

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

**SS** May 19, 2009

The City Council of the City of Elko, State of Nevada met for a special meeting beginning at 4:00 p.m., Tuesday, May 19, 2009.

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

**ROLL CALL**

Mayor Present: Michael J. Franzoia

Council Present: Councilman Jim Conner  
Councilman Chris Johnson  
Councilman John Rice

Council Absent: Councilman Jay Elquist

City Staff Present: Curtis Calder, City Manager  
Delmo Andreozzi, Assistant City Manager  
Shanell Owen, City Clerk  
Alan Kightlinger, Fire Chief  
Don Zumwalt, Police Chief  
Dawn Stout, Administrative Services Director  
Eric Howes, Parks & Recreation Director  
Ryan Limberg, Utilities Director  
Dennis Strickland, Public Works Director  
Trent Moyer, Airport Director  
Scott Wilkinson, Development Manager  
Nikki Moore, Swimming Pool Manager  
Evan Dodson, Landfill Superintendent  
James Wiley, Park Superintendent  
Brian Mickels, Golf Course Superintendent  
Fritz Sawyer, WRF Superintendent  
Antonio Mendive, Water/Sewer Superintendent  
Ted Schnoor, Building Official  
Karen Walther, Animal Control Supervisor  
Mike Hess, Lead Equipment Operator  
Ed Wynes, City Planner  
Lorraine Martinez, Accounting Supervisor  
Linda Buffington, Recording Secretary

**PLEDGE OF ALLEGIANCE**

**I. BUDGET WORKSHOP**

- A. Pursuant to NRS 354.596, review, discussion, and approval of the Final Budget for the City of Elko for Fiscal Year 2009/2010, inclusive of all funds, and matters related thereto. **ACTION ITEM**

Administrative Services Director Stout presented the final budget and identified changes from previous presentations; see Exhibit 'A'.

**General Fund:**

Worker's Compensation and liability insurance rates will increase; adjustments have been made to all funds affected by that. Ms. Stout noted she estimated the liability insurance increase at 5%; it went up 9% which affected the General Fund by approximately \$13,500. The largest impact was the Worker's Compensation; it increased approximately \$82,000; the majority of that is in the General Fund and is largely related to police and fire and the issues with the Heart/Lung Bill. Ms. Stout advised excess sales tax was used to boost the revenues to reflect the increases for the liability and workman's comp; that increase amounted to \$114,000. Revenues are now anticipated to be approximately \$14,936,000.

General Fund Expenditures increased by approximately \$104,000 total, but when you work in the contingency because the contingency goes up as the expenditures go up; the increase needed was \$114,000 even though the expenditures only went up \$104,000; again the majority was in police and fire. The ending fund balance is \$1,434,781.00; it is \$473.00 short of a perfect 8.3% ending fund balance.

**Projected General Fund Revenues:**

No changes.

**Projected General Fund Expenditures:**

No changes.

**FY 2009/2010 Rollup Costs:**

Ms. Stout indicated Staff kept the budget as flat as possible; salaries have increased 0.13%, benefits related to the salaries have increased 14.29%. Services and Supplies increased by 5.35% and is directly related to those items Staff has no control over i.e. liability insurance, contracts, utilities etc. Staff budgeted for the anticipated increase in sales and property tax; there could be ramifications resulting from the State Legislature and will have to be addressed after the final budget is approved.

**Community Service Funding:**

One additional request was received from Horizon Hospice; no specific amount was provided therefore it was not included in this presentation.

**Recreation Fund:**

No changes.

**Recreation Fund Priority List:**

No changes.

Ms. Stout requested verification the list was accurate as the Council had previously directed.

Councilman Johnson noted there was still open discussion whether to fund boilers for the swimming pool.

**Elko County Recreation Tourism Funds:**

Ms. Stout advised new requests this year included \$2,000 for the Senior Olympic Games and a request for funds from the Fort Halleck Group.

Ms. Stout noted we are now at a point where we have the available funds upfront rather than after the fact; it has been our goal for several years.

**Youth Recreation Fund:**

The City will be administering the adult league program; the fund reflects those fees coming into this fund as well as the expenses associated with that. Ms. Stout noted there was an \$81.00 impact to this fund related to the Worker's Comp issue.

