

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

SS May 28, 2019

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, May 28, 2019.

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 *left at 5:54 p.m.*
 Councilman Bill Hance

City Staff Present: Curtis Calder, City Manager
 Ryan Limberg, Utilities Director
 Kelly Wooldridge, City Clerk
 Michele Rambo, Development Manager
 Jeff Ford, Building Official
 Bob Thibault, Civil Engineer
 Candi Quilici, Accounting Manager
 Dennis Strickland, Public Works Director
 Ben Reed Jr., Police Chief
 James Wiley, Parks and Recreation Director
 Jim Foster, Airport Manager
 John Holmes, Fire Marshal
 Cathy Laughlin, City Planner
 Dale Johnson, Water Superintendent
 Dean Cernick, Assistant Water Superintendent
 Dave Stanton, City Attorney
 Shelby Archuleta, Planning Technician
 Mike Haddenham, WRF Superintendent
 Jack Snyder, Fire Department
 Matt Griego, Fire Chief
 Mike Hess, Landfill Superintendent

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**

There were no public comments.

APPROVAL OF MINUTES: May 14, 2019 Regular Session

The minutes were approved by general consent.

I. PRESENTATIONS

- A. Proclamation by the Mayor in recognition of the month of June as Men's Health Month, and matters related thereto. **INFORMATION ITEM ONLY – NON ACTION ITEM**

Mayor Keener read the Proclamation.

- B. Pursuant to NRS 354.596, review, discussion, and approval of the Final Budget for the City of Elko for Fiscal Year 2019/2020, inclusive of all funds, and matters related thereto. **FOR POSSIBLE ACTION**

Curtis Calder, City Manager, gave a presentation on the 2019/2020 Fiscal Year Budget (Exhibit "A"), and handed out a Final Budget Summary (Exhibit "B") and a copy of the Final Budget (Exhibit "C"). He explained he will be making a few changes before this gets sent to the State and went over each fund.

**** A motion was made by Councilman Schmidlein, seconded by Councilwoman Simons, to approve the Final Budget for the City for FY 2019-2020, inclusive of all funds, with the minor changes that Mr. Calder identified.**

The motion passed unanimously. (5-0)

II. CONSENT AGENDA

- A. Review, consideration, and possible acceptance of a Grant of Easement between Joy Global Surface Mining Inc., and the City of Elko, and matters related thereto. **FOR POSSIBLE ACTION**

This easement was requested by the City of Elko in response to satisfy NDEP requirement. RL

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

The motion passed unanimously. (5-0)

III. APPROPRIATIONS

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

Councilman Hance asked about the Freon recapture. Are we getting any of that back from people that bring it in.

Mike Hess, Landfill Superintendent, answered we do not get anything back from the general public.

Mayor Keener said he noticed we are still hauling tires. Has that cost changed at all?

Mr. Hess answered those costs are holding steady.

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

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

C. Review, consideration, and possible issuance of final acceptance or the East Secondary Clarifier Rehabilitation Project 2019, and matters related thereto. **FOR POSSIBLE ACTION**

The Gateway Company of Utah, LLC has completed the work. Staff recommends the issuance of final acceptance. There were no change orders for the project. RL

Ryan Limberg, Utility Director, explained the work has been done ahead of schedule. He recommended final acceptance.

Mayor Keener pointed out that the appropriation was listed at just over \$104,000 but the budgeted amount was listed as \$81,700.

Mr. Limberg said when they were doing the budget a year ago, the WRF Superintendent had reached out to some previous contractors that have done this work for us in the past. Their estimate was lower than what was budgeted. When we got into the project, none of those contractors bid on the project. The bids came in higher than expected and we awarded it to the lowest bidder. They do have the balance in the Sewer Fund to pick up the difference.

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to issue Final Acceptance for the East Secondary Clarifier Rehabilitation Project 2019.**

The motion passed unanimously. (5-0)

IV. UNFINISHED BUSINESS

- A. Review, consideration, and possible approval of a request from Double Dice RV Park (Ms. Lori Vavak) for reimbursement of water damage related expenses due to higher than normal water pressure at Double Dice RV Park, and matters related thereto. **FOR POSSIBLE ACTION**

At the May 14, 2019 City Council meeting, action was taken by Council to table this item until the May 28, 2019 meeting.

On July 25, 2018, the pressure at Double Dice RV Park was checked in response to a customer request. It was 110 psi. Typical pressure here is in the 65-85 psi range. The root cause of the high pressure was a faulty City Pressure Reducing Valve, which was promptly repaired.

In the attached backup documents, Double Dice RV Park claims this has been an ongoing problem for over 2 years. City Staff refute this claim. City insurance (Alternative Service Concepts) has denied coverage of this claim and suggested Double Dice RV Park install “proper equipment” and “prevention measures” such as their own pressure reducing valve. Uniform Plumbing Code section 608.2 requires customers to install and maintain their own pressure reducing valve when the water pressure exceeds 80 psi. RL

Mr. Limberg explained this was tabled at last meeting. In the packet, there is a letter from Dean Vavak dated 5/15/2019. There are also two statements; one from Dean Cernick, Assistant Water Superintendent, and one from Dale Johnson, Water Superintendent. The fees that were reimbursed in 2015 were questioned at the last meeting. The amount reimbursed was \$1,795. That was not a Council decision; it was a staff action. The reimbursement was signed by the Superintendent. It would have been on warrants. He did give a report in a 2015 Council Meeting where he explained the issue. He was asked at the last meeting if the Vavas or Double Dice was ever informed that they should install their own Pressure Reducing Valve. If you look at the statements from Dean Cernick and Dale Johnson, they both assert that was mentioned to the Vavaks after the 2015 event. In City Code 9-1-5(M) talks about damages through leaking pipes and fixtures. The last sentence of that subsection states, “the City Council’s jurisdiction and responsibility ends at the property line. The City Council will in case be liable for damages occasioned by water running from open or faulty fixtures, or from broken or damaged pipes inside the property lines.” The location where the pipes were damaged was inside the property lines.

