

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

SS November 26, 2019

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, November 26, 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 Bill Hance

Council Absent: Councilman Robert Schmidlein
 Councilman Chip Stone

City Staff Present: Curtis Calder, City Manager
 Scott Wilkinson, Assistant City Manager
 Dale Johnson, Utilities Director
 Kelly Wooldridge, City Clerk
 Michele Rambo, Development Manager
 Candi Quilici, Accounting Manager
 Jan Baum, Financial Services Director
 Susie Shurtz, Human Resources Manager
 Dennis Strickland, Public Works Director
 Shane Fertig, Landfill Superintendent
 Cathy Laughlin, City Planner
 Jim Foster, Airport Manager
 Jeff Ford, Building Official
 Matt Griego, Fire Chief
 Jack Snyder, Deputy Fire Chief
 John Holmes, Fire Marshal
 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**

There were no public comments.

APPROVAL OF MINUTES: November 12, 2019 Regular Session

The minutes were approved by general consent.

I. PRESENTATIONS

- A. A proclamation by the Mayor in recognition of Small Business Saturday, and matters related thereto. **INFORMATION ITEM ONLY – NON ACTION ITEM**

Mayor Keener read the proclamation.

- B. A proclamation by the Mayor in recognition of National Home Care Month, and matters related thereto. **INFORMATION ITEM ONLY – NON ACTION ITEM**

Marcella Raine, Genesis Home Health, spoke about the services the company offers to citizens in the area.

Mayor Keener read the proclamation and gave a copy of it to Ms. Raine.

- C. Presentation and possible approval of the Consolidated Annual Financial Report and Audit for the City of Elko for the Fiscal Year ending June 30, 2019, including but not limited to, Staff response to audit findings, and matters related thereto. **FOR POSSIBLE ACTION**

Mike Spilker with Hinton Burdick CPAs will be in attendance to present the City of Elko's Fiscal Year 2018/2019 Financial Report. JB

Jan Baum, Financial Services Director, introduced Mike Spilker with Hinton Burdick CPAs.

Mike Spilker, Hinton Burdick CPAs, gave a presentation regarding the Annual Audit (Exhibit "A").

Curtis Calder, City Manager, asked about the pension liability. It is his understanding that the State, through their actuarial process, figures out what the statewide deficit is in the PERS pension plan, and then they divvy that liability up to the individual local governments. We have a little piece of a great big pie.

Mr. Spilker said it is based on each local government's participation level in the pension plan.

Mayor Keener said he appreciates the charts used. It makes it easier for Council to understand.

Mr. Spilker thanked the staff for their assistance.

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to approve the Consolidated Annual Financial Report and Audit for the City of Elko for the Fiscal Year ending June 30, 2019.**

The motion passed unanimously. (3-0)

II. PERSONNEL

A. Employee Introductions:

- 1) Mr. Christopher Braden, Landfill Equipment Operator, Public Works

Present and introduced.

III. APPROPRIATIONS

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

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

The motion passed unanimously. (3-0)

After the motion and vote, Councilwoman Simons asked about a payment for \$1000 to FISH for homeless.

Curtis Calder, City Manager, explained we have an agreement with FISH to provide the bus service to FISH through NEAT. Some of those passengers are grant funded and some aren't. All of those that are not grant funded we pay for. We probably only pay this once or twice a year.

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

NO ACTION

C. 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 Hance, to approve the Great Basin Engineering Warrants.**

The motion passed unanimously. (3-0)

D. Review, consideration, and possible direction to Staff to solicit bids for the 18" Water Line Relocation Project, and matters related thereto. FOR POSSIBLE ACTION

When the contractor was installing utilities for Dunkin Donuts, the 18" water main was found in the parcel where the building will be located. Approximately 240' of 18" water main will need to be relocated into the existing utility easement where it

belongs. A portion of the water line will also need to be removed where the proposed building will be located. This project has been designed, engineered, and plans have been approved by NDEP. Staff is ready to go to bid with this project.
DJ

Dale Johnson, Utilities Director, said they are asking to solicit bids for the relocation of this 18-inch waterline.

Councilman Hance said he heard there will be a significant outage to some of the apartments downstream of that location.

Mr. Johnson said the Water Department will install a valve near the apartments and they will be out about 8 hours on one day. They will coordinate with the apartment complex to do it on their best timeframe. It was indicated on the overhead where the easement is and where the waterline is.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to direct staff to solicit bids for the 18-Inch Waterline Relocation.**

The motion passed unanimously. (3-0)

IV. UNFINISHED BUSINESS

- A. Status update on the Public Nuisance complaint regarding 403 Pine Street, and matters related thereto. **INFORMATION ITEM ONLY – NON ACTION ITEM**

Based upon City Council action on October 22, 2019, Staff is providing a status update with regard to 403 Pine Street. CC

Michele Rambo, Development Manager, explained we are at day 35 of the agreement. There is a potential buyer for the place so we have not been able to get onsite to examine the property. She does have a structural engineer ready to go in the event the buyer does not enter into contract by December 22.