Mayor Franzoia questioned if the adult league funds went strictly to the cost of operation or are they for specific improvements.

Ms. Stout advised in this fund the adult league fees that the City has charged all along go into the Recreation Fund and are specifically to maintain and upgrade the facilities at Leonard Herrera Field; this particular aspect of it are the fees they used to pay to the organizers of the adult league program; they are now coming into this fund and we will pay for everything associated with those leagues up at that complex.

**Capital Equipment Replacement Fund:**

No change.

Mayor Franzoia questioned if this is the fund the State is looking at.

Ms. Stout advised the State is looking at taking two cents from everyone in the State. The City Council would have to determine which fund they would want to take that from; the impact is estimated at \$78,000.

Ms. Stout stated Staff has been very conservative with this fund due to the uncertainties with the legislature.

**Facility Fund:**

No change.

**Capital Construction Fund:**

This fund generally receives the fifteen cents that is dedicated to it. In addition, the Street Bond in the Debt Service Fund will be paid for this year; we do have a bit of reserve in that fund that will help cover that payment; in addition to that we will need another two cents for that; leaving us five one-half cents to transfer over to the Capital Construction Fund to use for street projects. That additional five and one-half cents from Debt Service fund from property tax is estimated to generate approximately \$206,000 giving us total tax monies \$760,000.

Most monies were spent down in this fund for the \$1.4 million 5<sup>th</sup> Street Project.

**Ad Valorem Capital Fund:**

The Downtown Corridor Lighting Grant Project is a carryover from this year and was not in previous presentations; revenue from that is estimated at \$150,000. The Corridor Lighting Project is estimated to cost \$179,000 leaving us \$219,000 for other projects or to carry forward to next year for a major project.

**Redevelopment Agency:**

This is our newest special revenue fund; Staff plans on \$53,000 in revenues this year to carry forward. Next years taxes are estimated at \$54,000; giving us approximately \$108,000 total available resources by the end of next fiscal year. Those amounts have been budgeted for any public improvements that may come our way during the year.

**Revenue Stabilization Fund:**

This fund was established through the Revenue Stabilization Policy. The only source of monies into this fund is from a portion of the General Fund ending fund balance. There are no budgeted monies coming into this fund this year.

**Municipal Court Assessment Fund:**

No change.

**Public Improvement Development Fund:**

No change.

**Debt Service Fund:**

No change.

**Water Fund:**

Minor changes to this fund are due to Worker's Comp issue; expenditures were increased by approximately \$5,700.

**Sewer Fund:**

Minor changes to this fund are due to Worker's Comp issue.

Ms. Stout indicated there was an error in previous calculations for the WRF lab and the change is reflected in the current presentation. Ms. Stout noted the 1994 NV Revolving Loan Payoff proposed for payoff reflects the current balance of \$848,144.

Other changes to the capital projects shows Staff did go ahead and bid the Primary Clarifier Rehabilitation Project estimated at \$225,000 in the previous presentation. Bids came in at \$289,000 so Staff increased it to \$300,000 to assure there is enough to cover the additional engineering costs associated with that project.

**Landfill Fund:**

There are outstanding issues in this fund; at this time Staff anticipates no rate increase. Much of it will depend on the permitting process and whether it increases our post-closure liability insurance cost.

**Airport Fund:**

The only difference of note is the brokerage fee for the Newmont building property; it appears

they will not occupy that building this year so the fees have been rolled over into next year.

Ms. Stout advised litigation costs could impact the numbers presented.

**Golf Fund:**

Minor changes to this fund are due to Worker's Comp issue resulted in a \$5,000 impact overall to the operating budget.

Following the presentation Councilman Conner requested verification the Recreation Fund Priority List was correct.

Parks and Recreation Director Howes verified it was.

Mayor Franzoia noted, depending on the State Budget and sales tax proceeds, we may be looking at this again.

**\*\* A motion was made by Councilman Rice, seconded by Councilman Conner to accept the Fiscal Year 2009/2010 Final Budget.**

**Motion passed unanimously.**

Under further discussion Ms. Stout commended all the department heads; they do a great job of administering their areas and it makes her job much easier.

**II. PUBLIC COMMENT PERIOD**

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.

**ADJOURNMENT**

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

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Mayor Michael J. Franzoia

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Shanell Owen, City Clerk