Dean Vavak 3730 E. Idaho Street, said basically no one told him that or would he have done it. All the RV’s have pressure reducers. Before 2015, they were being charged a lot of money for water. They just wanted to pay for what they use. He had a vault put in and the City drew up the plans. The vault was built to the City’s specs. There was no pressure regulator in the City specs. When this happened in 2015, the City helped him fix the issue and he thought that was it. He was reimbursed for the damages. Now, in 2018 they started having pressure problems again. He was told to get a pressure regulator and check the pressure. If the pressure got past a certain number he was supposed to call. It was up to 135 psi and he called. There was more cost than what he reported. He asked the City employees for help fixing the problem and he was told they

couldn't help. His wife helped him. The pressure blew out two of their washers and the back out plumbing. He asked Dean Cernick what to do and he was told to turn the costs into the City insurance. He is looking at getting a pressure regulator put on the water line in the vault. He didn't make the pressure go up either time. It has been a lot of problems. He even had sprinkler issues.

Mayor Keener said no one is contesting that they had pressure problems.

Mr. Vavak insisted that the vault was built to the City specifications and no one told him to install a pressure regulator. Why wasn't the pressure regulator included in the specs? Someone dropped the ball.

Councilwoman Simons asked if we had the specs for the vault from 2015.

Mr. Vavak said the City drew it up. The City made him change the pipe from 6 inches to 4 inches. It was at 6 inches for the Fire Code.

Mr. Limberg said the meter vault was installed long before 2015. The last pressure issues here were in 2015 and is when Dale Johnson claims he mentioned to Mr. Vavak that he should consider a pressure reducing valve, and Dean Cernick collaborates that statement. The meter vault was installed long before that time. The meter and meter sizing is not the issue. The issue is the reimbursement. When we hand out anything to property owners about the insurance, we do not tell them the insurance will handle it. We don't know what the insurance will do. We do tell them to submit it to the City insurance, or call the City Clerk to file a claim. The 135 psi issue that keeps coming up, he did some calculations with the City Engineer. If the water tank is full and overflowing, the max pressure that can get to the Double Dice RV Park is 116 psi. It doesn't matter what that pressure really was, 80 psi is what the UPC calls out. If you are above 80 psi, you need to put in a pressure reducing valve and the customer needs to install that. In a situation like this, 80 psi is what the Building Department would be enforcing. These same codes were in effect when this RV Park was built.

Bob Thibault, Civil Engineer, clarified that in regards to 4" to 6" in the meter, reducing would increase velocity of flow through that device but does not increase the pressure in that device or anything downstream of it on the property.

Lori Vavak, 3730 E. Idaho Street, said she was in the ditch with Dean when the pressure first went up. When Mr. Johnson and Mr. Cernick pulled up they explained they were trying to get pressure up to the Hilton. The only reason they expect payment this time is because they were paid the last time. No one ever told him that a pressure reducing valve should be on there. They have passed every inspection so she wasn't sure at what point the ball was dropped. They have complied with everything. She is fine with the City responsibility ending at the property line as long as the City equipment is working properly. The City pressure damaged her lines. The lines were fine until the pressure damaged them. Why would they have been told to turn it into the insurance if it wasn't going to be covered?

Dave Stanton, City Attorney, explained that Loren Landa, an attorney in his firm, does work for Double Dice RV Park and the Vavaks. His firm has a conflict of interest in this case. He does see some legal issues here. Both sides need legal advice on this. He recommended that if Council

was inclined to seek legal advice on this, they should table it and get a legal opinion from Counsel that doesn't have a conflict of interest.

Mayor Keener asked Curtis Calder if the City had any liability for designing vault.

Curtis Calder, City Manager, said he didn't know for sure because he wasn't an attorney. He did know that Ferron Konakis was the City Engineer at the time and was involved in designing the meter pit and the vault but he didn't know to what degree. From a practical standpoint, that if the City wanted to go out and seek legal advice, we will probably end up spending more on legal fees than just coming to some sort of an agreement on an amount to pay. It is apparent that there is no pressure reducing valve. This park was built a long time ago. Regarding the previous payment, a lot of small claims, when they come in to the City Clerk, there is a determination made at the City Clerk's Office, that if it doesn't reach the deductible level for the insurance policy, that they will just pay out the claim. Those claims are supposed to be submitted to the insurance carrier for review and determination of coverage, but that didn't always happen. This claim was submitted to the third-party claims administrator for the coverage determination. The first time it probably wasn't.

Mr. Thibault said the plan that the City provided the Vavaks was a standard detail for 3" to 8" water meter. It is the standard detail that they would provide to anyone in the city. It does not account for high pressures. This is just the general detail available on our website.

Councilwoman Simons noted that this detail was not specific to anyone; it is generic.