Mayor Keener said he hasn't heard anything on this. It appears the transient issue has been abated.

Ms. Rambo said she drives by it often to check it out and has not seen anything.

V. NEW BUSINESS

- A. Review, consideration and possible approval of a Non-Exclusive Franchise Agreement between the City of Elko and White Cloud Communications Incorporated for Data Communications Over, Under, In, Along and Across Public Roads in the City of Elko, and matters related thereto. **FOR POSSIBLE ACTION**

The proposed term of the agreement is 10 (ten) years and provides for a 5 (five) year renewal provided the terms and conditions remain the same. The proposed

franchise fee is 5 (five) percent of the gross revenues actually collected from customers located within the corporate limits of the City. CL

Mayor Keener explained the principal for this was unable to attend and asked that this item be tabled.

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

The motion passed unanimously. (3-0)

VI. RESOLUTIONS AND ORDINANCES

- A. Review, consideration, and possible adoption of Resolution No. 30-19, a resolution finding it is in the best interest of the City to sell City owned real property without offering the property for sale to the public, and matters related thereto. **FOR POSSIBLE ACTION**

At the September 24, 2019 meeting, Council approved the sale of 14,300 square feet of a 24.334 acre parcel (APN 001-610-075) of land adjacent to APN's 001-610-096, 097, & 098 based on NRS 268.061. Adoption of this Resolution finds that it is in the best interest of the City to sell City owned real property as a remnant without offering the property for sale to the public. Adopting this Resolution is the next step in the process to complete the sale. CL

Cathy Laughlin, City Planner, explained a copy of the appraisal was included in the packet. She indicated on the overhead where the parcel is located. The appraised value was \$14,300.00. With the resolution, we would go into a deed and boundary line adjustment with Koinonia Construction. They plan to build townhomes on the property.

Mayor Keener called for public comment without a response.

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to adopt Resolution No. 30-19.**

The motion passed unanimously. (3-0)

- B. First Reading of Ordinance No. 846, an ordinance amending Title Nine (9), Chapter one (1), section three (3), adding a definition of Fire Protection Service Line and section twenty nine (29) adding a Fire Protection Service Fee, and matters related thereto. **FOR POSSIBLE ACTION**

City Council accepted the Water Study completed by Farr West Engineering and directed Staff to complete a Business Impact Statement on water rate increases at the September 9, 2019 City Council Meeting. At the November 12, 2019 meeting, Council accepted the Business Impact Statement and found that Ordinance No. 846 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 in order for the water rates to go to resolution at the next Council Meeting, we needed to add a definition of Fire Protection Service Line and that the fees will be set by Council.

Mayor Keener called for public comment without a response.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to conduct the first reading of Ordinance No. 846, and direct staff to set the matter for second reading, public hearing and possible adoption.**

The motion passed unanimously. (3-0)

VIII. REPORTS

A. Mayor and City Council

Mayor Keener said he met with Senator Jackie Rosen's northern Nevada representative, Travis Chappell. They brought up grants and he indicated that when there are federal grants it is helpful to have letters of support from our Senator's office.

B. City Manager

Curtis Calder reminded City Council the City Christmas Party is Friday, December 13. It will be a little different this year where the kids will have their party at the Fun Factory/Elko Explorers building located at Mountain View Elementary School. The adults will have their party at the Western Folklife Center.

C. Assistant City Manager

D. Utilities Director

E. Public Works

Shane Fertig, Landfill Superintendent, reported they had their free fall day and it went well. Mayor Keener stated he heard from Jerod at Elko Sanitation, worried that their trucks would have long waits at the scales. Mr. Fertig said they did not have a wait.

Dennis Strickland said fall days in the past have been mundane. Last year there were 560 vehicles, or loads, that went through. This year we had 378 vehicles go through. Streetlights, we have 16 that need to be fixed and 160 have been fixed since 1/1/19. NV Energy seems to be doing a good job repairing the lights.

Councilman Hance asked about leaf collection stats.

Mr. Strickland said he didn't think there will be any records broken this year and may be at 8000 approaching 9000. With the storm coming in they have been creating brine, pre-wetting salt, and he felt they will be ready for tonight.

F. Airport Manager

G. City Attorney

H. Fire Chief

I. Police Chief

J. City Clerk

Kelly Wooldridge reported the Clerk's Office has been organizing City Staff and working on a donation of a tree to the Festival of Trees. Our theme is gnomes, which appear to be very popular right now. Everything for the tree has been donated by City employees and is located in the breakroom right now. Because the theme for the event is Explore Elko, we are trying to buy some passes to skiing, golf, and swimming.

K. City Planner

Cathy Laughlin reported she and Curtis Calder met with VA representative and then went out and looked at City owned property for possible cemetery locations. They are interested in a portion of the parcel off Rocky Road and are doing their due diligence before they decide if they want to purchase it.

