

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

SS March 10, 2020

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, March 10, 2020.

This meeting was called to order by Mayor Reece Keener.

CALL TO ORDER

ROLL CALL

Mayor Present: Reece Keener

Council Present: Councilwoman Mandy Simons
 Councilman Robert Schmidlein
 Councilman Chip Stone
 Councilman Bill Hance

City Staff Present: Curtis Calder, City Manager
 Scott Wilkinson, Assistant City Manager
 Kelly Wooldridge, City Clerk
 Michele Rambo, Development Manager
 Candi Quilici, Accounting Manager
 Jan Baum, Financial Services Director
 Dennis Strickland, Public Works Director
 Mike Haddenham, WRF Superintendent
 Dale Johnson, Utilities Director
 Bob Thibault, Civil Engineer
 James Wiley, Parks and Recreation Director
 Cathy Laughlin, City Planner
 Jim Foster, Airport Manager
 Matt Griego, Fire Chief
 Jack Snyder, Deputy Fire Chief
 Dave Stanton, City Attorney
 Ty Trouten, Police Chief
 Diann Byington, Recording Secretary

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. **ACTION WILL NOT BE TAKEN**

Chief Trouten explained the Elko Police Department has a new Off Highway Vehicle (parked out front), thanks to an OHV Grant, and the OHV Ordinance passed a few months ago.

APPROVAL OF MINUTES: February 25, 2020 **Regular Session**
February 18, 2020 **Special Session**

Councilman Hance pointed out that in the February 25th meeting, Item V.A., Mattison Armstrong was spelled wrong.

The minutes were approved by general consent with the stated correction.

I. PRESENTATIONS

- A. Reading of a proclamation in recognition of the establishment of “Art Connect Elko” by the City of Elko’s Arts and Culture Advisory Board, and matters related thereto. **INFORMATION ONLY – ACTION WILL NOT BE TAKEN**

Mayor Keener said because of the timing of their event, the Arts and Culture Advisory Board asked that this be moved to the next meeting.

- B. Presentation by Enterprise Fleet Management, and matters related thereto. **INFORMATION ONLY – ACTION WILL NOT BE TAKEN**

Kris Fisher, 6855 Bermuda Road, Las Vegas, NV 89119, Senior Account Executive with Enterprise Fleet Management, explained the Fleet Management Program (Exhibit “A”).

Mayor Keener liked the idea of not owning the vehicles and leasing them instead. It makes sense to him rather than making out-right purchases. He asked Mr. Fisher if the vehicles had unlimited mileage.

Mr. Fisher answered there are no mileage restrictions.

Councilwoman Simons wondered what a new fleet would do to our insurance.

Mr. Fisher answered the insurance rates would be affected.

Curtis Calder, City Manager, said Enterprise leases law enforcement patrol vehicles fully outfitted. He initiated this presentation as a way to replace the police fleet.

- C. Presentation of Fire Apparatus Leasing options through Pierce Manufacturing from Appleton Wisconsin, and matters related thereto. **INFORMATION ONLY – ACTION WILL NOT BE TAKEN**

Pierce Manufacturing of Appleton Wisconsin offers two different leasing options for fire departments and municipalities to purchase new fire apparatus. The presentation will be presented by Mr. Tom Whitmer, who is the Director, Business Development for Pierce Financial Solutions. MG

Jack Snyder, Deputy Fire Chief, introduced Tom Whitmer.

Tom Whitmer, Pierce Manufacturing (via the phone), gave a presentation (Exhibit “B”).

Councilman Schmidlein said he can’t see where this will benefit or fit into the matrix of the Fire Department.

Mr. Snyder said they are looking at a lease to own program to get a new aerial apparatus. We are looking at \$1.4 million to purchase a new aerial apparatus. This lease option may be a better fit with payments spread out over several years.

Mayor Keener asked if they finance used equipment.

Mr. Whitmer answered yes, they do.

III. PERSONNEL

- A. Presentation of Volunteer and Career Firefighter of the Year Awards, and matters related thereto. **INFORMATION ONLY – NON ACTION ITEM**

On February 28, 2020, the Elko Fire Department held its annual awards ceremony, and named the 2019 Volunteer and Career Firefighters of the Year. JS

Chief Griego explained they wanted to give everyone a chance to meet the 2019 Firefighters of the Year. He invited up Career Firefighter Ryan Safford and Volunteer Firefighter Jared Vance. Each year the awards and recognition committee receives nominations from the firefighters themselves and makes the final selection.

Jared Vance said he appreciates the sentiment but he is nothing without his crew.

Ryan Safford said he appreciates this award and it means a lot coming from these guys. The Fire Department is a great group to work with. He looks forward to many more years in the Fire Department.

I. PRESENTATIONS (Cont.)

- D. Review, consideration, and direction to Staff regarding the Fiscal Year 2020/2021 Budget, inclusive of all Funds, and matters related thereto. **FOR POSSIBLE ACTION**

Jan Baum, Financial Services Director, and Curtis Calder, City Manager, gave a presentation (Exhibit “C”).

Mayor Keener said in talking to the Fire and Police Departments, he felt those new positions were warranted. They were looking at having a part-time code enforcement officer and he understood that position would be rolled into the Assistant Fire Marshal.

Mr. Calder said he brings a conservative budget to Council. He is never in favor of adding new full-time positions. If we overspend, we have to balance our budget somehow. In the past, they have had to lay off employees in order to make the budget balance.

Scott Wilkinson said he would like some clarification. Currently they have the Code Enforcement position reporting to the Community Development Manager. We have been unable to fill that position. As complaints come in they are using a variety of staff to write letters and deal with them. If this moves over to a position with the Fire Department, he would need clarification that even if they don't have that position filled, the Fire Department would somehow deal with all those complaints rather than staff here at City Hall.

Mayor Keener said there would have to be a separate staff meeting to determine how that is going to work.

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to approve a full-time Assistant Fire Marshal/Code Enforcement Officer and a part-time Evidence Technician.**

The motion passed unanimously. (5-0)

Mayor Keener said the vehicle leases seem like a lot to dive into at this time. The health insurance, that is a number that we have used previously and it worked well for us last year.

Mr. Calder said the HSA amounts are the same but we have additional dependents that account for the additional costs. Our goal is to not to just maintain the fund balance but also grow it a little bit. He recommended accepting the HSA proposals and subsidy for the retiree and dependents. We can work that into the Final Budget.

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to accept the estimated 15% premium increase in group health insurance, and the HSA funding and retiree/dependent amount as proposed.**

The motion passed unanimously. (5-0)

Mayor Keener mentioned there is a critical need for additional office space.

Mr. Calder said they are appraising a building. If the numbers work and the renovation costs aren't too high, we could bring that back. We would need to augment the budget. We are continuing to look at options. That bullet point was more informational and didn't need action at this time.

Mayor Keener moved on to the 2% Transient Lodging Tax increase. He would like that set aside right now. It deserves a separate conversation.

Councilwoman Simons would like a presentation to see what those numbers would be.

Mayor Keener moved to the potential Landfill Rate Increase. They heard the case for it and felt it was needed.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Stone, to move forward with Landfill Rate Increase.**

The motion passed unanimously. (5-0)

**** A motion was made by Councilman Hance, seconded by Councilman Stone, to direct staff to begin the Business Impact process for a Storm Water Fee Increase.**

The motion passed unanimously. (5-0)

Mayor Keener said the acquisition of the Union Pacific Right-Of-Way was a big item. He thought this was of critical importance for downtown. We are not committing to buy anything but we need to move forward with our due diligence.

**** A motion was made by Councilman Schmidlein, seconded by Councilwoman Simons, to move forward with the Union Pacific Right-of-Way acquisition.**

The motion passed unanimously. (5-0)

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to approve the CPI proposed increases as estimated.**

The motion passed unanimously. (5-0)

Mayor Keener wanted a workshop to talk about vehicle leasing and transient lodging tax.

VIII. 5:30 P.M. PUBLIC HEARINGS

- A. Second reading, public hearing, and possible adoption of Ordinance No. 849, an ordinance amending Title 8, Chapter 2 of the Elko City Code entitled "Utility Occupancy of Public Rights-Of-Way or Public Easements, Smart Dig Requirements, and City Excavation Permits", and direct Staff to set the matter for public hearing, second reading, and possible adoption, and matters related thereto.
FOR POSSIBLE ACTION

First reading of Ordinance 849 was conducted on February 25, 2020. MR

Michele Rambo, Development Manager, explained this is the second reading. First reading was February 25, 2020. Nothing has changed and they have not received any comments.

Mayor Keener called for public comment without a response.

**** A motion was made by Councilman Hance, seconded by Councilman Stone, to approve the second reading, public hearing and adopt Ordinance No. 849.**

The motion passed unanimously. (5-0)

BREAK

VII. PETITIONS, APPEALS, AND COMMUNICATIONS

- A. Discussion regarding abatement matters and possible adoption of First amendment to the Stipulated Abatement Order between the City of Elko and the owners of 403 Pine Street, and matters related thereto. **FOR POSSIBLE ACTION**

The City Council approved a Stipulated Abatement Order between the City of Elko and the owners of 403 Pine Street on October 22, 2019. As part of that agreement, if no buyer was found prior to December 22, 2019 the City of Elko could conduct any abatement process deemed appropriate without further notice to, or authority from, the owners. No buyer was found before the December deadline.

On January 22, 2020, City Staff and a structural engineer entered the property for an inspection and evaluation. A structural analysis deeming the property a public safety hazard and recommending demolition was submitted to the City Development Manager on January 27, 2020. Based on this analysis and recommendation, staff proceeded with obtaining quotes from local contractors to perform the demolition. This work was anticipated to begin the week of March 9, 2020.

At the February 25, 2020 City Council meeting, the attorney for the current property owners informed the Council that there was a letter of intent to purchase the property in place and requested that the demolition not move forward. A formal request to amend the abatement order was received on March 4, 2020 requesting a 30-day extension and the allowance for “other abatement” methods. Staff has worked with the City Attorney’s office to draft an amendment extending the deadline for 30 days. However, based on the structural analysis, the only form of abatement provided for in the amendment is demolition. MR

Michele Rambo, Development Manager, explained she had a report prepared but the building was demolished this afternoon. The plan, according to Dusty Shipp, was to haul all the material off tomorrow and fill it all in Thursday or Friday. There were some neighbors present that would like to speak.

Molly Keller, 407 Pine Street, said she had a message with bullet points but by mid-morning, she realized she could throw it away. She thanked Scott and Michele, the Mayor and Council for this. It means a lot to her to have that nuisance removed.

Mayor Keener apologized that it took so long. It was an unusual situation that was difficult to deal with our codes. It will be easier next time if we run into a similar situation. He thanked the neighbors for their patience.

VI. RESOLUTIONS AND ORDINANCES

- A. Review, discussion, and possible adoption of Resolution No. 7-20, a resolution regarding the expiration of a Land lease between the City of Elko and

Canyon Construction on property identified as APN 006-09G-027, and matters related thereto. **FOR POSSIBLE ACTION**

On June 20, 2005 the City and Canyon construction entered into a land lease identified as APN 006-09G-027. The term of lease is 15 years beginning on July 1, 2005 and terminating at midnight on June 30, 2020. There is no provision for extending the term beyond June 30, 2020. Additionally, the Nevada Department of Transportation notified the City on August 25, 2016 and October 27, 2016 that the approach utilized for access to the property was not a legal approach and presented safety concerns due to the proximity to an abutting legal approach. SAW

Due to a conflict of interest, Councilman Schmidlein was asked to abstain and leave the room.

Scott Wilkinson had the property indicated on the overhead screen. NDOT says there is not a legal access there and would not approve one there. The lease term ends on June 30, 2020 without a provision to extend the lease. We don't have legal access to the property to even consider leasing this in the future. Mr. Barrows was consulted for some legal advice on drafting the Resolution and providing direction to the City Council for its consideration under the Resolution. He sent this to Mike and Pam Lattin and Mr. Schmidlein but did not receive a response back from them.

Mayor Keener asked if this was fenced. (no)

Scott Lattin, representing Great Basin Engineering Contractors, Canyon Construction and ESM2, stated that all these companies are either owned partially by him or his family.

Cory Glennon, partner in Canyon Construction, had a response to the letter sent out by Mr. Wilkinson. Mr. Glennon read a letter from Pam Lattin (Exhibit "D").

Mr. Lattin handed out some pictures of the subject property (Exhibit "E"). Canyon Construction have always acted in good faith and spoke about what they have done to improve the property. He wasn't sure what NDOT's position was on this because there is only minimal traffic there. They use that driveway for the heavy semi trucks so they don't damage the asphalt they have placed in front of the offices.