Mr. Thibault said that according to the Vavaks, this is what the City provided them to build their meter pit. That makes sense because we would give anyone building a meter pit this detail that shows the pieces needed for a proper meter pit.

Mayor Keener said that as a customer of NV Energy, 99.9% they provide reliable power but there are times where there are surges. He has surge protection on all of his delicate equipment. That is the same thing we are talking about with the pressure reducing valves.

Councilwoman Simons thought these people try to maintain a very nice facility and work hard to do so. All of a sudden, due to something the City is doing, it damages a bunch of stuff. She can see that putting liability on the City. But she doesn't see that the City has liability if someone didn't tell them to install the pressure reducing valves. That should be the responsibility of the business owner. The City cannot be held responsible just for that.

Councilman Schmidlein asked the Vavaks if they submitted this to their insurance.

Ms. Vavak said she didn't want to submit it to her insurance because that would raise her insurance.

Mr. Vavak said they didn't submit to their insurance because the City reimbursed them the last time.

Councilman Schmidlein said regarding the letter from Alternative Services, where it said, "since this incident happened and will continue to occur until you install the property equipment on

your property, we suggest you consider some prevention measures.” When did they receive this letter?

Mr. Vavak said it was sent to Sun Valley Idaho. They got it the day of the Council Meeting.

Councilman Schmidlein said Mr. Vavak stated he started to pursue getting a pressure reducing valve quote to get one installed.

Mr. Vavak said they were going to try to put it in the vault.

Councilman Schmidlein asked City staff if there were any email correspondence that the Double Dice or Vavaks received any of this correspondence?

Kelly Wooldridge, City Clerk, said she had email from the insurance company saying they had received it and that all communication needed to go through them. She had them communicating with ASC and Dain. She did not have actual copies of emails that they were emailed the letter. She had no way of knowing if that address was correct or not.

Mayor Keener asked for thoughts from Councilman Hance and Stone.

Councilman Hance said his main concern is the washers. If you know you need to put a regulator on an RV, you should probably put a regulator on a washer.

Mr. Vavak said he was a fair guy. He did a lot of the labor himself. The City dropped the ball and he dropped the ball. He offered to take off his labor and split the bill in half. That will make it \$4,900 and the City would not have to get any attorneys involved.

Councilman Schmidlein asked if council agrees to come to terms to potentially split the costs, would they be willing to file a settlement release.

Mr. Vavak said, absolutely.

Mayor Keener thought the City’s maximum liability would be \$5,000 if the claim had been approved by insurance. He wondered if this opened up the City to future events if a situation came up with another property owner that experiences a high pressure situation like they did.

Mr. Stanton said that in general, the City is obligated to treat similarly situated people the same. It is an equal protection principal.

Mr. Calder stated that in this case, findings would be helpful. Council can differentiate between RV parks and a different type of facility.

**** A motion was made by Councilman Stone, seconded by Councilman Hance, to award the complainant \$5,000 and in exchange, they will provide a Hold Harmless and Release of Liability to the City of Elko, and this is a very unique situation in that we are dealing with an RV Park, which is different than almost any other type of business in terms of their use of water utilities.**

After the motion and before the vote, Councilman Schmidlein, said he thought the City was being fair. Everyone is taking responsibility. The Vavaks have been officially noticed what they need to do.

Councilwoman Simons added that even without written notification, the business owners need to be aware of every responsibility. Don't wait for the City to tell you.

The motion passed unanimously. (5-0)

- B. Review, consideration, and possible action to conditionally approve Final Plat No. 11-18, filed by Parrado Partners LP., for the development of a subdivision entitled Great Basin Estates, Phase 3 involving the proposed division of approximately 9.650 acres of property into 38 lots for residential development within the R (Single Family and Multiple Family Residential) Zoning District, and matters related thereto. **FOR POSSIBLE ACTION**

Subject property is located generally northeast of Flagstone Drive between Opal Drive and Clarkson Drive (APN 001-633-030). Preliminary Plat was recommended to Council to conditionally approve by Planning Commission May 3, 2016 and conditionally approved by Council May 24, 2016. The Planning Commission considered this item on September 6, 2018, and took action to forward a recommendation to Council to conditionally approve Final Plat 11-18.
MR

Michele Rambo, Development Manager, asked Council to table this item. NDEP denied the most recent resubmittal by the developer. Now they will be required to uncover a certain portion of their water and storm drain system so that Ryan Limberg can inspect it. We may be seeing this for a while longer. She went on to say there might be an option. We can make a decision such as approving this with conditions on it that they can't do anything before NDEP lifts the cease and desist order. Maybe at the next meeting we can have an alternative solution.

Councilman Schmidlein asked if they could make a motion to give Mr. Capps 30 or 90 more days to comply or we will move it off the agenda.

Mayor Keener thought Mr. Capps was at the mercy of engineers and NDEP. It is a matter of when that approval will come through.

Ms. Rambo said her conversations with NDEP indicate that as soon as they uncover this place they want to look at, and Mr. Limberg says it is okay, they will lift the order. If it is not okay then they would have to repair it in order to lift the order.

Ryan Limberg, Utility Director, said what he heard today was the contractor hoping to do that work in the next week. He didn't think the work will take a long time.