Curtis Calder said this location would be preferable to the other location they were looking at, and the City can serve it irrigation water at that level. The VA is looking to develop about 4400 plots for this part of the state.

Mayor Keener asked about the Union Pacific property and if anything else has happened there.

Curtis Calder said everyone knows that Steiger's is down. It is beautiful now there by comparison.

Scott Wilkinson said Bob Thibault is working with Union Pacific on the VFW right-of-way. He thought that was going to be processed quickly.

L. Development Manager

M. Financial Services Director

N. Parks and Recreation Director

O. Civil Engineer

P. Building Official

VII. 5:30 P.M. PUBLIC HEARINGS

- A. Review, consideration, and possible action to adopt Resolution No. 29-19, a resolution of the Elko City Council adopting a change in zoning district boundaries from PC (Planned Commercial) to C (General Commercial), approximately 66.30 acres of property, referred to as APN 001-770-004, filed by Elko West Properties LLC., and processed as Rezone No. 4-19, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the subject zone change request on November 5, 2019 and took action to forward a recommendation to City Council to adopt a resolution which approves Rezone No. 4-19. CL

Scott Wilkinson, Assistant City Manager, explained there was some comment received on this issue a few moments ago from a neighboring property. Cathy Laughlin stepped out to print out the email so we can address it.

Mayor Keener moved on to the next item and will go back to this item afterwards.

- B. Second reading, public hearing and possible adoption of Ordinance No. 847, an ordinance amending Title 2, Chapter 7 of the Elko City Code entitled "Energy Conservation Code" by adding Section R402.4.1.2 of the 2018 International

Building Code entitled “Testing,” and matters related thereto. **FOR POSSIBLE ACTION**

In June 2019, the City passed Ordinance No. 839 adopting the 2018 International Building Code with corresponding amendments. The City worked with the consulting firm WC 3 on this. On November 5, Mr. Chris Kimball from WC 3 informed the City that adoption of Section R.402.4.1.2 of the International Building Code of 2018, entitled “Testing,” is needed for the health and safety of the public. This section provides that a building or dwelling unit must be tested and verified as having an air leakage rate not in excess of five air changes per hour. Accordingly, Chapter 7 of the Energy Conservation Code regarding leakage testing should be amended incorporate Section R.402.4.1.2 of the International Building Code of 2018. City Council heard the first reading of this ordinance and set the matter for second reading at the November 12, 2019 meeting. JF

Jeff Ford, Building Official, explained he doesn’t have any new information but offered to answer questions.

Councilwoman Simons asked when they go out and test, how many air changes do they usually see.

Mr. Ford answered this is a new test they are required to do. The guy that does the duct-leaking testing says it is easy to get to a five but the code standard of three is not possible with our standards. He has done some research on this issue and he finds that having the maximum air changes at five is not a problem and that is what people are enforcing. Gary Jackson, the guy that does the testing, tells him in Fernley and Reno, he typically gets a four to a four and half.

Councilwoman Simons asked if the State has adopted anything on this. If the State has stricter standards, don’t we have to abide by it?

Mr. Ford answered the mechanical code that we adopt is adopted by the State. This is out of the Uniform Mechanical Code.

Mayor Keener called for public comment.

Catherine Wines, Architect, 421 Railroad Street, said she has not done as much research on this as Mr. Ford has done but she has talked to him a lot. There are two different types of tests done, one for the air ducts and one for the whole house. She sent out some emails regarding this subject to the City of Ely and White Pine County. She was told that they did not require this testing at this time. She also sent it to the City of Winnemucca and Humboldt County, and she was told there were no contractors in the area to perform the test. Lander County said they don’t require the test and it is very costly to the customer. The mechanical engineer she uses for most of her projects is in Reno and she asked him the same thing. He told her the closest people he knew of to do the testing were located in Oceanside California. HERS testing is different than the Duct testing but HERS testing is what is being adopted. She wasn’t sure why they were talking about adopting this at this time. She would be interested to know what this would cost because it makes housing less affordable.

Mr. Ford stated this is a new test required by the code that was just adopted. In 2009, it was an option and not a requirement. This is in the code now and we are relaxing the requirements.

Mayor Keener asked what it costs to perform the tests.

Mr. Ford answered he was told it would cost around \$150-\$200.

Councilwoman Simons asked if there was any input from builders on this.

Scott Wilkinson, Assistant City Manager, answered we didn't have any comment from them when we adopted the code.

There was some discussion about what we would do if there wasn't a person available locally to perform the testing.

Mr. Ford said he can't waive the code so he hopes it doesn't come to that.

Ms. Wines suggested that the City adopt the Energy Codes as a suggestion only. The Energy Codes are separate from Building Codes and are not mandatory to be adopted.

Mr. Wilkinson said we couldn't do that tonight as that is not how this is agenzized.