Mr. Wilkinson said that Canyon was notified in 2016 that the City had consulted with Legal Counsel that there was no opportunity to renegotiate or extend the lease. A new lease would require an appraisal. As of recently, Canyon is allowing Jenmar to access the facility and occupy the property for business purposes. In September 2016, he wrote to Mr. Lattin and advised him of NDOT's position and that it needed to be addressed. There has not been a favorable response. This issue has been out there since 2016. Without a legal access, we cannot consider a lease of the property.

Councilwoman Simons asked if there was any legal access to the property.

Mr. Wilkinson answered according to NDOT, there is not. The Barrick portion is a developed driveway and there is a permit for that. The dirt portion of that driveway is not a legal access. NDOT has written two letters to us.

Mayor Keener agreed that the property has very limited value unless you have the abutting property.

Curtis Calder, City Manager, said, as a response to Mrs. Lattin's letter, Mr. Lipparelli hasn't worked at the City for some time. This is considered Airport property. There were several leases that were executed before the appraisals and other provisions were required by NRS. The value of the property was determined by calling up Bill Tessler and getting a value. Even if we can lease the property, all the revenue goes to the Airport, but it will require an appraisal and will not be under the same terms as the previous lease. We can't sell the property under any circumstance. If there was a way we could lease the property, we would love to do it. We were hoping the tenant would resolve the issue in 2016. They had the ability through the terms of the lease to access the property through their own property.

Mr. Wilkinson said there was some information read into the record about Canyon seeking permission to sublease and that was not correct. They are allowing Jenmar to occupy the property and they continue to use that knowing NDOT's concerns with the safety of that ingress and egress. There is a sign for Jenmar and their point of entry for their operations. Tonight, we have an agreement that does not have a provision to discuss a negotiation of renewal or extension of the lease.

Mr. Lattin understood the lease expires June 30. There is some material that would need to be moved. They anticipate being the successful bidder on the property for a new lease. They have improved the value of the property. They didn't agree that driving through the property is occupying the property. If you block the access, NDOT will never allow you to open it up again. It is in everyone's best interest to lease the property.

Mayor Keener said everything else is ancillary. If NDOT says that is not a legal access it needs to be addressed. He asked Mr. Barrows to make his presentation.

Richard Barrows, Attorney, said he had a short presentation. The lease expires on June 30, 2020. This Resolution, which he urges the Council to adopt, recognizes the expiration and provides the process to deal with that expiration. All of those other issues are irrelevant to the expiration of the lease.

Mayor Keener asked if there was a mechanism for the current lease to extend on a month-to-month basis. He was concerned there would not be enough time between now and the lease expiration to get an appraisal done.

Mr. Calder said we could get an appraisal done in that timeframe. That is why we are talking about this now.

Mr. Wilkinson said one issue was an appropriate time for notice to the lease. The Resolution provides for notice and gives the leasee ample time to deal with the property.

Councilman Hance asked if NDOT put this into writing. If this was a piece of private property and they block access to the property, they devalue the property. He felt NDOT needed to state why that was not legal.

Mr. Wilkinson said there were two letters from NDOT saying it was not permitted and not a legal approach. The proximity to the other approach creates safety hazards.

Councilwoman Simons said we need a remedy to the situation. Get it appraised and see if we can lease it out.

Councilman Stone didn't think there was much choice at this time. He wasn't sure if Canyon was willing to go to NDOT and get that access permitted.

Mr. Glennon said they do have access to the property that are approved by NDOT. The question is the third access to the west.

Mr. Lattin said no action has been taken in four years. The access may not be permitted but that is access to that land. They have used that access to the property for 15 years. People have been driving on that access for over 30 years. If NDOT shuts that access down, they will never allow it again.

Mayor Keener called for public comment without a response.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to adopt Resolution No. 07-20.**

The motion passed. (4-0 Councilman Schmittlein abstained.)

V. NEW BUSINESS

- B. Review and possible approval for the Food & Beverage Concession services contract at the airport to Rodrigo Mata-Gonzales dba: Grandpa's Tacos; and matters related thereto. **FOR POSSIBLE ACTION**

At the January 14, 2020 City Council approved Staff's request to solicit bids and negotiate a contract for the Food & Beverage Concession at the Elko Regional Airport. The City received one (1) completed proposal from Rodrigo Mata – Gonzales dba: Grandpa's Tacos. The Airport/City Staff and Mr. Mata-Gonzales have successfully reached a concession agreement that is ready for City Council's possible acceptance. JF

Jim Foster, Airport Manager, explained Grandpa's Tacos were present in the audience. The agreement has been reviewed and approved by legal and he recommended approval.

**** A motion was made by Councilman Stone, seconded by Councilman Hance, to accept the new Airport Food & Beverage Concession Agreement with Rodrigo Mata-Gonzales dba Grandpa's Tacos.**

The motion passed unanimously. (5-0)

IV. APPROPRIATIONS

- F. Review, consideration, and possible action to award a bid for the Water and Water Reclamation Facility (WRF) Shop, and matters related thereto. **FOR POSSIBLE ACTION**

Council directed Staff to solicit bids for this project on October 22, 2019. Bids were open on March 3, 2020. Bid amount includes base bid and all six alternates. Bid tabulation sheet is provided. DJ

Dale Johnson, Utilities Director, explained they have opened bids. The low bid was \$8.238 million. Everything was in compliance for the low bidder.

Councilman Schmidlein was pleased the building came in under the \$10 million originally estimated.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Stone, to award the Waste Water Facility Shop in the amount of \$8,238,000, which will include all the additive alternates, to MGM Construction.**

The motion passed unanimously. (5-0)

II. CONSENT AGENDA

- A. Review and possible approval of an agreement between the City of Elko and Erika Johnson, D.V.M., for the provision of independent contractor services on behalf of the City of Elko Animal Shelter, and matters related thereto. **FOR POSSIBLE ACTION**

The City of Elko and Dr. Erika Johnson desire to renew the annual Veterinarian Contract. Under this contract, LASSO reimburses the City of Elko for all fees paid. CC

- B. Review and possible approval of an agreement between the City of Elko and William Wright, D.V.M., for the provision of independent contractor services on behalf of the City of Elko Animal Shelter, and matters related thereto. **FOR POSSIBLE ACTION**

The City of Elko and Dr. William Wright desire to renew the annual Veterinarian Contract. Under this contract, LASSO reimburses the City of Elko for all fees paid. CC

- C. Review and possible approval of an agreement between the City of Elko and Hannah Rodriguez, D.V.M., for the provision of independent contractor services on behalf of the City of Elko Animal Shelter, and matters related thereto. **FOR POSSIBLE ACTION**

The City of Elko and Dr. Hannah Rodriguez wish to enter into an annual Veterinarian Contract. Under this contract, LASSO reimburses the City of Elko for all fees paid. CC

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to approve the consent agenda.**

The motion passed unanimously. (5-0)

IV. APPROPRIATIONS (Cont.)

A. Review and possible approval of Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidtlein, to approve the general warrants.**

The motion passed unanimously. (5-0)

B. Review and possible approval of Print n' Copy Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidtlein, to approve the Print 'N Copy warrants.**

The motion passed. (4-0 Mayor Keener abstained.)

C. Review and possible approval of Ruby Mountain Lock & Safe Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidtlein, to approve the Ruby Mountain Lock & Safe warrants.**

The motion passed. (4-0 Councilman Hance abstained.)

D. Review and possible approval of Great Basin Engineering Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to approve the Great Basin Engineering warrants.**

The motion passed. (4-0 Councilman Schmidtlein abstained.)

E. Review, consideration, and possible authorization for Staff to solicit bids for the Public Works Department for Plantmix Bituminous Pavement materials to be used for the Year 2020 Construction Season, and matters related thereto. **FOR POSSIBLE ACTION**

This is an annual bid request for Plantmix Bituminous Pavement Materials based upon a unit price per ton amount. The materials are primarily used by the Public

Works Department on streets, but the material may also be used by other departments as needed. DS

Dennis Strickland, Public Works Director, explained we bid for this annually every spring.

**** A motion was made by Councilman Hance, seconded by Councilman Stone, to authorize staff to solicit bids for Plantmix Bituminous Pavement Materials to be used for the 2020 construction season.**

The motion passed unanimously. (5-0)

- G. Review, consideration, and possible rejection of all bids for the WRF East Primary Clarifier Recoating Project 2020, and matters related thereto. **FOR POSSIBLE ACTION**

This is a yearly maintenance project, which rotates between 5 clarifiers. Bids were opened on February 19, 2020. A Bid Tally Sheet is included as supplemental agenda information with Staff findings. DJ

Dale Johnson, Utilities Director, explained they are asking to reject the bids. Two of the bids had substantial errors and one bid was \$150,000 over the budgeted amount.

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, that the Council finds that there is minor mathematical errors in the Rema Tip Top's bid in the amount of \$10.26 on Item #3, \$0.96 on Item #4, \$11.42 on Item #5, and \$0.94 on Item #9A. Rema Tip Top failed to complete the Bidder Preferential and the Boycott of Israel form was not signed, which is considered substantial errors. The Council finds there are minor mathematical errors in the National Coating and Lining Company's bid in the amount of \$0.80 on line 9A. National Coating and Lining failed to fill out the 1% and 5% list, but was able to complete the form within the required two-hour window. National Coating and Lining failed to complete the Boycott of Israel form, which is considered a substantial error. The Council finds Farr Construction Corp. has submitted a complete bid, but the bid amount exceeds the budgeted amount for the project by \$149,940. Accordingly, the Council rejects all bids and moves to have staff rebid the project due to substantial errors and the only complete bid exceeds the budgeted amount for the project.**

The motion passed unanimously. (5-0)

- H. Review, consideration and possible final acceptance of AIP 49: Reconstruction of Security Perimeter Fencing and Electrical Vault Upgrade at the Elko Regional Airport, and matters related thereto. **FOR POSSIBLE ACTION**

Airport Staff is asking for final acceptance of this project and to begin grant close out documentation with the FAA. On May 22, 2018, City Council awarded the bid for AIP 49 Security Perimeter Fencing to Custom Fence and Company and the Electrical Vault Upgrade to NNE Construction, Inc.

This project completed construction of the airfield lighting vault and upgrading the perimeter fence and vehicle access gates. Recently the final punch list items were

completed for this project. The final project costs, including design and construction management, totaled \$2,370,888.70. The City of Elko was responsible for 6.25% of the cost, or approximately \$148,180. Jviation, Inc. was the project engineer/construction manager. JF

Jim Foster, Airport Manager, explained there were some problems with some of the gates that kept them from closing this out. The gate has worked fine for about four weeks without any problems. He recommended closing this out so they can move on to the next one.

**** A motion was made by Councilman Hance, seconded by Councilman Stone, to approve final acceptance of AIP 49, and direct staff to begin close out documentation for this with the Federal Aviation Administration.**

The motion passed unanimously. (5-0)

V. NEW BUSINESS (Cont.)

- A. Review, discussion, and possible approval for the Fire Department enter into a Professional Service Agreement with Creative Consulting Solutions, LLC., and matters related thereto. **FOR POSSIBLE ACTION**

In January 2017, the Centers for Medicare and Medicaid Services (CMS) approved Nevada's State Plan Amendment to allow a reimbursement rate for Ground Emergency Medical Transportation (GEMT) services that is based on actual costs to provide the service.

The GEMT program allows local government providers of ground emergency medical transportation (ambulance transport) to recover the actual costs to provide the service instead of the Fee Schedule rate of approximately \$250. In essence, the program allows local government provider to recover their overhead costs which are directly associated with the transport, thus more closely aligning the reimbursement with the true cost to provide the service. There are two key elements to the program. First, the reimbursement is only available to government providers, so a private company is not eligible. Second, in order to qualify for the reimbursement the government agency must provide emergency transport for Medicaid eligible patients.

The Fire Department is requesting authorization to enter into a 5 Year Professional Service Agreement with Creative Consulting Solutions, LLC. MG

Chief Griego explained at the last meeting we had a presentation on this program. Now they are asking for permission to enter an agreement. Legal has reviewed and approved the agreement.