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to table this item.**

The motion passed unanimously. (5-0)

BREAK

VII. 5:30 P.M. PUBLIC HEARINGS

- A. Review, consideration, and possible action to rename the segment of 15th Street, south of Silver Street to the cul-de-sac, to Walters Court, and matters related thereto. **FOR POSSIBLE ACTION**

This request is from the City of Elko Police Department Honor Guard. The name “Walters” is referencing the Elko Police Department’s only line of duty death to this date, Officer Clyde “Rusty” Walters. The City Council accepted the name change petition at their April 23, 2019 meeting and directed Staff to set the matter for a public hearing. BT

Mayor Keener called for public comment without a response.

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidlein, to approve the action to rename a segment of 15th Street, south of Silver Street to the cul-de-sac, to Walters Court.**

The motion passed unanimously. (5-0)

- B. Review, consideration, and possible adoption of Resolution No. 8-19, a resolution of the Elko City Council amending the Elko City Master Plan Transportation Component and Transportation Atlas Map #12, filed as Elko City Master Plan Amendment No. 1-19, and matters related thereto. **FOR POSSIBLE ACTION**

On May 7, 2019 the Planning Commission adopted its Resolution No. 1-19 to amend the Transportation Component and the Transportation Atlas Map #12 of the current Elko City Master Plan, and also took action to recommend City Council adopt said amendment via a resolution. An amendment of this type requires positive action by both the Planning Commission and the City Council. If the City Council suggests any changes to the Master Plan amendment as adopted by the Planning Commission, the Master Plan must first go back to the Planning Commission for review and approval. CL

Cathy Laughlin, City Planner, said this was brought to the attention of Staff at a Stage 1 meeting for a subdivision on a property that was recently purchased from the Elko County School District. Over the years, property owners have done quiet title changes to the areas we had listed as future roadways. This change to the Master Plan eliminated El Armuth Drive from Sage Crest Drive to Celtic Way, and it also eliminated the extension of El Armuth to the I80 frontage road. This proposal went through two hearings at Planning Commission. She recommended approval.

Mayor Keener called for public comment without a response.

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to adopt Resolution No. 8-19, a resolution of the Elko City Council amending Elko City master Plan Transportation Component and Transportation Atlas Map #12.**

The motion passed unanimously. (5-0)

V. NEW BUSINESS

- A. Review, consideration, and possible approval for a grant of a utility, access, and maintenance easement on a portion of APN 001-673-003 to Sierra Pacific Power Company, a Nevada Corporation, dba NV Energy associated with utility service to an abutting private property, and matters related thereto. **FOR POSSIBLE ACTION**

A City-owned parcel separates the existing NV Energy power poles and a privately-owned parcel currently being developed. The requested easement is to provide power service to this developing parcel along with the ability for NV Energy to access and maintain the new service line. MR

Michele Rambo, Development Manager, explained the property on the overhead screen outlined in red is privately owned property being developed. NV Energy asked for an easement across our property because of the location of the power poles. Staff has reviewed this and they do not have any issues with this easement.

Mayor Keener asked if there would be a power line over the area marked easement.

Ms. Rambo said it would be underground.

Dennis Strickland, Public Works Director, said per their franchise agreement, new lines are required to go underground.

**** A motion was made by Councilman Schmidlein, seconded by Councilman Hance, to approve a grant of a utility, access and maintenance easement on a portion of APN: 001-673-003 to Sierra Pacific Company, a Nevada Corporation, dba NV Energy associated with utility service to an abutting private property.**

The motion passed unanimously. (5-0)

- B. Review, consideration, and possible approval of the First Amendment to Contract of Purchase and Sale, between Bailey & Associates, LLC and City of Elko, and matters related thereto. **FOR POSSIBLE ACTION**

Bailey & Associates was the only bidder at the public auction for the sale of APN 001-066-005. Staff, as well as Elko County Assessor's Office, has since determined that the title to the property does not contain a needed right-of-way dedication. With this amendment, Bailey & Associates LLC will be agreeing to dedicate the northeasterly 10' of Lot 1 to the City of Elko after the purchase of the property. CL

Ms. Laughlin explained the City entered into a Purchase and Sale Agreement with Bailey and Associates. We received a check to start the escrow. Then we determined there were some discrepancies between what the Assessor had mapped, what we felt the property was, what it was appraised at and the legal description. According to the legal description, it didn't say, "minus the easterly 10 feet of Lot 1." We felt something happened to the 10 feet over the years and we

tried to determine what happened. Jon Bailey knew he was buying 40 feet but the legal description was not accurate. With this agreement, he is still agreeing to the sale of the property and he is agreeing to dedicate the 10 feet to the City to make the property the actual 40 feet it truly is.

Councilman Hance asked if the City needed the dedication. Wasn't that the back of the sidewalk?

Ms. Laughlin answered it is actually 8th Street. Bob Thibault went out and surveyed the corners.

Bob Thibault showed the discrepancy on the overhead screen. They thought the 10' had been dedicated in the past but they could not find a record.

