzoia

stated he was precluded from voting on the gaming license as he has a gaming license; because everything is grouped he will not be able to vote on any of them.

Mayor Franzoia turned the meeting over to Mayor Pro Tempore Johnson.

Mayor Pro Tempore Johnson called for further discussion and there was none.

**** A motion was made by Councilman Elquist, seconded by Councilman Rice to approve Resolution No. 4-10, a Resolution Amending Various Fees Including Auctions, Business Licenses, Brothel Licenses, Liquor Licenses, Gaming Licenses, Temporary Merchant Licenses, Peddlers/Solicitors Licenses, Special Event Fees, Traveling Show Fees, effective July 1, 2010.**

**Motion passed 3 to 1.
Mayor Franzoia abstained.
Councilman Johnson voted against.**

Mayor Franzoia assumed control of the meeting.

- D. Review, consideration, and possible approval of Resolution No. 10-10, a Resolution Amending Parade Permit Fees, effective July 1, 2010, and other matters related thereto. **ACTION ITEM**

A copy of the Business Impact Statement and Resolution has been enclosed in the agenda packet for review. SO

There was no public comment on this item.

Councilman Rice believed the proposed fee of \$150.00 was still too low but he would support it.

**** A motion was made by Councilman Elquist, seconded by Councilman Conner to approve Resolution No. 10-10, a Resolution Amending Parade Permit Fees, effective July 1, 2010.**

**Motion passed 4 to 1.
Councilman Johnson voted against.**

- E. Review, consideration, and possible approval of Resolution No. 11-10, a Resolution Establishing Fees Charged for Engineering Geographic Information Systems (GIS) Data in Electronic Format Fees and Engineering Map Service Fees, effective July 1, 2010, and other matters related thereto. **ACTION ITEM**

A copy of the Business Impact Statement and Resolution has been enclosed in the agenda packet for review. SO

There was no public comment on this item.

**** A motion was made by Councilman Elquist, seconded by Councilman Rice to approve Resolution No. 11-10, a Resolution Establishing Fees Charged for Engineering**

Geographic Information Systems (GIS) Data in Electronic Format Fees and Engineering Map Service Fees, effective July 1, 2010.

Motion passed unanimously.

- A. Mayor and City Council
 - 1. Councilman Conner thanked staff for help with Cinco de Mayo Parade
 - 2. Councilman Rice report on Economic Development Communities in Rural America meeting
- B. City Manager
 - 1. Upcoming resolution to change fee structure at Animal Shelter
 - a. Schedule Council tour of Spay/Neuter Clinic at Animal Shelter
 - 2. Insurance pool update
- C. Assistant City Manager
 - 1. Master Plan Update – CSRA in Elko May 18th
- D. Fire Chief
 - 1. ISO Recognition – Every 10 years; final ruling is Class 4 Commercial Insurance Rate, Rural is Class 9; no increase in insurance rates by ISO
- E. City Clerk
 - 1. Special events for discussion at next meeting -
 - a. Change to Motorcycle Jamboree parade route
 - b. Motorcycle Jamboree requesting someone to parachute into city park prior to event
 - 2. Carnival update - will be using Redstone Parking Lot for event
- F. Airport Director –
 - 1. Wildlife Hazard Assessment began May 3 - bird strike same day
- G. Public Works Director
 - 1. Idaho Street update
 - 2. Silver Street update
- H. Police Chief
 - 1. Cinco de Mayo parade update and staff involvement
- I. City Planner
 - 1. RDAAC May 20th
 - 2. Planning Commission May 18th
- J. Administrative Services Director
 - 1. Final Budget Hearing May 18, 2010 @ 4:00 p.m.
- K. Parks and Recreation Director
 - 1. Adult Softball began May 10th; increase in teams

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

Mayor Michael J. Franzoia

Shanell Owen, City Clerk