**** A motion was made by Councilman Stone, seconded by Councilwoman Simons, to approve the Fire Department to enter into a Professional Services Agreement with Creative Consulting Solutions, LLC.**

The motion passed unanimously. (5-0)

VI. RESOLUTIONS AND ORDINANCES (Cont.)

- B. First reading of Ordinance No. 850, an ordinance amending Title 8, Chapter 18 of the Elko City Code entitled “Public Improvement Standards”, and direct Staff to set the matter for public hearing, second reading, and possible adoption, and matters related thereto. **FOR POSSIBLE ACTION**

On February 25, 2020, Council approved the initiation of Ordinance No. 850 and directed Staff to conduct a First Reading. MR

Michele Rambo, Development Manager, explained this is the ordinance dealing with creating a standard for micro-trenching. Nothing has changed and she recommended it be moved on to second reading.

**** A motion was made by Councilman Schmidtlein, seconded by Councilman Stone, to conduct first reading of Ordinance No. 850, and direct staff to set the matter for Public Hearing, Second Reading and possible adoption.**

The motion passed unanimously. (5-0)

VII. PETITIONS, APPEALS, AND COMMUNICATIONS (Cont.)

- B. Ratification of the Police Chief issuing a 30-day Temporary Retail Liquor License and issue a Regular Retail Liquor License, to Alejandro Perez, DBA El Capitan Seafood Restaurant, LLC., located at 232 Silver Street, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

Chief Trouten explained the background has been completed and he recommended approval.

**** A motion was made by Councilman Schmidtlein, seconded by Councilman Stone, to ratify the Police Chief issuing a 30-day temporary retail liquor license and issue a Regular Retail Liquor License to Alejandro Perez, dba El Capitan Seafood Restaurant, LLC., located at 232 Silver Street, Elko, Nevada, 89801.**

The motion passed unanimously. (5-0)

IX. REPORTS

- A. Mayor and City Council

Mayor Keener will be out beginning tomorrow afternoon. He thanked Curtis for covering for him on the Census proclamation. He was happy to attend the Fire Fighters Award Dinner. He had a chance to meet with Mr. Arevalo, the Vice Chairman for the Te-Moak Band Council. He stated Councilman Hance and Chief Trouten took part in the Polar Plunge.

Councilman Hance said they lost the original manager of the pool last month.

Councilman Schmidtlein said there is a meet and greet with medical providers at the Western Folklife Center, Friday night. There is a Medicare Fair on Saturday.

- B. City Manager- Census Complete Count Committee Update
Curtis Calder stated there was a kickoff last week for the Census without a lot of attendance. People will start getting their notices in the mail for the Census. It is important that everyone participate.
- C. Assistant City Manager
Scott Wilkinson said he checked with the local representative for Trac B and their exchange program has kicked off.
- D. Utilities Director
Dale Johnson said the RBC Removal Project is nearing completion. The 18-Inch Water Main Relocation Project is almost complete too.
- E. Public Works
- F. Airport Manager
Jim Foster said it is a bit out, but this September will be the 100 Year Anniversary of the Airmail Route. There will be a group reenacting that flight. He talked to Hillary last Friday and she is getting hold of Skywest to set up a meeting.
- G. City Attorney
- H. Fire Chief
Chief Griego introduced Mr. John Flick from Florida. He is an applicant for the Fire Marshal position. He noted community concerns for Coronavirus and said Emergency Medical Services are coordinating with other local and state services to be better prepared.
- I. Police Chief
Chief Trouten said Officer Bradford has completed FTO and will start his first alone shift. Officer Gevock will be retiring at the end of May.
- J. City Clerk
- K. City Planner
Cathy Laughlin reported the Storefront Program is actively receiving applications until March 30. Mr. Thibault and she have met with NV Energy regarding the grant program. The NV Energy Grant Program has been extended out. They indicated that the City will be getting some money but she didn't know how much yet. They will be asking the RDA to remove the condition that the parking lot funding at Stockmen's is based on Old Chicago going on. The Old Chicago project is on hold for now due to the bids but they want to move forward with the parking lot project.
- L. Development Manager
Michele Rambo stated she has sent a letter to the owner of the vacant house on 5th Street.
- M. Financial Services Director
Jan Baum said they have some applicants for the IT Manager.
- N. Parks and Recreation Director
James Wiley reported the Golf Course is officially open for play.
- O. Civil Engineer
- P. Building Official

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. **ACTION WILL NOT BE TAKEN**

There were no public comments.

There being no further business, Mayor Reece Keener adjourned the meeting.

Mayor Reece Keener

Kelly Wooldridge, City Clerk



FLEET MANAGEMENT

City of Elko

City Council Meeting

March 10, 2020



OVERVIEW Resources



HISTORY

- Founded in 1957 by Veteran WWII Navy Pilot, Jack Taylor.
- Named “Enterprise” after the U.S.S. Enterprise in honor of the aircraft carrier Jack served as a decorated Hellcat pilot in World War II.
- Enterprise ranked No. 13 on *Forbes America's Largest Private Companies* still family owned and headquartered in St. Louis, Missouri

*Source: Auto Rental News

2.0

MILLION
WORLD WIDE

VEHICLES

1,293,027

U.S. Rental
Fleet*

Enterprise
Holdings

489,800

Hertz
Dollar/Thrifty

375,000

Avis
Budget

Ranked by
Forbes

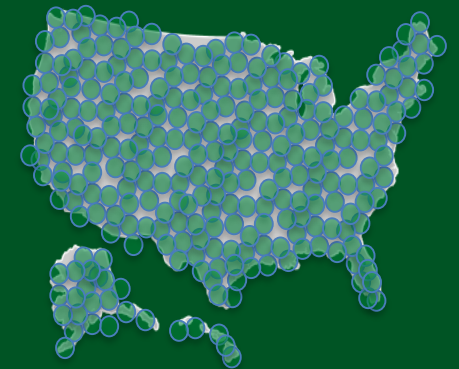
As one of America's Largest
Private Companies

10,000

WORLD WIDE

LOCATIONS

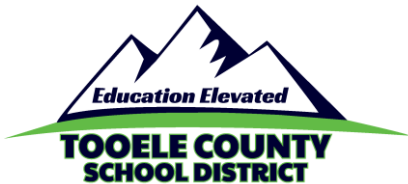
6,400 U.S.



\$21.4

BILLION IN
REVENUE

REFERENCES



"The Enterprise Fleet Management lease program has not only alleviated some of the maintenance burden placed on our lean fleet maintenance staff and budget, it has also provided a level of flexibility that allows my team to promptly address the City's dynamic fleet needs without sacrificing service."
– Lisa Fowler, Public Works Manager- Administration & Fleet

Cooperative Purchasing

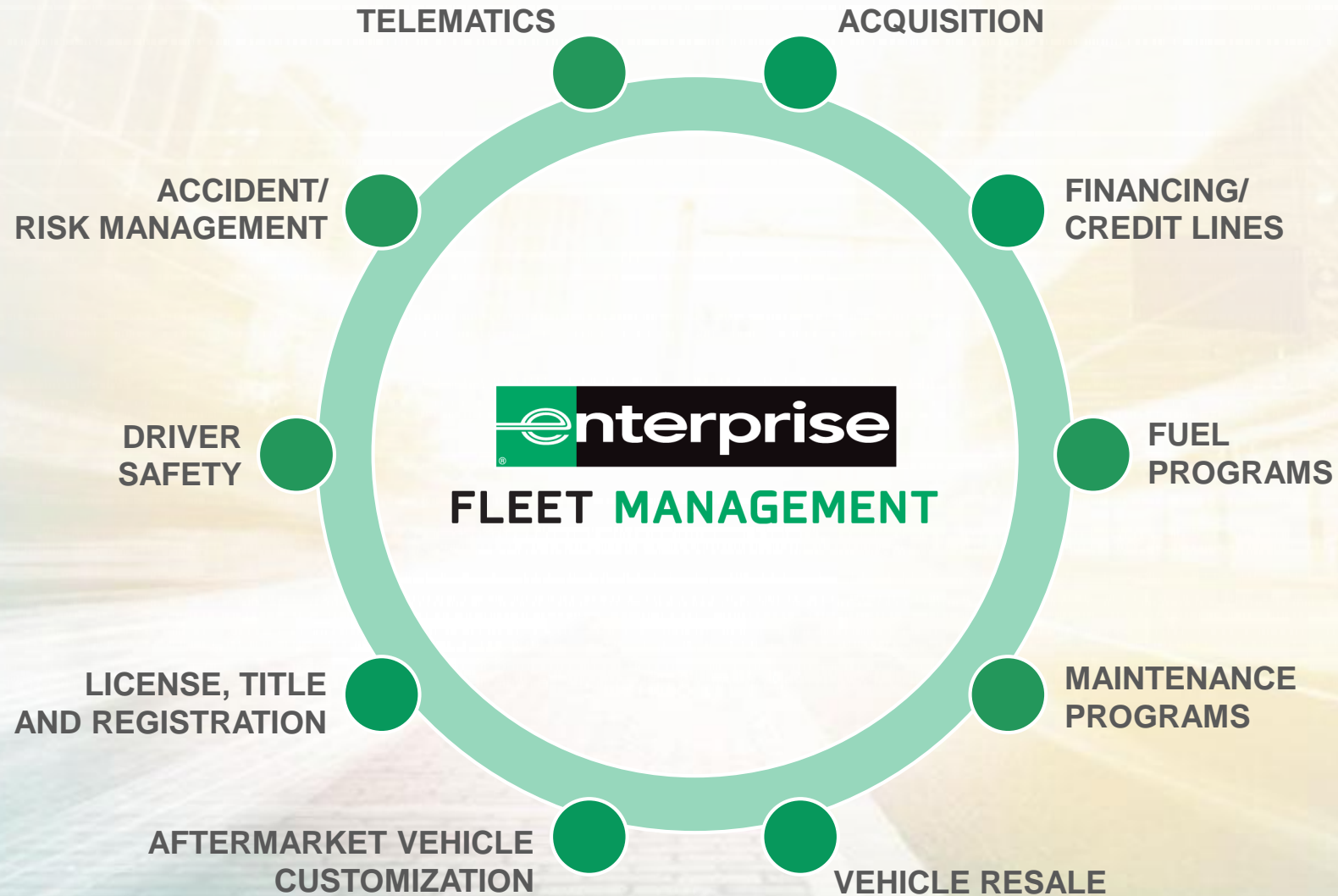


Sourcing. Strategy. Savings.®

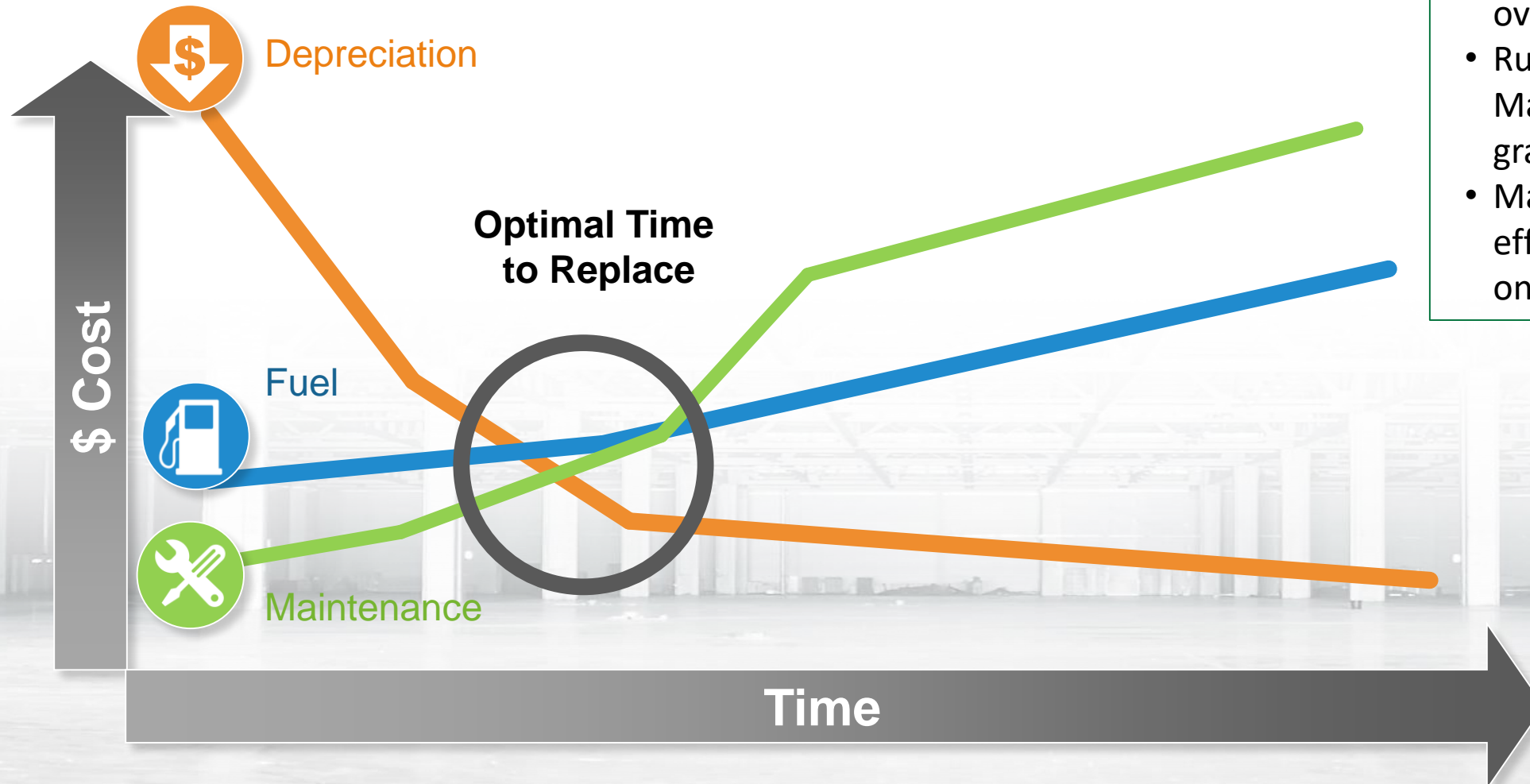


DELIVERING SOLUTIONS. DRIVING RESULTS.