**** A motion was made by Councilman Hance, seconded by Councilman Stone, to approve the First Amendment to the Contract of Purchase and Sale between Bailey & Associates and the City of Elko for APN: 001-066-005, and the northeasterly 10-foot dedication on that.**

The motion passed unanimously. (5-0)

- C. Review, consideration, and possible approval of a Performance/Maintenance Agreement for subdivision improvements associated with the Great Basin Estates Phase 3 subdivision, and matters related thereto. **FOR POSSIBLE ACTION**

Elko City Code 3-3-21 requires the subdivider to have executed and filed an agreement between the subdivider and the City for the required subdivision improvements, included stipulations on the timeframe for when those improvements are to be completed, and to post a performance guarantee in accordance with Elko City Code 3-3-22. As part of the conditions of approval the Planning Commission recommended that the agreement be approved by the City Council. The Planning Commission also recommended that the Developer shall enter into the agreement within 30 days of the City Council's approval of the final plat. MR

NO ACTION

VI. RESOLUTIONS AND ORDINANCES

- A. First reading of Ordinance No. 839, an ordinance amending Title 2, Chapters 2, 3, 4, 5, 6, 7, 8 & 13 of the Elko City Code entitled "Building Regulations" by adding 2018 International code, and corresponding amendments, and matters related thereto. **FOR POSSIBLE ACTION**

On January 9, 2018, Council directed Staff to initiate the adoptions of the 2018 International Building Codes and initiate a Business Impact Statement. On May 14, 2019 Council found that Ordinance No. 839 does not impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business. KW

Kelly Wooldridge, City Clerk, explained there have not been any changes since the Business Impact Statement was approved. Mr. Kimble from WC3 was present to answer any questions.

Councilman Stone left at 5:54.

Chris Kimble, 908 W Gordon Ave. Ste. 3, Layton, Utah, gave a summary of the changes. This will put the City on the same codes as most of the state. The State Fire Marshal will be adopting the 2018 codes on January 1.

**** A motion was made by Councilman Hance, seconded by Councilman Schmidlein, to conduct the first reading of Ordinance No. 839, and direct staff to set the matter for Second Reading, Public Hearing and Possible Adoption.**

The motion passed unanimously. (5-0)

- B. First reading of Ordinance No. 840, an ordinance amending Title 6, Chapter 1, of the Elko City Code entitled "Fire Code", and direct Staff to set the matter for public hearing, second reading, and possible adoption, and matters related thereto.
FOR POSSIBLE ACTION

On February 26, 2019, Council approved the initiation on Ordinance No. 840 and directed Staff to complete a Business Impact Statement. On May 14, 2019, Council found that Ordinance No. 840 does not impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business. KW

Ms. Woodridge explained this was also attached to the Business Impact Statement and there have been no changes to it since then. The biggest difference in this code is that we have never had amendments to the International Fire Code. Mr. Holmes was part of a task force with 25 other cities and counties that came up with northern Nevada specific amendments that were added to this.

Mr. Kimble highlighted some of the changes to the Fire Code.

**** A motion was made by Councilman Hance, seconded by Councilman Schmidlein, to conduct the first reading of Ordinance No. 840, and direct staff to set the matter for Second Reading, Public Hearing and Possible Adoption.**

The motion passed unanimously. (5-0)

VIII. REPORTS

- A. Mayor and City Council

Councilman Hance said he is watching river. He noticed the drainage is constricted in a few places near the Westbound Amtrak.

Dennis Strickland said they have been paying close attention, and they have had crews out last Friday afternoon in the thunderstorms. They are predicting river to spike. If it hits the 7' mark we will start seeing water

appear at First and Water, 6th and Front. Today the crews put bags in and are prepared if the water spikes.

Councilman Schmidlein reported he will be gone for the next Council Meeting.

B. City Manager – Legislative Update

Curtis Calder reported the Legislature final day is June 3rd unless they call for a special session. We will know where we stand on some major legislation by the next Council Meeting.

Mayor Keener and Council thanked Mr. Calder for his work on the budget. Council appreciates how he stepped up and took care of it.

Mr. Calder said he had help from Candi and her staff. They aren't through the woods yet. They still need to get the final changes to the State but the City is in a good financial situation.

C. Assistant City Manager

D. Utilities Director

E. Public Works

Dennis Strickland said he and his Street Superintendent attended the American Public Works Association National Snow Conference. It was held in Salt Lake City this year. They both achieved the Winter Maintenance Supervisor Certification Program. They will keep an eye on river. They are set to start paving and they are hoping for better weather to get started.

F. Airport Manager

Jim Foster reported the AIP 50 Project received two bids that came in \$300,000 over the engineer's estimate. He is working with the FAA and Aviation on the funding. He is confident we will receive money needed to complete project, and if not, they are value-engineering the project.

G. City Attorney

H. Fire Chief

Matt Griego stated they just got a report of a fire at the Living Stones Church. It sounds like it was isolated to a fixture there. He will give further reports as he hears more.

I. Police Chief

Chief Reed reported the newest officer has graduated from the POST Academy last week with good marks and has moved back to Elko. Lt. Palhegyi will graduate from the National Academy next week.

J. City Clerk – Non-Compliant Lodging Businesses (Transient Lodging Tax)

Kelly Wooldridge updated Council on the Shilo Inn, and Thunderbird room tax issue. She has been in touch with the CFO of Shilo Inn. She will try to schedule a meeting with Curtis, ECVA and legal counsel to talk about the next steps. The Thunderbird has not sent any documentation and she hasn't received a payment since December. Last week she attended the CDBG Grant Training in Carson City. There are some things that would qualify for the grant in Elko.

K. City Planner

Mayor Keener said we have talked about some of the problems related to real estate in the foreclosure process. He wondered if she could do a couple tours of the problem properties.

Cathy Laughlin said the one correspondence she sent him had pictures of garbage in the back yard. It finally did go vacant and now you can really see the trash in the back yard that had been blocked previously by trailers.