Mr. Ford said he has heard from people that are interested in performing the required testing. Some are HERS testers.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to conduct second reading, public hearing and adopt Ordinance No. 847.**

The motion passed unanimously. (3-0)

- A. Review, consideration, and possible action to adopt Resolution No. 29-19, a resolution of the Elko City Council adopting a change in zoning district boundaries from PC (Planned Commercial) to C (General Commercial), approximately 66.30 acres of property, referred to as APN 001-770-004, filed by Elko West Properties LLC., and processed as Rezone No. 4-19, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the subject zone change request on November 5, 2019 and took action to forward a recommendation to City Council to adopt a resolution which approves Rezone No. 4-19. CL

Mayor Keener moved back to Item A, and read the item into the record again.

Cathy Laughlin, City Planner, thanked Council for moving the item down the agenda. She went over the rezone application and the Planning Commission's findings. They sent their recommendation to approve it without conditions. Looking at the correspondence received tonight, his item #1 on the letter (Exhibit "B") states there was improper notice for Public Hearing. The property itself is 60.75 acres. The actual acreage being considered tonight is 66.30 acres. The

remaining acreage is half of Errecart Blvd. Number 2, Exhibits A through D1 are the notices that were sent out for the Planning Commission and City Council meeting. Number 3 states there is an adverse effect to the adjoining parcel. It was explained that this was a rezone and had nothing to do with the development of the property. It was also addressed when there was a Conditional Use Permit hearing for this property. This agenda item is for the rezone and not for how it will be developed.

Mayor Keener asked why there was a concern with the hydrology.

Ms. Laughlin explained that he was concerned with drainage being diverted to his property but there are codes to protect his property. Mr. Baily is proposing development on just a portion of that property. When development is discussed, they will address his issues.

Scott Wilkinson, Assistant City Manager, said there is code that addresses all of his issues. He believes the concerns are unfounded, especially since this is a rezone application.

Mayor Keener called for public comment without a response.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to adopt Resolution No. 29-19.**

The motion passed unanimously. (3-0)

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 Fiscal Year 2019 Audit Presentation

Presented November 26, 2019
By HintonBurdick CPAs & Advisors

Audit Reports

- **Independent Auditors Report (Pg 1 - 2)**
 - Unmodified or “clean opinion”
- **Report on Compliance and on Internal Control over Financial Reporting (Pg 103 and 104)**
 - No material weaknesses
 - One Significant Deficiency
 - 2019-001 Year-End Accounting Adjustments

Audit Reports

- **Federal Single Audit Report and Passenger Facility Charge Report (Pg 105 and 106)**

- Unmodified or “clean opinion”. One reportable instance of non-compliance noted.

- 2019-001 FAA Records Reporting Form 5100-127

- **State Compliance Report (Pg 115 and 116)**

- Unmodified or “clean opinion”. One reportable instance of non-compliance noted.

- 2019-001 Budgetary Compliance

Findings & Recommendations

- No material weaknesses, one significant deficiencies noted.
 - 2019-001 Year-end Accounting Adjustments
- Two reportable instances of non-compliance noted.
 - Federal Awards Finding
 - 2019-001 FAA Records Reporting
 - State Compliance Finding
 - 2019-001 Budgetary Compliance

Financial Highlights–Government Wide

- Total assets (and deferred outflows) exceed total liabilities by \$144.8 million (net position). Pg 17.
- Net position increased by \$9.3 million. Pg 17.
- Governmental revenues exceeded governmental expenses by \$6.3 million. Pg 20.
- Business-type activity revenues exceeded expenses by \$3.03 million. Pg 20.
- Total revenues from all sources were \$48.3 million and the cost of all City programs was \$38.9 million. Pg 16 and 17.

Governmental Fund Expenditures

Expenditures for the year ended:

Program/function	6/30/2019	6/30/2018	Incr/(Decr)
General government	\$ 2,448,093	\$ 2,248,496	\$ 199,597
Public works	4,113,076	4,301,781	(188,705)
Public safety	11,430,802	10,281,346	1,149,456
Judicial	400,252	275,370	124,882
Health	715,010	670,376	44,634
Culture and recreation	3,346,371	3,364,503	(18,132)
Community support and development	70,511	105,011	(34,500)
Debt service	1,688,307	1,689,174	(867)
Capital outlay	9,343,565	3,169,191	6,174,374
	<u>\$ 33,555,987</u>	<u>\$ 26,105,248</u>	<u>\$ 7,450,739</u>

- Overall governmental expenditures are up 28.5%.
- General government and public safety are up due to salaries, wages and benefits.
- Capital outlay is up due to the sports complex.