enterprise
FLEET MANAGEMENT



EFFECTIVE VEHICLE LIFECYCLE



Key Observations

- Depreciation/year declines over time
- Running costs of Fuel and Maintenance increase gradually over time
- Mandated MPG efficiencies reward staying on technology wave

REDUCE RISK THROUGH NEW VEHICLE TECHNOLOGY

2007

- Front/Side crash test
- Anti-lock brakes
- Airbags

2012

- Electronic Stability Control
- Lane Departure Warning
- Rear Video

2017

- Forward Collision Warning
- Blind Spot Warning
- Offset-crash test



5-Star Safety Ratings
More Stars. Safer Cars.



GOVERNMENT BUYING POWER



ALL NEW SILVERADO 4WD Regular Cab, Long Bed WT

\$30,245 Net Price 

← CHEVY’S WEBSITE

Retail
Pricing

State Contract Pricing

\$24,067

MANHEIM AUCTION RESULTS

VEHICLE	Odometer	Sale Price	Capital Outlay
2019 Chevy Silverado 1500 Reg Cab 4x4 WT	4,043	\$26,500	-\$2,433
2018 Chevy Silverado 1500 Reg Cab 4x4 WT	18,605	\$22,500	\$1,567
2015 Chevy Silverado 1500 Reg Cab 4x4 WT	75,127	\$15,500	\$8,567
2010 Chevy Silverado 1500 Reg Cab 4x4 WT	97,275	\$7,200	\$16,867

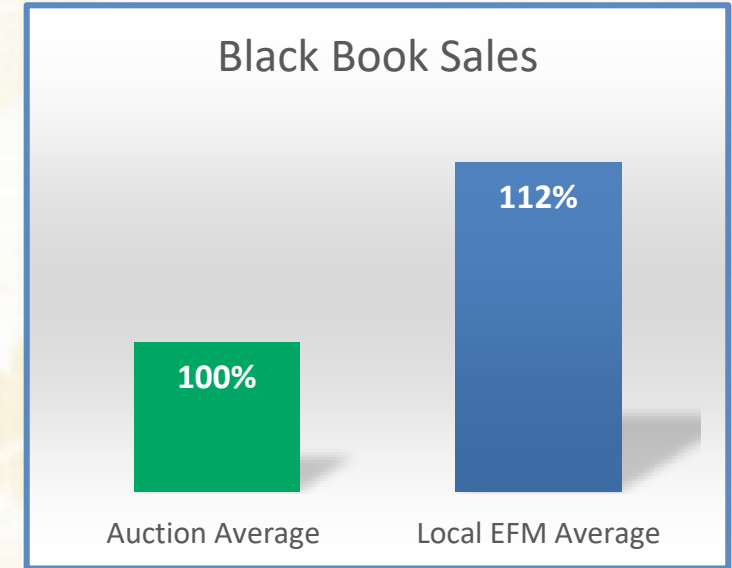
VEHICLE RESALE

\$26,095.60	Capitalized Price Prior (Prior to Cap Price Reductions/Gains on Prior Sale)
\$2,500.00	Capitalized Price Reduction (Money Down/Gain from Prior Lease)
<hr/>	
\$23,595.60	Total Capitalized Amount (Delivered Price)
<hr/>	
-\$19,672.65	Total Billed Depreciation
\$0.00	Interest Adjustment
\$0.00	Last Payment
\$0.00	License Fees
\$0.00	Accumulated Certain Charges (PPT)
\$0.00	Service Charge
<hr/>	
\$4,297.95	Reduced Book Value



Months in service: 61
Total depreciation: \$4,092.68

Avg. monthly depreciation expense: \$67.09



\$21,000.00	Gross Vehicle Sales Price
\$0.00	Selling Fees/Expenses
	\$0.00 Auction Amount
	\$0.00 Reconditioning Fee
	\$0.00 Transportation Amount
	\$0.00 Miscellaneous Amount
-\$1,377.92	Sales Tax
\$4,297.95	Reduced Book Value (RBV)
<hr/>	
\$18,079.97	Net Settlement Amount Gain (Loss)

Utilize Enterprise's resale network to hand sell vehicles, on average sales price is 12% more than auction.

Administrative burden of selling vehicles is removed.

With open-ended equity leases, you pay for what you use.

FUNDING OPTIONS

\$25,000 Pickup Truck

1
Option

Pay-Cash

\$25,000 in Year 1



2
Option

Finance

\$5,000 in Each Year



3
Option

Market-Value Finance

\$3,600 in Each Year



Open-End Lease Benefits

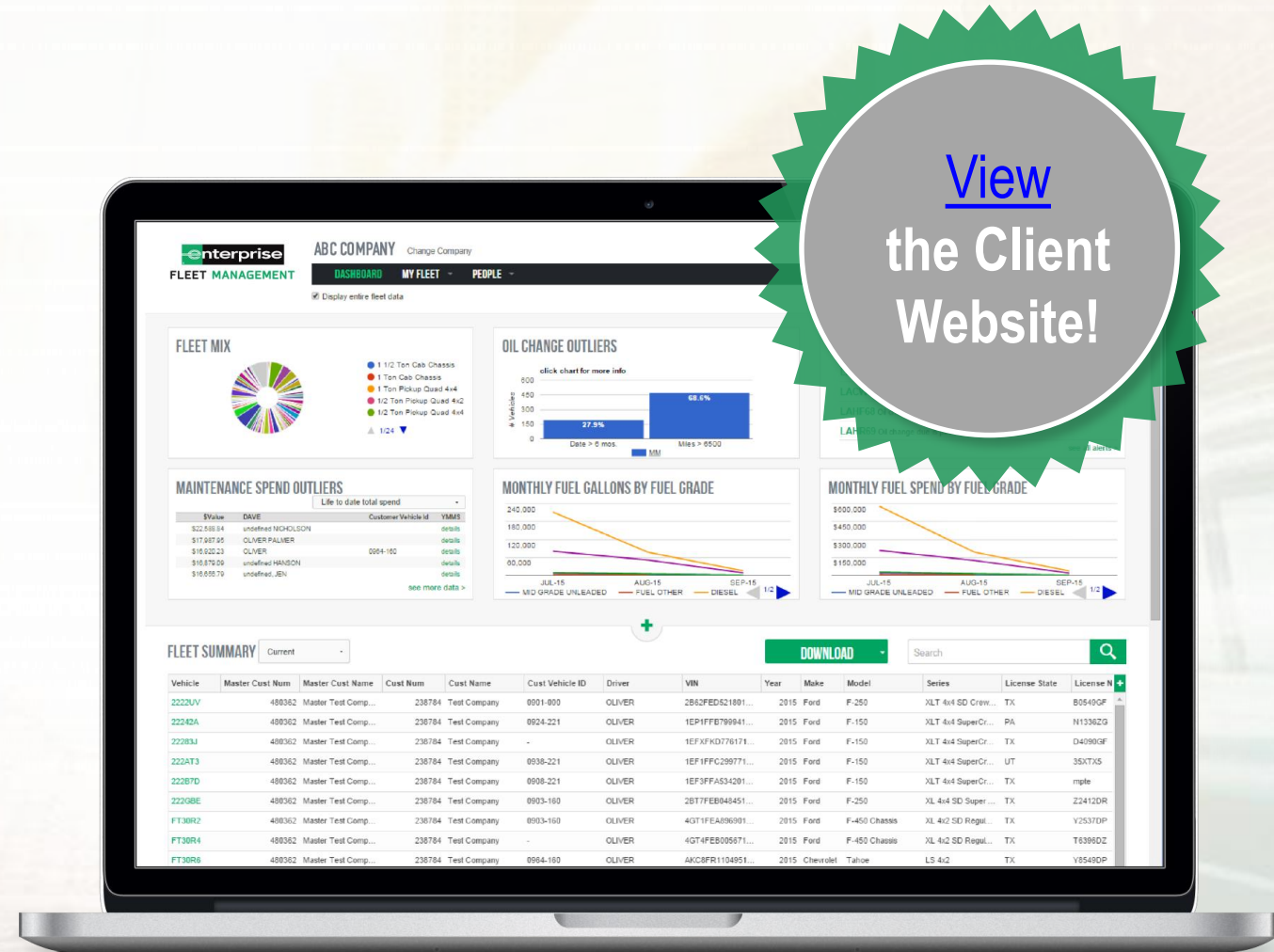
- Separate line of credit for vehicles
- Optimize cash flow with flexible funding options
- Unlimited mileage, no mileage penalties
- No abnormal wear & tear clauses
- Greater flexibility if requirements change
- Flexibility of term
- Customer retains all rights to equity

Title Benefits

- All administration handled by Enterprise
- Robust reporting and visibility
- Enhanced leverage with manufacturers as part of Enterprise Holdings' fleet
- Better administration of recalls
- Easier resale process
- Access to maintenance, fuel and risk programs
- Increased tax efficiencies over purchase

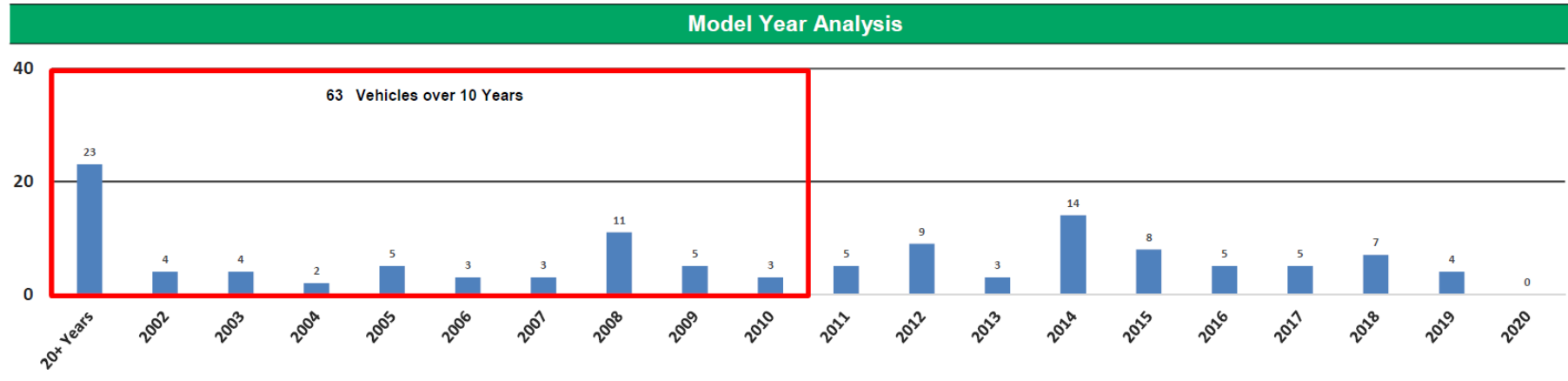
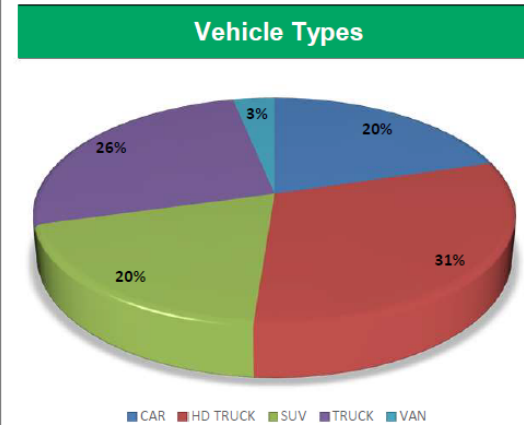
Client Website