- L. Development Manager
- M. Administrative Services Director
- N. Parks and Recreation Director

James Wiley reported they are getting close to the Pool project deadline. Framing was finished up and Monday they will be working on metal roofing, window and doors. He is anticipating the pool opening June 17.

Councilwoman Simons pointed out that there will be 3 sessions instead of 4 for swimming lessons this year. She questioned the fiscal impact that will have.

Mr. Wiley said he hasn't dug down deep into the issue but he thought it was due to timing and trying to get them into the summer. They may try to accommodate more children per session. The situation at the Golf Course is a little tense but the security system has been installed.

- O. Civil Engineer

Bob Thibault reported the Fire Department driveway is underway but has been delayed due to all of the rain. The Sports Complex was expected to start June 3 but the water is high and we will push that another two weeks.

- P. Building Official

Jeff Ford reported the new opening date for our newest hotel will be in October.

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

CITY OF ELKO FY 2019/2020 FINAL BUDGET

General Fund

2018/2019

Beginning Fund Balance	\$ 5,144,108
Revenues	\$ 21,522,806
Expenditures	\$ 21,070,527
Transfers In	\$ 303,803
Transfers Out*	<u>\$ 813,065</u>

*Budgeted & Unbudgeted

Ending Fund Balance \$ 5,087,125

2019/2020

Beginning Fund Balance	\$ 5,087,125
Revenues	\$ 22,633,853
Expenditures	\$ 22,154,986
Transfers In	\$ 400,000
Transfers Out	
Airport	\$ 165,000
Rev Stabilization	\$ 276,203
Cap Equipment	\$ 414,305
Facility	\$ 414,305
Contingency	<u>\$ 330,945</u>

Ending Fund Balance \$ 4,365,234

Recreation Fund

Resources

Beg. Fund Balance	\$ 7,830,061
Room Tax	\$ 3,850,000
Donation	\$ 0
Interest	\$ 45,000
Total Resources:	\$ 11,725,061

Expenditures

ECVA Operating Fund	\$ 653,125
ECVA Marketing Fund	\$ 481,250
ECVA Facilities Fund	\$ 217,480
Elko Co Rec Board	\$ 171,875
State Tourism	\$ 103,125
Western Folklife	\$ 68,750
Elko County Fair Board	\$ 137,500
Total Distributions	\$ 1,833,105

Expenditures (Continued)

Fireworks Donation	\$ 5,000
Recreation Capital Projects	
Sports Complex	\$ 4,158,500
Transfers Out	
General Fund	\$ 400,000
Youth Recreation Fund	\$ 130,000
Golf Course Fund	\$ 25,000
Debt Service Fund	\$ 729,919
Airport Fund	\$ 332,520
Ending Fund Balance	<u>\$ 4,111,017</u>
Total Uses	\$ 11,725,061

Capital Equipment Replacement Fund

Revenues

Sales Tax	\$ 480,000
Property Tax (.08 rate)	\$ 436,114
Interest	\$ 7,500
Dispatch Revenues	\$ 15,000
Transfer from General (R-stabilization)	\$ 414,305

Expenditures

PD	SUV & Sedan Patrol; SUV Canine	\$ 200,000
PD	Switch Replacement	\$ 58,000
PD	Fingerprint Scanner	\$ 11,000
PD	Teleconference Equipment	\$ 25,000
PD	Nevada IBR	\$ 7,000
FD	Fire Command SUV	\$ 60,000
FD	Radio Repeaters	\$ 150,000
FD	Grant Matches – Ladder Truck & Radios	\$ 134,000
FD	Type III Truck	\$ 300,000
IS	Nexus Switch	\$ 17,500
IS	(5) C9300 Switch	\$ 49,500
IS	Air Fiber	\$ 16,500
ENG	½ Ton Pickup	\$ 30,000
STREET	V-Box/Plow	\$ 40,000
STREET	Sweeper	\$ 220,000
STREET	Equipment Trailer/Storage Tank	\$ 55,000
STREET	Reader Board Trailer	\$ 20,000
PARKS	Field Mower & Z-Turn Mower	\$ 65,000
PARKS	Sandpro Groomer	\$ 22,000
FACILITIES	Gridsmart	\$ 30,000
FACILITIES	Rapid Flash Beacons	\$ 16,000
FACILITIES	½ Ton Pickup	\$ 30,000
RECREATION	Generator/Structure (SnoBowl)	\$ 10,000

Total Requests \$ 1,566,500

Beginning Fund Balance \$ 603,864

Ending Fund Balance \$ 390,283

Total Resources \$1,956,783

Total Uses \$ 1,956,783

Replaced Type III Truck Prefund with Purchase for FY 19/20.

Revenues

Total Resources	\$	372,363
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Total Uses	\$	372,363
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Municipal Court Assessment Fund

Revenues

Beg. Fund Balance \$ 68,722

Admin Assessments \$ 4,000

Total Resources \$ 72,722

Expenditures

Reserved Court Capital \$ 72,722

Total Uses \$ 72,722

Revenue Stabilization Fund

Revenues

Transfer from General Fund	\$	276,203
Interest	\$	11,000

Beginning Fund Balance	\$	<u>1,920,303</u>
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Total Resources	\$	2,207,506
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Expenditures

None

Ending Fund Balance	\$	2,207,506
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Revenues

Total Resources \$ **1,406,373**

Total Uses	\$ 1,406,373
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Capital Construction Fund

Revenues

Property Tax - Streets (.1552)	\$	846,061
Franchise Fees*	\$	262,500
Interest Income	\$	6,500