CITY OF ELKO, NEVADA
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Governmental activities:				
General government	\$ 2,549,595	\$ 814,328	\$ 28,440	\$ 108,213
Judicial	445,438	95,606	-	-
Public safety	11,667,448	199,615	158,427	-
Public works	5,482,344	871,302	-	368,021
Health	719,855	118,467	19,983	-
Culture and recreation	3,553,892	342,655	21,286	2,273,500
Community support and development	60,087	-	1,960	-
Interest on long-term debt	507,733	-	-	-
Total governmental activities	24,986,452	2,441,973	230,096	2,749,734
Business-type activities:				
Water	4,017,533	3,441,644	-	350,007
Sewer	4,338,940	5,943,593	-	314,850
Airport	3,197,981	1,098,274	-	2,149,729
Landfill	1,726,448	2,045,439	-	-
Golf	688,348	624,691	-	-
Total business-type activities	13,969,250	13,153,641	-	2,814,586
Total primary government	\$ 38,955,702	\$ 15,595,614	\$ 230,096	\$ 5,564,320

General revenues:

Taxes:			
Ad valorem taxes	5,424,533	-	5,424,533
Consolidated tax	14,289,780	-	14,289,780
Motor vehicle fuel taxes	970,034	-	970,034
Room tax	3,984,135	-	3,984,135
Other	129,493	-	129,493
Gaming licenses	109,856	-	109,856
Franchise fees	1,083,105	-	1,083,105
Miscellaneous	21,594	-	21,594
Gain (loss) on disposal of capital assets	-	-	-
Unrestricted investment earnings	384,240	546,508	930,748
Transfers	(486,378)	486,378	-
Total general revenues and transfers	25,910,392	1,032,886	26,943,278
Change in net position	6,345,743	3,031,863	9,377,606
Net position - beginning	27,848,909	107,645,080	135,493,989
Net position - ending	\$ 34,194,652	\$ 110,676,943	\$ 144,871,595

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,598,614)	\$ -	\$ (1,598,614)
(349,882)	-	(349,882)
(11,309,406)	-	(11,309,406)
(4,243,021)	-	(4,243,021)
(581,415)	-	(581,415)
(916,451)	-	(916,451)
(58,127)	-	(58,127)
(507,733)	-	(507,733)
(19,564,649)	-	(19,564,649)
-	(225,882)	(225,882)
-	1,919,503	1,919,503
-	50,022	50,022
-	318,991	318,991
-	(63,657)	(63,657)
-	1,998,977	1,998,977

The accompanying notes are an integral part of the financial statements.

Financial Highlights – Capital Assets

- Governmental capital assets increased by \$6.78 million net of depreciation. Pg 39.
- Current year expenditures for capital projects:
 - Sports Complex- \$6.5 million
 - Swimming Pool Repairs- \$517,967
 - Public Safety Equipment- \$350,352
 - Cedar Street reconstruction and 6th Street Culvert Projects- \$1.1 million

Financial Highlights – Capital Assets

- Utility fund capital assets increased by \$3,528,949 net of depreciation. Pg 40.
- Current year expenditures for capital projects:
 - Well 36 Improvements - \$164,050
 - 4 New Alley Lines - \$251,432
 - Generator - \$482,658
 - Airport Fencing - \$2,806,023

Financial Highlights – Debt

- The City made regularly scheduled principal debt payments totaling \$1,386,875. Pg. 41
- Debt service payments for FY19 are scheduled at \$2,013,641.
- Governmental fund long-term liabilities decreased by \$1,038,936 mainly as a result of debt service payments which was offset partially by an increase in the net pension and OPEB liability. Pg. 41
- Utility fund long-term liabilities decreased by \$187,414 mainly as a result of debt service payments.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*

- Net pension liability recognized - \$25,868,209 (\$20.7M – governmental activities; \$5.1M – proprietary fund). Both reported increases from the prior year. Pg 41.
- Deferred outflows also report increases over the prior year and deferred inflows related to pensions report decreases from the prior year.
- These changes offset the increase in the net pension liability and result in a net \$356K increase to the City's net position.
- The net OPEB liability decreased by \$362,519 for a total of \$3,356,396.