- Visibility and tracking of vehicle data
- Customized dashboards with easy reporting
- Real-time alerts
- Simplify accounting processes with vehicle descriptors
- Self-service features including *driver changes, vehicle descriptors, mileage information and more*
- Assign unlimited unique identifiers to each vehicle to simplify routine tasks and vehicle categorization



City of Elko - Fleet Profile

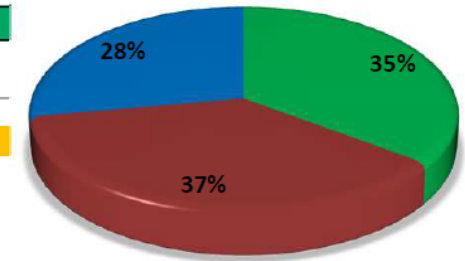
Fleet Profile				Fleet Replacement Schedule						Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2020	2021	2022	2023	2024	Under-Utilized	
Compact Sedan	2	16.2	3,100	1	1	0	0	0	0	* Fiscal Year 2020 = 16 years old and older, or odometer over 125,000
Mid-size Sedan	1	6.1	1,000	0	0	1	0	0	0	* Fiscal Year 2021 = 10 years old and older, or odometer over 80,000
Full-size Sedan	22	6.5	10,500	0	7	10	0	5	0	* Fiscal Year 2022 = 6 years old and older, or odometer over 60,000
Minivan-Passenger	1	11.5	10,000	0	1	0	0	0	0	* Fiscal Year 2023 = 4 years old and older, or odometer over 40,000
Full-size Van-Passenger	1	16.3	1,800	1	0	0	0	0	0	* Fiscal Year 2024 = Remaining Vehicles
3/4 Ton Van Cargo	2	3.3	6,800	0	0	0	1	1	0	* Underutilized = Annual Mileage less than 1,000
Compact SUV 4x4	3	13.3	4,000	1	1	1	0	0	0	
Mid Size SUV 4x4	10	12.1	6,000	2	6	1	1	0	0	
Full Size SUV 4x4	11	5.1	11,400	1	1	5	1	3	0	
Compact Pickup Ext 4x4	7	11.5	4,700	1	4	2	0	0	0	
1/2 Ton Pickup Reg 4x2	5	25.4	3,300	5	0	0	0	0	0	
1/2 Ton Pickup Reg 4x4	8	20.5	4,000	6	2	0	0	0	0	
1/2 Ton Pickup Ext 4x4	8	10.7	6,300	1	4	0	1	2	0	
1/2 Ton Pickup Quad 4x4	4	3.7	11,200	0	0	1	2	1	0	
3/4 Ton Pickup Reg 4x4	5	14.2	4,700	2	2	0	0	1	0	
3/4 Ton Pickup Quad 4x4	8	8.9	3,300	1	0	2	2	1	2	
1 Ton Pickup Reg 4x4	6	15.4	3,400	3	1	0	1	0	1	
1 Ton Pickup Quad 4x4	4	9.0	2,900	1	0	2	1	0	0	
1 Ton Cab Chassis	6	17.3	2,700	3	2	0	0	1	0	
Med Duty Cab Chassis	9	15.7	3,300	5	1	1	0	1	1	
Totals/Averages	123	11.5	6,200	34	33	26	10	16	4	



City of Elko - Fleet Planning Analysis

Current Fleet	123	Fleet Growth	-0.74%	Proposed Fleet	119
Current Cycle	20.50	Annual Miles	6,400	Proposed Cycle	5.00
				Proposed Maint.	\$33.08
Current Maint.	\$150.00	Current MPG	10	Price/Gallon	\$2.75
		Leased MPG	15	Est. Fuel Miles	762,600
Average Annual Purchase	6.0				

Fleet Costs Analysis



Fleet Mix							Fleet Cost				Annual	
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
Average	123	6.0	123	0	165,788	0			221,400	209,715	596,903	0
'20	119	34	85	34	0	191,542	-36,000		166,498	189,742	511,783	85,120
'21	119	33	52	67	0	373,977	-82,500		120,200	170,357	582,034	14,869
'22	119	26	26	93	0	530,892	-117,000		83,722	155,083	652,697	-55,795
'23	119	10	16	103	0	592,825	-80,000		69,692	149,209	731,726	-134,824
'24	119	16	0	119	0	689,281	-160,000	-471,807	47,244	139,810	244,529	352,374
'25	119	34	0	119	0	689,281		-368,901	47,244	139,810	507,435	89,467
'26	119	33	0	119	0	689,281		-304,714	47,244	139,810	571,621	25,281
'27	119	26	0	119	0	689,281		-149,267	47,244	139,810	727,068	-130,166
'28	119	10	0	119	0	689,281		-194,691	47,244	139,810	681,644	-84,742
'29	119	16	0	119	0	689,281		-471,807	47,244	139,810	404,529	192,374

10 Year Savings

\$353,957

Avg. Sustainable Savings

\$35,396

Current Fleet Equity Analysis

YEAR	2020	2021	2022	2023	2024	Under-Utilized
QTY	34	33	26	10	16	4
Est \$	\$1,000.00	\$2,500.00	\$4,500.00	\$8,000.00	\$10,000.00	\$500.00
TOTAL	\$34,000	\$82,500	\$117,000	\$80,000	\$160,000	\$2,000
Estimated Current Fleet Equity**					\$475,500	

* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

Lease Maintenance costs are exclusive of tires unless noted on the lease rate quote.

KEY OBJECTIVES

Lower average age of the fleet

51% of the current light and medium duty fleet is over 10 years old

Resale of the aging fleet is significantly reduced

SAFETY CONSIDERATIONS:

- 15 of 123 vehicles predate Airbag standardization (1998)
- 41 of 123 vehicles predate Anti-Lock Brake standardization (2007)
- 68 of 123 vehicles predate Electronic Stability Control standardization (2012)
- 107 of 123 vehicles predate Forward Collision Warning, Blind Spot Warning, and Off-set Crash Test (2017)
- 112 of 123 vehicles predate Rear View Camera standardization (2018)

enterprise

FLEET MANAGEMENT



FLEET MANAGEMENT

Kris Fisher

(702) 597-4584

Kristoffer.f.fisher@efleets.com



Aerial Apparatus Lease Options



Customization. Innovation. Service.
Performance is personal.

Pierce Financial Solutions



Pierce and PNC Equipment Finance partner to offer a tax-exempt municipal leasing program for Pierce Apparatus

Our team has financed > \$1 billion of Pierce apparatus!



Customization. Innovation. Service.
Performance is personal.

What Is A Municipal Lease?

- Very similar to a “loan” or an “installment sales contract”
- Contains “non-appropriation” or “annual out” clause with no penalty
- Generally not classified as debt against municipality’s borrowing limit
- No referendum required
- Generally lower legal and administrative costs than bond issue
- More flexible payment structures and options



Pierce Program Advantages

- Financing from PNC (4th largest bank-owned equipment financing company in U.S.)
- Flexible payment structures to meet your budget requirements
- Industry's most extensive lines of lease plans for fleet replacement
- Prepay program to lower payments and eliminate interest rate risk
- One-year deferred payment to simplify budgeting
- Dedicated Account Executive to assist you through the entire financing process



Customization. Innovation. Service.
Performance is personal.

Pierce Lease Products

Lease Purchase ("Pay To Own The Apparatus")

Amortize Apparatus Purchase Price

\$1

- Terms for this product range from 2 to 15 years (10 years for apparatus with commercial chassis)
- This lease contains no mileage and apparatus condition provisions

Turn-In Lease ("Pay To Use The Apparatus")

Amortize Apparatus Purchase Price - Apparatus Resale Value

Apparatus Resale Value

"Balloon Payment"

- Terms for this product range from 2 to 10 years
- This lease contains mileage and apparatus condition provisions
- We have 10,000 and 15,000 annual mileage options available



Two Options At Lease Term:

1. Purchase the apparatus by paying or financing the "balloon payment"
2. Return the apparatus to Pierce and lease a new Pierce apparatus (Pierce pays "balloon payment")



Customization. Innovation. Service.
Performance is personal.

Pierce Prepay Program

Discounts lower payments and simplify budgeting

Pierce Apparatus:	100' Arrow XT Aerial
Contract Price:	\$1,540,142.16
Lead Time:	12 Months
Total Prepay Discount:	-\$55,712.07
HGAC Fee:	\$2,000.00
Amount Financed:	\$1,486,430.09 → <i>Payments based off of \$1,486,430.09 vs. \$1,540,142.16</i>

March 2020

March 2021

Order Placed

Apparatus Delivered

Lease Starts

First Payment

(Payments fixed @ lease start date)

Elko is protected with "Performance and Payment Bond"



Customization. Innovation. Service.
Performance is personal.

Comparing Lease Options

Pierce Apparatus: 100' Arrow XT Aerial
 Amount Financed: \$1,486,430.09
 10 Year Balloon Payment: \$360,021.77

**10 Year Balloon Payment allows for 100,000 total miles*

For the Turn-In Lease, customers receive a notice 18 months prior to lease term requesting a decision on whether they plan to replace or keep the apparatus. This allows for a seamless transition between the old and replacement apparatus.

**Rates are "budgetary" due to current extreme market volatility*

Budget Year	10 Year Lease Purchase	10 Year Turn-In Lease
2020	\$0	\$0
2021	\$174,166.03	\$156,395.42
2022	\$174,166.03	\$156,395.42
2023	\$174,166.03	\$156,395.42
2024	\$174,166.03	\$156,395.42
2025	\$174,166.03	\$156,395.42
2026	\$174,166.03	\$156,395.42
2027	\$174,166.03	\$156,395.42
2028	\$174,166.03	\$156,395.42
2029	\$174,166.03	\$156,395.42
2030	\$174,166.03	
		↑
		New lease payment
Rate	2.99%	2.99%
Total Payments	\$1,741,660.30	\$1,407,558.78



Customization. Innovation. Service.
Performance is personal.

Program Contacts

Tom Whitmer, Director of Business Development

twhitmer@piercemfg.com

(920) 267-1256

Kim Simon, Vice President

kim.simon@pnc.com

(800) 820 – 9041 ext. 1



Customization. Innovation. Service.
Performance is personal.

Thank You!



Customization. Innovation. Service.
Performance is personal.