Expenditures

Capital Construction –TBD	\$	1,272,824
Cedar St. Phase 3 Design	\$	120,000

Beginning Fund Balance	\$	396,263
Total Resources	\$	1,511,324

Ending Fund Balance	\$	118,500
Total Uses	\$	1,511,324

**1% Electrical System Franchise Fee increase scheduled for October 1, 2019 per Resolution #30-17. Additional \$112,500 for 2019/2020*

Ad Valorem Capital Fund

Revenues

Ad Valorem Taxes \$ 351,636

Interest Income \$ 6,500

Beginning Fund Balance \$ 1,306,255

Total Resources \$ 1,664,391

Expenditures

Capital Projects - TBD \$ 1,559,391

Back Flow Prevention \$ 25,000

Fire Dept. Filtration Project \$ 55,000

Ending Fund Balance \$ 25,000

Total Uses \$ 1,664,391

Public Improvement Development Fund

Revenues

Beginning Fund Balance	\$ 15,831
Interest Income	<u>\$ 100</u>

Total Resources	\$ 15,931
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Expenditures

Reserved - Improvements	\$ 15,931
Ending Fund Balance	<u>\$ 0</u>

Total Uses	\$ 15,931
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Facility Fund

Revenues

Beginning Fund Balance	\$ 75,520
Interest Income	\$ 2,000
Transfer from General Fund	<u>\$ 414,305</u>

Total Resources: \$ 491,825

Expenditures

Engineering Bldg. – Windows	\$ 5,000
Fire Station 2 – Roof	\$ 75,000
Fire Station 1 - Alerting System	\$ 65,000
Projects TBD	\$ 346,825
Ending Fund Balance	<u>\$ -</u>

Total Uses \$ 491,825

Debt Service Fund

Resources:

Beg. Fund Balance	\$	1,235,616
RTC Revenues (Elko Co)	\$	683,000
Property Taxes (0.07)	\$	381,600
Interest	\$	7,800
Transfers In:		
Recreation Fund	\$	729,919

Total Resources: \$ 3,037,935

Expenditures:

2010 Street Bonds: (FY 2030/2031)	
Principal	\$ 485,000
Fiscal Agent Charges	\$ 1,000
Interest	\$ 260,581
Total Street Bonds:	\$ 746,581

Rec Facilities Bond: (FY 2034/2035)	
Principal	\$ 385,000
Fiscal Agent Charges	\$ 500
Interest	\$ 221,913
Total Recreation Facilities:	\$ 607,413

PD Building Bond: (FY 2024/2025)	
Principal	\$ 295,000
Interest	\$ 38,981
Total PD Bond:	\$ 333,981

Ending Fund Balance (Reserves) \$ 1,349,960

Total Uses \$ 3,037,935

Community Service Donation Requests

Community Service Requests:	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</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	\$ 8,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 40,000
Nevada Rural Co - RSVP	\$ 4,526	\$ 6,862	\$ 7,511	\$ 7,511	\$ 7,511
Elko Area Transit	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 20,000
Family Resource Center		\$ -	\$ 5,000	\$ 7,500	\$ 5,000
Elko Chamber of Commerce	\$ 5,000			\$ 5,000	\$ -
Firefighters Challenge				\$ 2,500	\$ 4,000
Nevada Outdoor Schools					\$ 5,000
Elko High School Homecoming Committee					\$ 1,000
Elko County School District SRO	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Elko Mural Expo 2019					\$ 10,000
	\$ 100,026	\$ 99,362	\$ 105,011	\$ 75,011	\$ 110,011

Water Fund

Operating Revenues

Water user fees (7% increase 1/1/20)	\$ 3,386,362
Other fees	<u>\$ 131,043</u>
Total	\$ 3,517,405

Operating Costs

Administration	\$ 333,695
Water Operations	\$ 1,841,577
Water Well Operations	\$ 874,386
Depreciation Expense	<u>\$ 582,839</u>
Total	\$ 3,632,697

Operating Income/(Loss) – approx. 3% loss **\$ (115,292)**

Note: Est available cash at July 1, 2019 - **\$ 8,718,950**

Non-Operating Revenues

Connection fees	\$ 404,190
Interest revenue	<u>\$ 72,772</u>
Total	\$ 476,962

Non-Operating Expenses

Combined Shop - Year 1 share (assuming \$8.5M cost)	\$ 2,125,000
Water Oversize	\$ 40,000
Cedar Street Phase III	\$ 150,000
Well Abandonments	\$ 35,000
Water Tank Interior Coatings	\$ 562,000
Water Line Relocations	<u>\$ 30,000</u>
Total	\$ 2,942,000

Non-Operating Income/(Loss) **\$ (2,465,038)**

Net Increase/(Decrease) in Cash **\$ (1,997,491)**

Note: Est available cash at June 30, 2020 - **\$ 6,721,459**

Sewer Fund

Operating Revenues

Sewer User Fees	\$ 2,928,992
Septic Tank Receiving Fees	\$ 175,000
Other Fees	\$ 18,155
Total	\$ 3,122,147

Operating Costs

Administration	\$ 432,642
Collection System	\$ 222,399
Water Reclamation Facility	\$ 2,028,856
WRF Lab	\$ 165,809
Depreciation	\$ 1,286,291
Total	\$ 4,135,997

Operating Income/(Loss)	\$ (1,013,850)
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Note: Est available cash as of July 1, 2019 - \$ 14,800,505