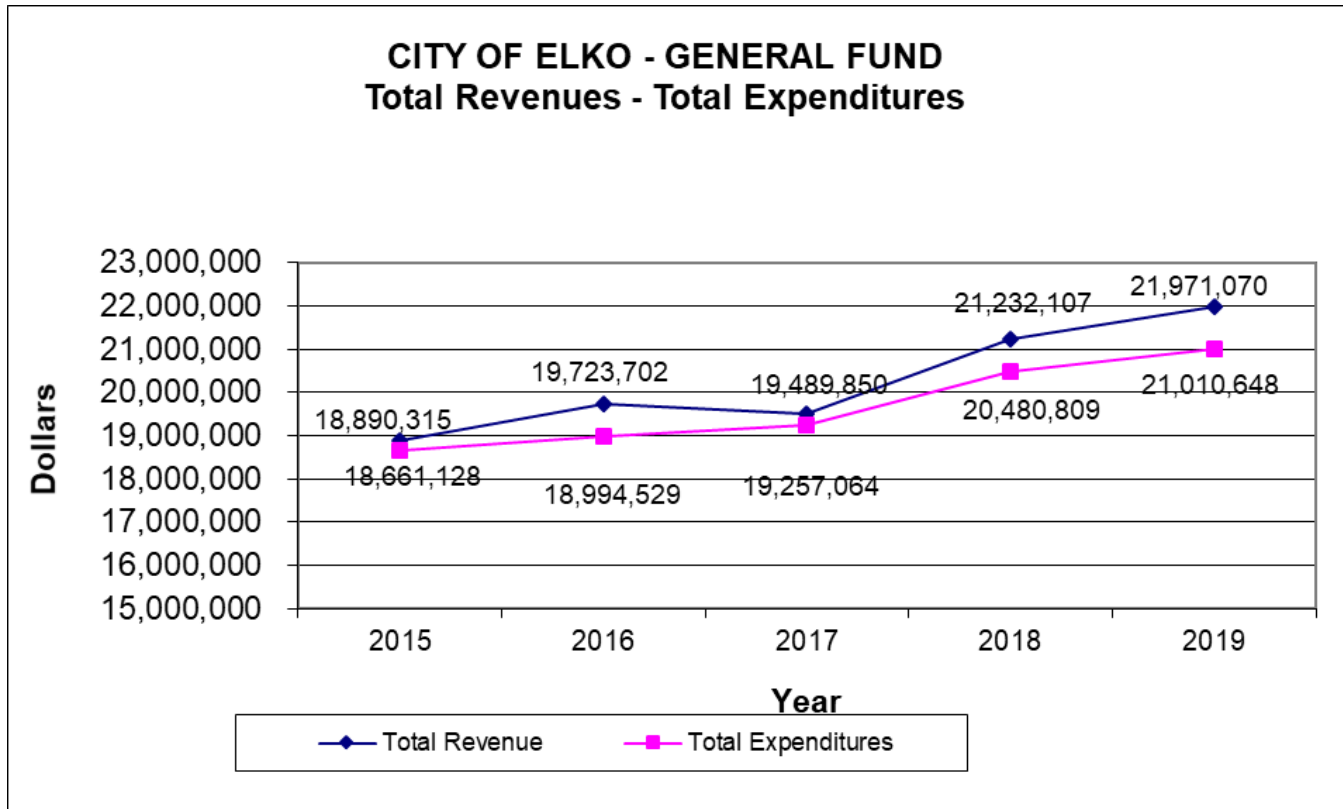
Financial Highlights – General Fund

- At the end of the current fiscal year, total fund balance for the General Fund was \$7,997,165. Pg 20.
- \$2,679,375 of the total fund balance is restricted, committed or assigned for expenditure in future periods. Pg 20.
- Unassigned fund balance was \$5,317,790 or 26% of total General Fund expenditures. Pg 20.

Financial Highlights – General Fund

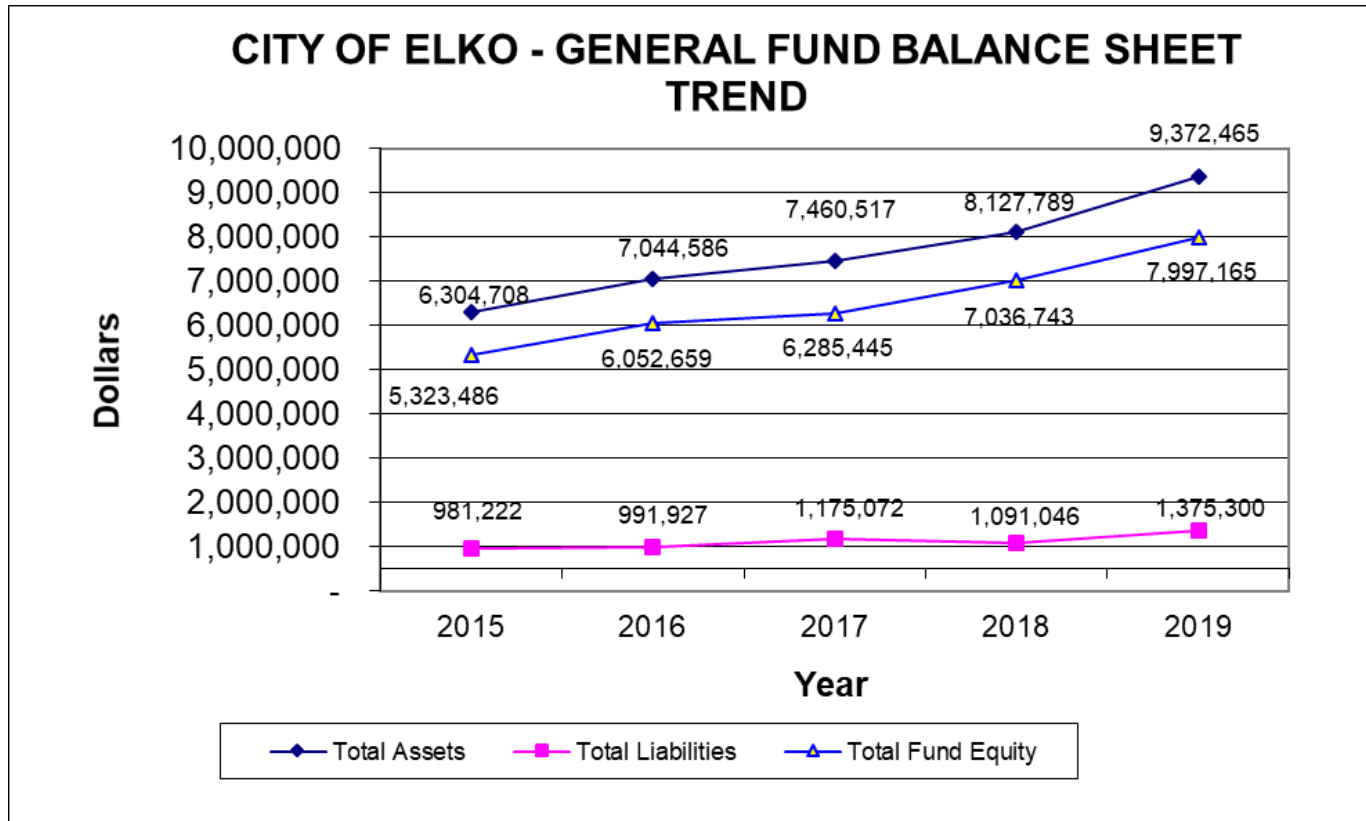
- The General Fund reported a net increase in fund balance of \$960,422. The City budgeted to decrease fund balance by \$2,731,345. Pg 68.
- Actual resources received in the General Fund were more than the final budget by \$2,285,388 and actual expenditures were \$1,230,367 less than the final budget. Pg 64 - 68.
- The excess revenues are mainly due to State Consolidated Tax revenues and the expenditure variance is mainly due to amounts not expended for Contingencies and public works.