CITY OF ELKO FY 2020/2021 GOVERNMENTAL AND ENTERPRISE FUNDS BUDGET WORKSHOP

Key Budget Issues for Discussion

Additional Positions:

- 1 FT Assistant Fire Marshall – (\$119,305 Total cost)
- 1 PT Evidence Tech – (\$25,384 Total cost)

Vehicle Leases

CPI: January 2020 = 2.9%

- Non-represented = **2.9%**
- Police = July 1, 2020 = **2.5%**
- BCC/confidential N/A (negotiations underway)
- Fire = N/A (negotiations underway)

Group Health Insurance

- Estimated 15% premium increase

Unbudgeted Expenditures in current Fiscal Year (FY 2019/2020)

- Possible acquisition of additional office space (Ad Valorem Capital Fund)

Potential 2% Transient Lodging Tax Increase

- Reserve for possible Swimming Pool Replacement

Potential Landfill Rate Increase

- Resources for required capital equipment replacement
- Transfer Station Project
- Business Impact Statement Required

Potential Storm Water Fee Increase

- Current \$1.00/month fee per customer insufficient
- Aging storm water infrastructure requires ongoing repair & replacement
- Business Impact Statement Required

Acquisition of Union Pacific Right of Way

- 50% of appraisal cost
- Acquisition to be funded through RDA, General Fund or combination of both
- May require long-term financing

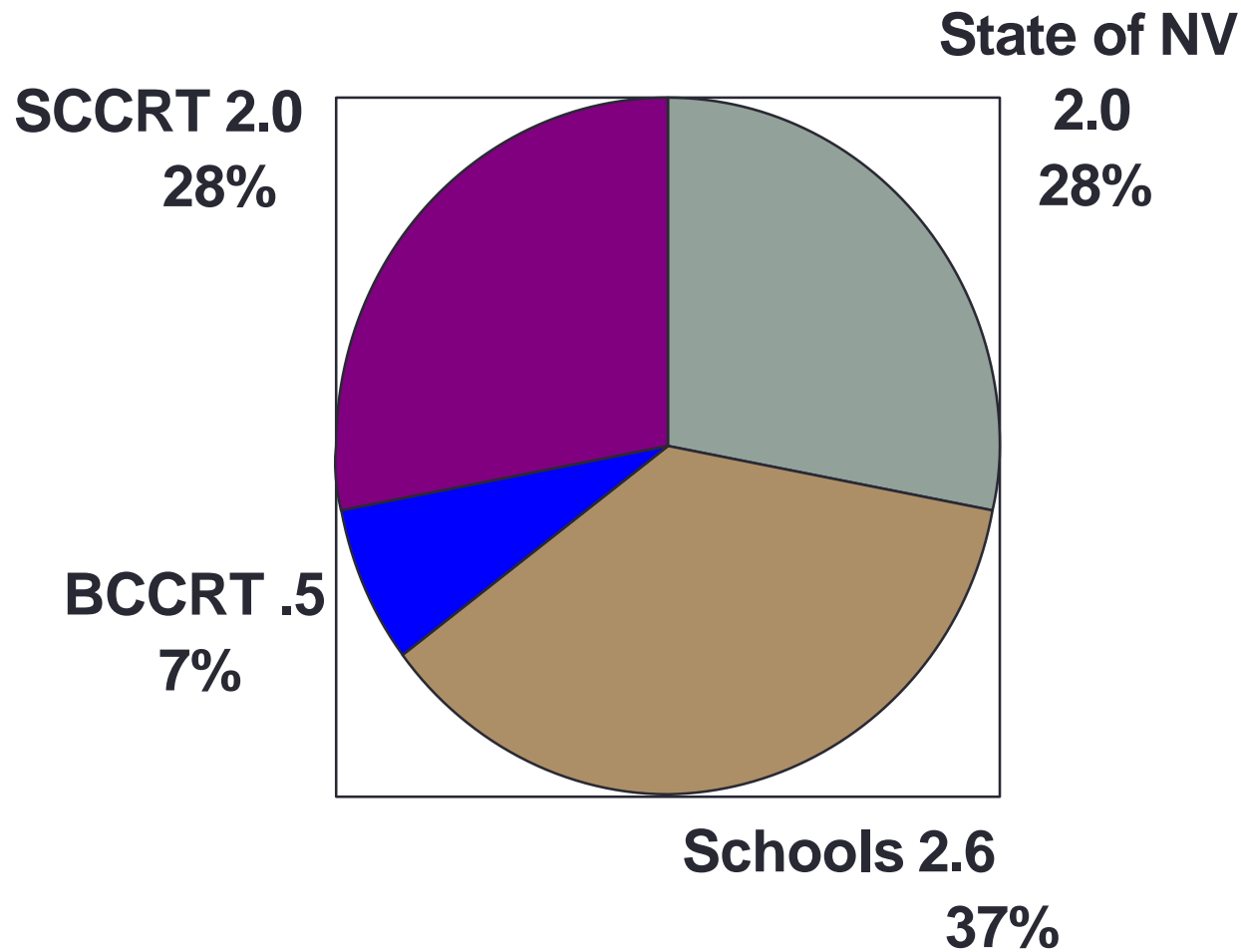
City of Elko A/V & Revenue History

Fiscal Year	Assessed Valuation	Percent Change	Tax Rate	Estimated/ Actual Revenue	Difference From Prior Year
1995/1996	218,662,312	7.99%	0.49	1,169,733	64,799
1996/1997	231,485,367	5.86%	0.51	1,252,695	82,962
1997/1998	247,881,803	7.08%	0.51	1,336,410	83,715
1998/1999	263,888,126	6.46%	0.54	1,464,610	128,200
1999/2000	272,263,390	3.17%	0.54	1,477,386	12,776
2000/2001	291,416,822	7.03%	0.54	1,561,837	84,451
2001/2002	295,138,546	1.28%	0.54	1,728,560	166,723
2002/2003	288,780,550	-2.15%	0.54	2,016,241	287,681
2003/2004	297,631,533	3.06%	0.54	2,130,964	114,723
2004/2005	296,207,696	-0.48%	0.54	2,416,907	285,943
2005/2006	296,770,239	0.19%	0.54	2,787,338	370,431
2006/2007	312,816,735	5.41%	0.59	2,878,629	91,291
2007/2008	337,353,408	7.84%	0.69	3,069,488	190,859
2008/2009	363,571,663	7.77%	0.72	3,194,597	125,109
2009/2010	389,109,714	7.02%	0.82	3,345,353	150,756
2010/2011	390,921,792	0.47%	0.92	3,371,510	26,157
2011/2012	386,309,054	-1.18%	0.92	3,551,562	180,052
2012/2013	404,635,925	4.74%	0.92	3,701,174	149,612
2013/2014	427,797,045	5.72%	0.92	4,015,202	314,028
2014/2015	465,656,772	8.85%	0.92	4,322,354	307,152
2015/2016	486,850,984	4.55%	0.92	4,479,029	156,675
2016/2017	495,236,166	1.72%	0.92	4,556,173	77,144
2017/2018	513,180,572	3.62%	0.92	4,721,261	165,089
2018/2019	519,549,574	1.24%	0.92	4,779,856	58,595
2019/2020	551,172,982	6.09%	0.92	5,070,791	290,935
2020/2021	574,971,886	4.32%	0.92	5,289,741	218,950

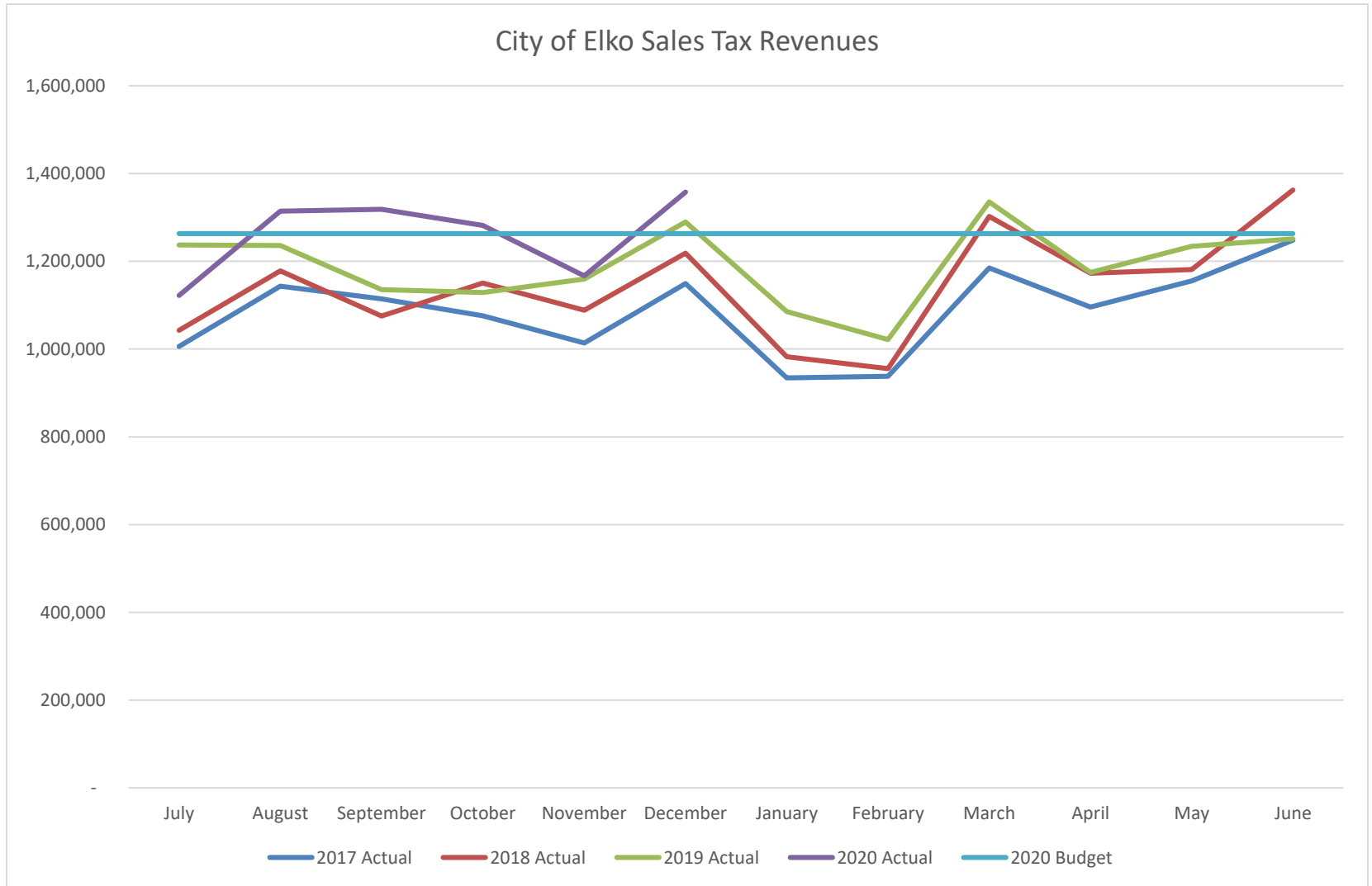
City Property Tax Breakdown

Home Valuation		\$ 150,000	\$ 200,000
Elko City General Fund	0.6148	\$ 322.77	\$ 430.36
Elko City Debt	0.0700	\$ 36.75	\$ 49.00
Elko City Capital Equipment	0.0800	\$ 42.00	\$ 56.00
Elko City Capital Construction	<u>0.1552</u>	<u>\$ 81.48</u>	<u>\$ 108.64</u>
Total City Taxes	0.9200	\$ 483.00	\$ 644.00

Elko County Sales Tax Distribution 7.1%



Sales Tax History



FY 2019/20 General Fund Outlook

Budgeted Beginning Fund Balance - July 1, 2019	\$	5,087,125
Audited Beginning Fund Balance - July 1, 2019	\$	6,048,337
Excess Beginning Fund Balance	\$	961,212

Distributed according to Revenue Stabilization Policy

25% - General Fund*	\$	240,303
37.5% - Capital Equipment Fund	\$	360,455
37.5% - Facility Reserve Fund	\$	360,455

*(no funds transferred to Revenue Stabilization Fund - it is fully funded)

2019/2020 Revenue Estimates

Budgeted Revenues	\$	22,633,853
Estimated Revenues	\$	22,632,529
Resources Less than budgeted	\$	(1,324)

2019/2020 Expenditure Estimates

Budgeted Expenditures	\$	22,154,986
Estimated Expenditures	\$	21,306,117
Additional Available Resources	\$	848,869

General Fund Outlook – Prior Year

2019/20 Projections

Revenues		\$	22,632,529
Property Taxes	\$ 3,281,759		
Licenses/Permits	\$ 1,960,215		
Intergovernmental	\$ 15,810,786		
Charges for Services	\$ 1,107,161		
Fines/Forfeitures	\$ 95,147		
Miscellaneous Revenues	\$ 377,462		
Transfers In		\$	625,000
Expenditures		\$	21,306,117
General Government	\$ 2,553,456		
Public Safety	\$ 11,707,280		
Municipal Court	\$ 399,505		
Public Works	\$ 4,468,004		
Health	\$ 723,154		
Recreation	\$ 1,344,708		
Community Service	\$ 110,011		
Transfers Out		\$	1,269,813
Contingency		\$	-
Beginning Fund Balance		\$	6,048,337
Ending Fund Balance		\$	6,729,936
Required Ending Fund Balance (8.3%)		\$	1,768,408
Additional Resources Available		\$	4,961,528

General Fund Summary

<u>2019/2020</u>		<u>2020/2021</u>	
Beginning Fund Balance	\$ 6,048,337	Beginning Fund Balance	\$ 6,729,936
Revenues	\$ 22,632,529	Revenues	\$ 22,002,688
Expenditures	\$ 21,306,117	Expenditures	\$ 23,071,940
Transfers In	\$ 625,000	Transfers In	\$ 400,000
Transfers Out	<u>\$ 1,269,813</u>	Transfers Out	
		Airport	\$ 165,000
		Rev Stabilization	\$ -
		Cap Equipment	\$ 360,454
		Facility	\$ 360,454
		Contingency (1.5% of exp)	\$ 346,079
Ending Fund Balance	<u>\$ 6,729,936</u>	Ending Fund Balance	<u>\$ 4,828,696</u>
		Required ending Fund Balance	\$ 1,914,971
		Additional Resources Available	\$ 2,913,725

FY 2019/2020 Rollup Costs

	<u>Budget 2019/20</u>	<u>Budget 2020/21</u>	<u>Increase (Decrease)</u>	<u>Percentage Changed</u>
Salaries	\$ 10,275,775	\$ 10,908,295	\$ 632,520	6.16%
Benefits	\$ 6,186,500	\$ 6,538,230	\$ 351,730	5.69%
Svc/Supplies	\$ 5,692,711	\$ 5,625,415	\$ (67,296)	-1.18%
Total Expenditures	\$ 22,154,986	\$ 23,071,940	\$ 916,954	

Note: CPI for January 2020 was 2.9%. Budget includes a 2.5% merit increase for management personnel based on availability in management scale.