Non-Operating Revenues

Sewer Capital Improvement Fees	\$ 2,935,103
Connection Fees	\$ 431,282
Interest Income	<u>\$ 140,449</u>
Total	\$ 3,506,834

Non-Operating Expenses

Combined Shop – Year 1 share (assuming \$8.5M cost)	\$ 2,125,000
RBC Removal	\$ 250,000
Clarifier Mechanism Recoating	\$ 144,000
Replace Rotary Press PLC	\$ 34,045
Sewer Bore & Case (Surebrec)	\$ 250,000
Mittry Sewer Oversize	<u>\$ 40,000</u>
Total	\$ 2,843,045

Non-Operating Income/(Loss)	\$ 663,789
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Net Increase / (Decrease) in Cash	\$ 936,240
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Note: Est available cash as of June 30, 2020 - \$ 15,736,745

Landfill Fund

Operating Revenues

Landfill User Fees	\$ 1,930,617
Other Fees	\$ 50,948
Total	\$ 1,981,565

Operating Expenses

Administration	\$ 118,631
Landfill Operations	\$ 1,663,775
Depreciation Expense	\$ 224,474
Total	\$ 2,006,880

Operating Income/(Loss)

	\$ (25,315)
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Note: Estimated available cash at July 1, 2019 \$ 1,600,047

Non-Operating Revenues

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

Non-Operating Expenses

6" Mobile Trash Pump	\$ 48,000
Litter Fence	\$ 49,500
4 Compactor Wheels	\$ 60,000
Total	\$ 157,500

Non-Operating Income/(Loss)

	\$ (144,500)
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Net Increase/(Decrease) in Cash

	\$ 54,659
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Note: Est. available cash at June 30, 2020 \$ 1,654,706

Airport Fund

Operating Revenue

Fuel Taxes	\$ 21,650
Landing Fees	\$ 72,000
Parking Fees	\$ 140,000
Passenger Facility Charges	\$ 77,000
Terminal Rental	\$ 141,500
Rental Car Concession	\$ 265,000
Land & Building Leases	\$ 285,000
Miscellaneous Revenue	\$ 28,500
Total	\$ 1,030,650

Operating Expenses

Administration	\$ 170,000
ARFF Fire Services	\$ 81,125
Airport Operations	\$ 485,725
Airport Terminal	\$ 150,000
City Funded Depreciation	\$ 283,504
Total	\$ 1,170,354

Operating Income/(Loss) – Pre Transfer

General Fund	\$ 165,000
Recreation Fund	\$ 332,520
Total Operating Income	\$ 357,816

Non-Operating Revenue

Interest Revenue	\$ 6,000
AIP 50 - Grant Revenue	\$ 1,336,038
Total	\$ 1,342,038

Non-Operating Expenses

Debt Service Payment (FY 2026/2027)	\$ (332,520)
AIP Grant #50 Pavement Maintenance Project	\$ (1,446,075)
Total	\$ (1,778,595)

Non-Operating Income/(Loss) \$ (446,557)

Net Increase/(Decrease) in Cash \$ (78,741)

Note: FAA Funded Depreciation for FY 2019/2020 is estimated to be \$2,079,032.

Note: Estimated available cash July 1, 2019

\$ 988,001

Note: Estimated available cash June 30, 2020

\$ 909,260

Golf Fund

Operating Revenues

Golf User Fees	\$ 407,000
Cart Shed Rental	\$ 35,000
Cart Path Usage Fees	\$ 43,500
Cart Rental Fees	\$ 110,000
Concession Fees	\$ 11,808
Other Fees	\$ 49,000
Total	\$ 656,308

Operating Expenses

Administration	\$ 44,275
Golf Operating	\$ 612,150
Depreciation Expense	\$ 92,000
Total	\$ 748,425

Operating Income/(Loss) -PreTransfer

\$ (92,117)

Operating Transfers In

Recreation Fund	\$ 25,000
Total Operating Loss	\$ (67,117)

Note: Estimated available cash June 30, 2019

\$ 634,518

Non-Operating Revenues

Interest Income	\$ 4,000
Sale of Assets	\$ 2,500
Total	\$ 6,500

Non-Operating Expenses

4WD Utility Tractor	\$ 28,000
Cart Path Rehabilitation	\$ 30,000
Total	\$ 58,000

Non-Operating Income/(Loss)

\$ (51,500)

Net Increase/(Decrease) in Cash

\$ 26,617

Note: Estimated available cash June 30, 2020

\$ 607,901

Health Insurance Fund

Revenues

City Contributions for Employees	\$ 2,574,000
Employee Contributions for Dependents	\$ 175,000
Retiree Contributions	\$ 55,000
City Subsidy for Retirees & Dependents	\$ 75,000
Provider Reimbursements	\$ 100,000
Interest	\$ 10,000
Beginning Fund Balance	<u>\$ 1,277,663</u>

Total Available Resources \$ **4,266,663**

Expenses

Medical Claims	\$ 1,980,000
Prescription Claims	\$ 150,000
Medical Premiums	\$ 810,525
Dental Premiums	\$ 175,000
Vision Premiums	\$ 40,000
Life Insurance Premiums	\$ 100,000
Health Scope Fees	\$ 7,500
Third Party Adm Fees	<u>\$ 55,000</u>

Total Expenses \$ **3,318,025**

Ending Fund Balance \$ **948,638**