General Fund Additional Requests

HSA Funding (\$1000/employee + \$200/dependent up to 3 dependents)	\$	200,000
Dependent and Retiree H/I Subsidy	\$	100,000
Total Additional Requests	\$	<u>300,000</u>

Based on average of 176 participants

RECREATION FUND

Resources:

Beg. Fund Balance	\$	1,835,540
Room Tax	\$	3,620,000
Interest	\$	25,000
Total Resources:	\$	5,480,540

Expenditures:

ECVA Operating Fund	\$	614,107
ECVA Marketing Fund	\$	452,500
ECVA Facilities Fund	\$	204,488
Elko Co Rec Board	\$	161,607
State Tourism	\$	96,964
Western Folklife	\$	64,643
Elko County Fair Board	\$	129,286

Expenditures (Continued):

Fireworks Donation	\$	5,000
--------------------	----	-------

Recreation Capital Projects

Pool Repair	\$	450,000
5th Street Parking Lot	\$	300,000
Parking Lot Maintenance	\$	50,000
Weed Abatement	\$	40,000

Transfers Out

General Fund	\$	400,000
Youth Recreation Fund	\$	130,000
Golf Course Fund	\$	25,000
Debt Service Fund	\$	611,512
Airport Fund	\$	336,290

		Ending Fund Balance	\$ 1,409,143
Total Distributions	\$ 1,723,595	Total Uses	\$ 5,480,540

Capital Equipment Replacement Fund

Revenues

Sales Tax	\$ 428,695
Property Tax (.08 rate)	\$ 450,786
Interest	\$ 10,000
Dispatch Revenues	\$ 15,000
Transfer from General	\$ 360,454

Beginning Fund Balance	\$ 421,378
Total Resources	\$1,686,313

Expenditures

IS - non-equipment purchases	\$ 17,698
IS - Switches	\$ 67,115
IS - Fiber	\$ 16,500
Building - new inspector vehicle	\$ 30,000
Cemetery - 60" Z Turn Mower	\$ 14,200
City Clerk - Document management	\$ 30,520
Facilities - Grid Smart Detection	\$ 48,000
Facilities - Battery Backup	\$ 9,000
Fire - Radios	\$ 162,765
Fire - Defibrillator	\$ 70,000
Parks - Toto 16" GM5900 Mower	\$ 102,000
Parks - Tilt Deck Trailer	\$ 14,000
Police - Radios	\$ 159,000
Police - Patrol Cars	\$ 205,000
Streets - Tow Behind air Compressor	\$ 24,000

Total Requests **\$ 969,798**

Ending Fund Balance **\$ 716,515**

Total Uses **\$ 1,686,313**

Facility Fund

Revenues:

Beginning Fund Balance	\$	347,389
Interest Income	\$	2,500
Transfer from General Fund	\$	360,454

Expenditures:

Fire Station Windows	\$	15,150
Fire Station Compressor	\$	80,000
Fire Station Bay Heaters	\$	25,000
Swimming Pool Feasibility	\$	50,000
Park Shop Siding	\$	75,000
Backflow Prevention City	\$	25,000
Projects TBD	\$	420,193
Transfer Out - Golf Fund	\$	20,000
Ending Fund Balance	\$	-

Total Resources:		<hr/>	\$ 710,343
-------------------------	--	-------	-------------------

Total Uses		<hr/>	\$ 710,343
-------------------	--	-------	-------------------

Youth Recreation Fund

Resources:

Expenditures:

Beg. Fund Balance	\$	164,568
Fun Factory Fees	\$	70,000
Tournament Fees	\$	12,500
Players Fees	\$	70,700
Snowbowl	\$	31,500
Special Events Revenue	\$	20,000
Concession Revenue	\$	24,000
Other Income	\$	5,000
Interest	\$	1,400
Transfer in Recreation	\$	130,000

Salaries	\$	165,287
Benefits	\$	70,035
Players Fees	\$	70,700
Services/Supplies	\$	61,200
Ending Fund Balance	\$	162,446

Total Resources:	\$	529,668
-------------------------	-----------	----------------

Total Uses	\$	529,668
-------------------	-----------	----------------

Capital Construction Fund

Revenue:

Property Tax - Streets (.1552)	\$ 874,525
Franchise Fees	\$ 317,443
Interest Income	\$ 8,000

Beginning Fund Balance **	<u>\$1,184,219</u>
Total Resources:	\$2,384,186

Expenditures:

Finish Cedar Street	\$1,200,000
Capital Construction -TBD	\$ 201,500

Ending Fund Balance	<u>\$ 982,686</u>
Total Uses	\$1,401,500

**Assumes Cedar St. Phase III design completed in
2020/2021

Ad Valorem Capital Fund

Revenue:

Ad Valorem Taxes	\$ 362,185
Interest Income	\$ 10,000

Expenditures:

Capital Projects - TBD	\$ 2,017,258
------------------------	--------------

Beginning Fund Balance	<u>\$ 1,645,073</u>
Total Resources:	\$ 2,017,258

Ending Fund Balance	<u>\$ -</u>
Total Uses	\$ 2,017,258

Revenue Stabilization Fund

Revenue:

Transfer from General Fund	\$	-
Interest	\$	22,000
Beginning Fund Balance	\$	2,029,201

Total Resources:	<hr/>	\$ 2,051,201
-------------------------	-------	---------------------

Expenditures:

Transfer to General Fund	\$	-
--------------------------	----	---

Ending Fund Balance	<hr/>	\$ 2,051,201
----------------------------	-------	---------------------

Municipal Court Assessment Fund

Resources:

Beg. Fund Balance	\$ 72,862
Admin Assessments	\$ 4,000
Total Resources:	\$ 76,862

Expenditures:

Reserved Court Capital	\$ 76,862
Ending Fund Balance	\$ -
Total Uses	\$ 76,862

Public Improvement Development Fund

Revenue:

Beginning Fund Balance	\$ 16,259
Interest Income	\$ 100

Total Resources:	<hr/> \$ 16,359
-------------------------	------------------------

Expenditures:

Reserved - Improvements	\$ 16,359
-------------------------	-----------

Ending Fund Balance	<hr/> \$ -
Total Uses	<hr/> \$ 16,359

Redevelopment Agency Fund

Revenues:

Beginning Fund Balance	\$ 1,358,208
Property Tax Revenues	\$ 424,484
Interest Revenues	\$ 10,000

Total Resources:	\$ 1,792,693
-------------------------	---------------------

Expenditures:

Legal Expense	\$ 20,000
Revolving Loan Fund	\$ 100
Public Impvmts – Other	\$ 1,722,593
Storefront Program	\$ 50,000

Ending Fund Balance	\$ -
Total Uses:	\$ 1,792,693

Debt Service Fund

Resources:

Beg. Fund Balance	\$ 1,174,403
RTC Revenues	\$ 685,000
Property Taxes (0.07)	\$ 392,881
Interest	\$ 7,800
	<u>\$ 2,260,084</u>

Transfers In:

Recreation Fund	<u>\$ 611,512</u>
-----------------	-------------------

Expenditures:

2010 Street Bonds: 2031

Principal	\$ 505,000
Fiscal Agent Charges	\$ 750
Interest	<u>\$ 240,781</u>

Total Street Bonds: \$ 746,531

Recreation Facilities Bond: 2035

Principal	\$ 405,000
Fiscal Agent Charges	\$ 750
Interest	<u>\$ 206,512</u>

Total Recreation Facilities: \$ 612,262

PD Building Bond: 2025

Principal	\$ 305,000
Interest	<u>\$ 32,231</u>

Total PD Bond: \$ 337,231

Reserve for 2010 Bond \$ 371,278

Reserve for Public Safety Bond \$ 279,428

Ending Fund Balance \$ 524,866

Total Resources: \$ 2,871,596

Total Uses \$ 2,871,596

Community Service Donation Requests

<u>Community Service Requests:</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Sr Citizens	10,000	10,000	10,000	10,000	10,000
Vitality Center	7,500	7,500	7,500	7,500	7,500
FISH	10,000	10,000	20,000	40,000	40,000
Nevada Rural Co - RSVP	6,862	7,511	7,511	7,511	7,511
Elko Area Transit	15,000	15,000	15,000	20,000	20,000
Family Resource Center	-	5,000	7,500	-	-
Elko Chamber of Commerce			5,000	-	-
Firefighters Challenge			2,500	4,000	4,000
Nevada Outdoor Schools				5,000	5,000
Elko High School Homecoming Committee				1,000	1,000
Elko County School District SRO	50,000	50,000	-	-	-
	<u>\$ 99,362</u>	<u>\$ 105,011</u>	<u>\$ 75,011</u>	<u>\$ 95,011</u>	<u>\$ 95,011</u>

Note: FY21 are only the requests received to date 3/5/20 and anticipated based on history

FY2020/2021

Enterprise Funds

- Water Fund
- Sewer Fund
- Landfill Fund
- Airport Fund
- Golf Fund
- Health Insurance Fund

Water Fund

Operating Revenue:

Water user fees	\$ 3,721,000
Other fees	\$ 111,000
Total	\$ 3,832,000

Non-Operating Revenue:

Connection fees	\$ 350,000
Interest revenue	\$ 60,000
Total	\$ 410,000

Operating Costs:

Administration	\$ 503,376
Water Operations	\$ 2,119,292
Water Well Operations	\$ 958,824
Depreciation Expense	\$ 615,000
Total	\$ 4,196,492

Non-Operating Expenses:

SCADA upgrades	\$	100,000
Shop Office Furniture/Technology	\$	100,000
18" Inserta Valve	\$	150,000
Water Shop	\$	4,400,000
Oversize Water Main	\$	40,000
Water Main Alley	\$	200,000

Total	\$ 4,990,000
--------------	---------------------

Operating Income/(Loss)	\$ (364,492)
-------------------------	--------------

Non-Operating Income/(Loss)	\$ (4,580,000)
------------------------------------	-----------------------

Net Increase/(Decrease) in Cash	\$ (4,329,492)
---------------------------------	----------------

Estimated available cash at July 1, 2020	\$ 7,497,215
Estimated Outstanding Restrictions	\$ (1,817,713)
Estimated Unrestricted Cash Balance	\$ (1,817,713)

Estimated available cash at June 30, 2021	\$ 3,167,723
Estimated Outstanding Restrictions	\$ (1,872,244)
Estimated Unrestricted Cash Balance	\$ 1,295,478

(Note: Rate increased January, 2020 will continue at 5% increase each year for 3 years)

Sewer Fund

Operating Revenue

Sewer User Fees	\$ 2,929,000
Other Fees	\$ 294,282
Total	\$ 3,223,282

Operating Costs

Administration	\$ 593,692
Operating	\$ 325,085
WWTP	\$ 2,539,164
Laboratory	\$ 238,976
Depreciation	\$ 1,350,000
Total	\$ 5,046,917

Operating Income **\$ (1,823,635)**

Estimated available cash as of July 1, 2020	\$ 17,288,931
Estimated Outstanding Restrictions	\$ (1,817,713)
Estimated Unrestricted Cash Balance	\$ 15,471,218

Non-Operating Revenue

Sewer Capital Improvement Fees	\$ 2,960,000
Connection Fees	\$ 310,000
Interest Income	\$ 125,000
Total	\$ 3,395,000

Non-Operating Expenses

Hooklift Truck	\$ 175,000
Camera Van Upgrade	\$ 50,400
Shop Office Furniture/Technology	\$ 100,000
F150 Truck	\$ 45,000
Golf Course Pond Liner	\$ 850,000
Shop	\$ 4,400,000
South Reservoir Liner	\$ 100,000
WRF Asphalt Sealing	\$ 20,000
West Primary Clarifier	\$ 150,000
Total	\$ 5,890,400

Non-Operating Income/(Loss) **\$ (2,495,400)**

Net Increase / (Decrease) in Cash **\$ (2,969,035)**

Estimated available cash as of June 30, 2021	\$ 14,319,896
Estimated Outstanding Restrictions	\$ (1,872,244)
Estimated Unrestricted Cash Balance	\$ 12,447,652

Landfill Fund

Operating Revenue:

Landfill User Fees	\$ 2,004,000
Other Fees	\$ 40,000
Total	\$ 2,044,000

Operating Costs:

Administration	\$ 157,197
Landfill Operations	\$ 1,565,994
Depreciation Expense	\$ 241,090
Total	\$ 1,964,282

Operating Income/(Loss) \$ 79,718

Estimated available cash at July 1, 2020	\$ 2,145,194
Estimated Outstanding Restrictions	\$ (1,270,490)
Estimated Unrestricted Cash Balance	\$ 874,704

Non-Operating Revenue:

Interest revenue	\$ 13,000
Total	\$ 13,000

Non-Operating Expenses:

34' X 12' Scales	\$ 200,000
826 Compactor Engine	\$ 95,000
Track Type Dozer	\$ 500,000
Public Drop-Off Area/Transfer Station	\$ 225,000
Wheel Loader	\$ 350,000
Waste Compactor	\$ 600,000
Water Truck	\$ 400,000
Total	\$ 2,370,000

Non-Operating Income/(Loss) \$ (2,357,000)

Net Increase/(Decrease) in Cash \$ (2,036,192)

Estimated available cash at June 30, 2021	\$ 1,695,507
Estimated Outstanding Restrictions	\$ (1,308,604)
Estimated Unrestricted Cash Balance	\$ (1,308,604)

(Note: possible rate increase)

Airport Fund

Operating Revenue

Fuel Taxes	\$ 21,750
Landing Fees	\$ 72,000
Parking Fees	\$ 140,000
Passenger Facility Charges	\$ 77,000
Terminal Rental	\$ 105,000
Rental Car Concession	\$ 265,000
Land & Building Leases	\$ 326,903
Miscellaneous Revenue	\$ 26,000
Total	\$ 1,033,653

Operating Costs

Administration	\$ 110,169
ARFF Fire Services	\$ 81,125
Airport Operations	\$ 546,068
Airport Terminal	\$ 172,000
City Funded Depreciation	\$ 283,504
Total	\$ 1,192,866

Operating Income/(Loss)

Before Transfers in	\$ (159,213)
General Fund	\$ 165,000
Recreation Fund	\$ 336,290
Total Operating Income	\$ 342,077

Estimated available cash July 1, 2020	\$ 1,444,067
Estimated Outstanding Restrictions	\$ (805,821)
Estimated Unrestricted Cash Balance	\$ 638,247

Non-Operating Income

Interest Revenue	\$ 16,000
AIP Grant Revenue	\$ 417,188
Total	\$ 433,188

Non-Operating Expenses

Debt Service Payment	\$ 336,290
Parking Revenue System	\$ 180,000
Operations/Admin vehicle	\$ 30,000
Chairs for Terminal	\$ 10,000
New Vending Machine	\$ 10,000
Upgrade HVAC System	\$ 20,000
3 New Handheld Radios	\$ 5,000
Air-Less Painter	\$ 15,000
AIP Grant #51 Snow Removal Equipment	\$ 445,000
Total	\$ 1,051,290

Non-Operating Income/(Loss)

Net Increase/(Decrease) in Cash	\$ (618,103)
--	---------------------

Estimated available cash July 1, 2020	\$ 1,451,545
Estimated Outstanding Restrictions	\$ (829,995)
Estimated Unrestricted Cash Balance	\$ 621,550

Note: FAA Funded Depreciation for FY 2020/2021 is estimated to be: \$ 2,079,032.00

Golf Fund

Operating Revenue

Golf User Fees	\$ 373,500
Cart Shed Rental	\$ 35,000
Cart Path Usage Fees	\$ 43,500
Cart Rental Fees	\$ 100,000
Concession Fees	\$ 12,000
Other Fees	\$ 44,000
Total	\$ 608,000

Operating Costs

Administration	\$ 57,954
Golf Operating	\$ 762,039
Depreciation Expense	\$ 94,000
Total	\$ 913,993

Operating Income/(Loss)-PreTransfer

\$ (305,993)

Operating Transfers In

Recreation Fund	\$ 25,000
Total Operating Loss	\$ (280,993)

Estimated Cash Balance July 1, 2020

\$ 731,165

Estimated Outstanding Restrictions

\$ (421,000)

Estimated Unrestricted Cash Balance

\$ 310,165

Non-Operating Revenue

Interest Income	\$ 6,000
Sale of Assets	\$ -
Total	\$ 6,000

Non-Operating Income/(Loss)

\$ 6,000

Net Increase/(Decrease) in Cash

\$ (180,993)

Estimated Cash Balance July 1, 2020

\$ 550,172

Estimated Outstanding Restrictions

\$ (431,400)

Estimated Unrestricted Cash Balance

\$ 118,772

Health Insurance Fund

Revenue:

City Contributions for Employees	\$ 2,334,563
Employee Contributions for Dependents	\$ 310,000
Retiree Contributions	\$ 55,000
City Subsidy for Retirees & Dependents	\$ 100,000
Provider Reimbursements	\$ 100,000
Interest	\$ 15,000
Beginning Fund Balance	\$ 1,549,489

Total Available Resources	\$ 4,464,052
----------------------------------	---------------------

Expenditures:

Medical Claims	\$ 1,980,000
Prescription Claims	\$ 172,500
Medical Premiums	\$ 724,500
Dental Premiums	\$ 159,600
Vision Premiums	\$ 40,000
Life Insurance Premiums	\$ 81,480
HealthScope Adm Fees	\$ 55,000
Retiree Health Group	\$ 8,625
Total Expenses	\$ 3,221,705

Ending Fund Balance	\$ 1,242,347
----------------------------	---------------------

Assumes 176 people on health care plans

Action Items

- **Additional Positions?**
- **Vehicle Leases?**
- **COLA Increases?**
- **Group Health Insurance?**
 - HSA Funding
 - Dependent/Retiree Subsidy
- **Unbudgeted Expenditures in Current Fiscal Year?**
- **2% Transient Lodging Tax Increase?**
- **Landfill Rate Increase?**
- **Storm Water Fee Increase?**
- **Union Pacific Right of Way Acquisition?**

Proposed Schedule

- March 24 – Review & Approval of Tentative Budget
- April 15 (or before) – File Tentative Budget with Dept. of Taxation
- May 12 – Subsequent Budget Workshop (if necessary)
- May 26 - Public Hearing to Adopt Final Budget

Canyon Construction Company
ESM 2, LLC
Great Basin Engineering Contractors, LLC
PO Box 2030 Elko, NV 89803

March 9, 2020

Scott A. Wilkinson
sawilkinson@elkocitynv.gov

Re: Land Lease on APN 006-09G-027

I am in receipt of your text message and attachments of *Elko City Council Agenda Action Sheet* and *City of Elko Resolution 07-20 (proposed.)*

Numerous statements made in the proposed Resolution 07-20 are erroneous, incorrect, misleading and inaccurate or not relevant to the subject matter under discussion.

Paragraph 3: It is our understanding that the lease was assigned by Canyon Construction Company (Canyon) to ESM2, on July 22, 2016 and ESM2 is the current Lessee

Paragraph 4 is confusing in that the City is claiming that 'Canyon' *has allowed various persons or entities to occupy the Property without the approval of the City*. Considering the lease was assigned to ESM2 in 2016, how could Canyon allow others to occupy the land? Also, please explain under what conditions it is required to have City approval to 'occupy' the land? If our employees park on the land, must the City 'approve?' If UPS or FedEx deliver a parcel, must the City 'approve?' If ESM2 rents or leases a piece of equipment from a 3rd party and stores it on the land, must the City 'approve?' Please provide a list of entities and dates which Canyon allegedly allowed this to occur without the City's approval.

In addition, Paragraph 4 states, *"The current unapproved occupant of the Property appears to be a company called "Jenmar USA."* This is a false statement and incorrect. Jenmar USA leases and occupies property owned by ESM 2, LLC. They do NOT lease any portion of the 8.69 acres and no building or equipment or appurtenances of Jenmar USA is on the referenced property.

In addition, regarding Paragraph 4, please refer to the original Land Lease Agreement dated June 30, 2005, Article 19.01 states:

Lessor [City of Elko] reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection it may deem appropriate for the proper enforcement of any of the covenants or conditions of this lease. However, except in emergency situations prior to Lessor's exercise of this right, Lessor must first contact Lessee and advise Lessee of Lessor's intent, thereby allowing Lessee the opportunity to be present at such inspection.

If the City had questions about 'various persons or entities occupying the Property without the approval of the City' all the City had to do was contact me—per Article 19.01 of said Land Lease. The City had every right to inspect the property per the lease!!!! If the City had contacted me either by telephone or by text (the same way you gave me notice of this Agenda item), I would have shown you the area that Jenmar is

Exhibit "D"

leasing from ESM2 LLC is not part of the 8.69 acres leased from the City. Your visual observation would have verified that Jennmar is NOT on the referenced City leased property. A simple phone call would have eliminated the City from putting in writing incorrect, erroneous and inaccurate statements.

Paragraphs 5, 6 and 7 are issues with City of Elko as Landlord/Lessor and NDOT. For the City's edification, when Mike & Pam Lattin met with Lorrey Lipparelli with the City of Elko, in his office, prior to June 2005, the Lattins, discussed in detail that the reasons for leasing said property was to have utilization of additional land for equipment storage and usage and to have a second (2nd) egress and ingress to our property. At no time did Mr. Lipparelli mention that the access road was not part of the lease or that Canyon, or assignee could not use the access road.

Further, in Paragraph 5, your statement that *the Property does not have legal access to the Nevada Department of Transportation right-of-way known as West Idaho Street and SR 535 . . .* may be incorrect. Our research indicates that the City may in fact have legal access to the property in contravention of NDOT's stated position in Paragraph 5.

Paragraph 8. This is correct. Our position is that the current assignee is in fact ESM2, LLC. Please note however, **that the City of Elko has been invoicing Great Basin Engineering Contractors LLC for the 'General Lease' in the amount of \$839.80 each month.** Great Basin Engineering Contractors LLC is paying this invoice monthly, and has been since March 2012 so that the payment is credited correctly by the City of Elko.

Paragraph 10: The City is not prohibited by NRS 268.059-268.062 from extending or renewing the Lease.

NRS 268.061

(e) A governing body may sell or lease any real property owned by the city without complying with the provisions of this section and NRS 268.059 and 268.062 to:

(1) A person who owns real property located adjacent to the real property to be sold or leased if the governing body has determined by resolution that the sale or lease will be in the best interest of the city and the real property is a:

(I) Remnant that was separated from its original parcel due to the construction of a street, alley, avenue or other thoroughfare, or portion thereof, flood control facility or other public facility;

(II) Parcel that, as a result of its size, is too small to establish an economically viable use by anyone other than the person who owns real property adjacent to the real property offered for sale or lease; or

(III) Parcel which is subject to a deed restriction prohibiting the use of the real property by anyone other than the person who owns real property adjacent to the real property offered for sale or lease.

In closing, the City should recognize that the 8.69 acres that is currently leased to ESM2 has little value to anyone else, especially if the City is willing to concur with NDOT that there is no legal access. ESM2 would like to request that the City enter into a new lease with ESM2, LLC for a 50-year lease under the same terms and conditions as the original lease with Canyon.

Scott Lattin and Corey Glennon will be representing Canyon Construction Company, Great Basin Engineering Contractors, LLC and ESM 2, LLC at the Council meeting on Tuesday, March 10th as Michael and Pamela Lattin are out of town that evening.

Sincerely,

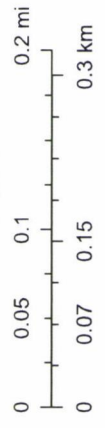
/s/ Pamela Lattin

Pamela Lattin



March 10, 2020

1:9,028



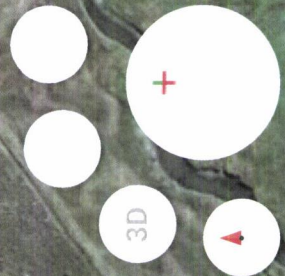
USGS, USDA, Pictometry

Exhibit "E"



100%

Camera 2,022 m 40°48'57"N 115°48'31"W 1,539 m



100%

Camera 3,183 m 40°49'09"N 115°47'50"W 1,536 m