Financial Highlights – General Fund

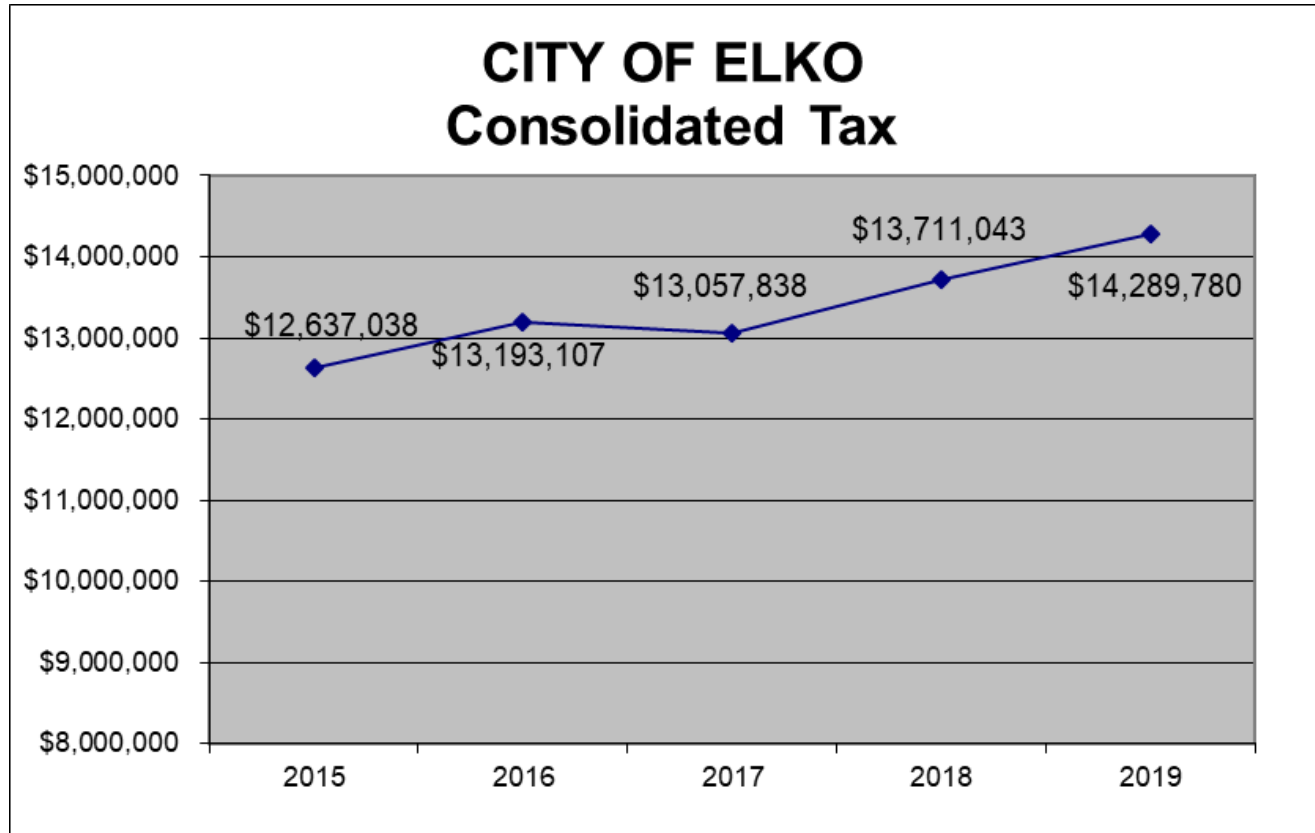


Fluctuations between net revenue and net expenditure are expected in the General fund. Revenues have increased about 16.31% over the last five years and expenditures have increased about 12.59%.

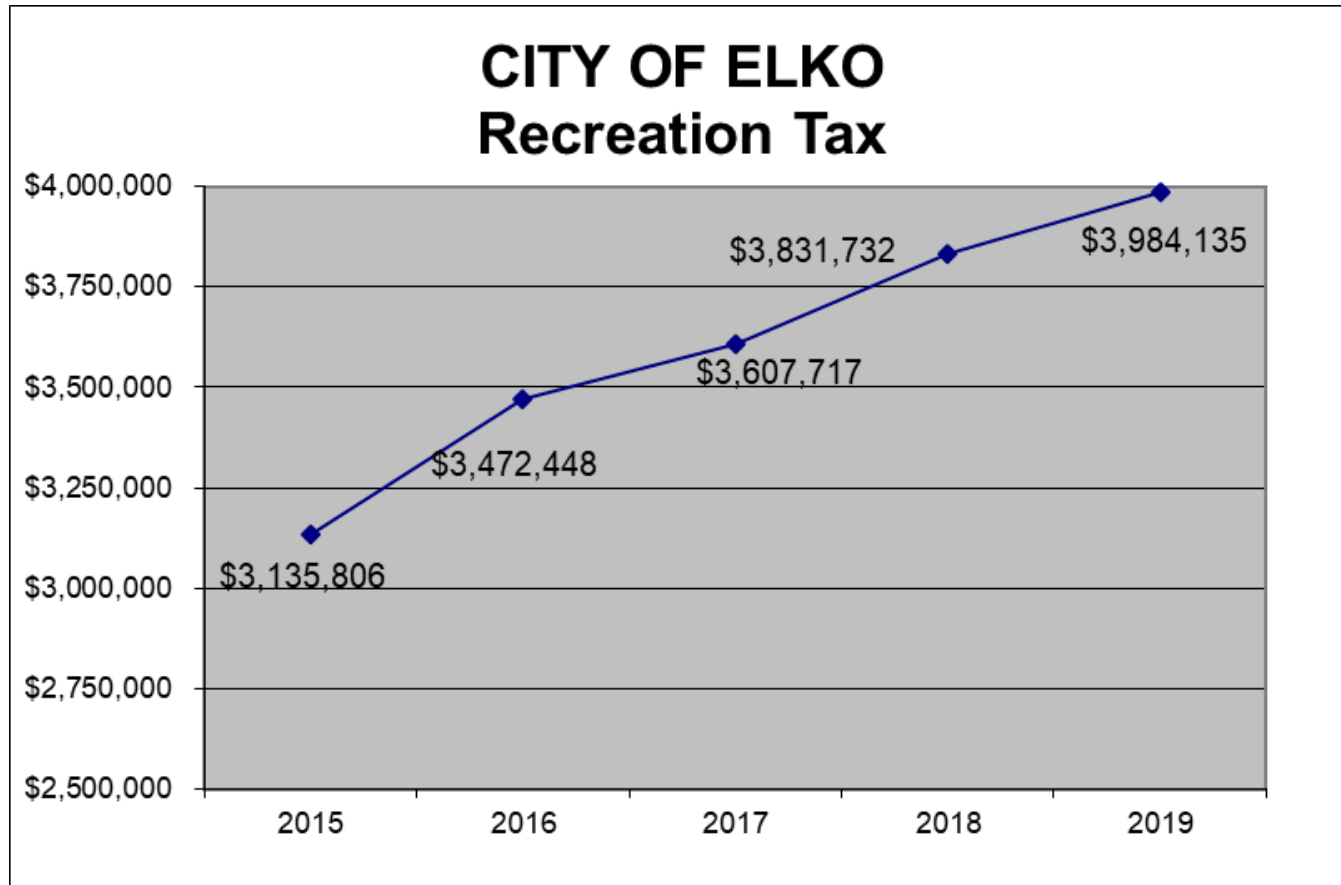
Financial Highlights – General Fund



The General fund shows a steady increase in fund balance over the last five years. Details of the fund balance can be found at page 18 of the financial statement.

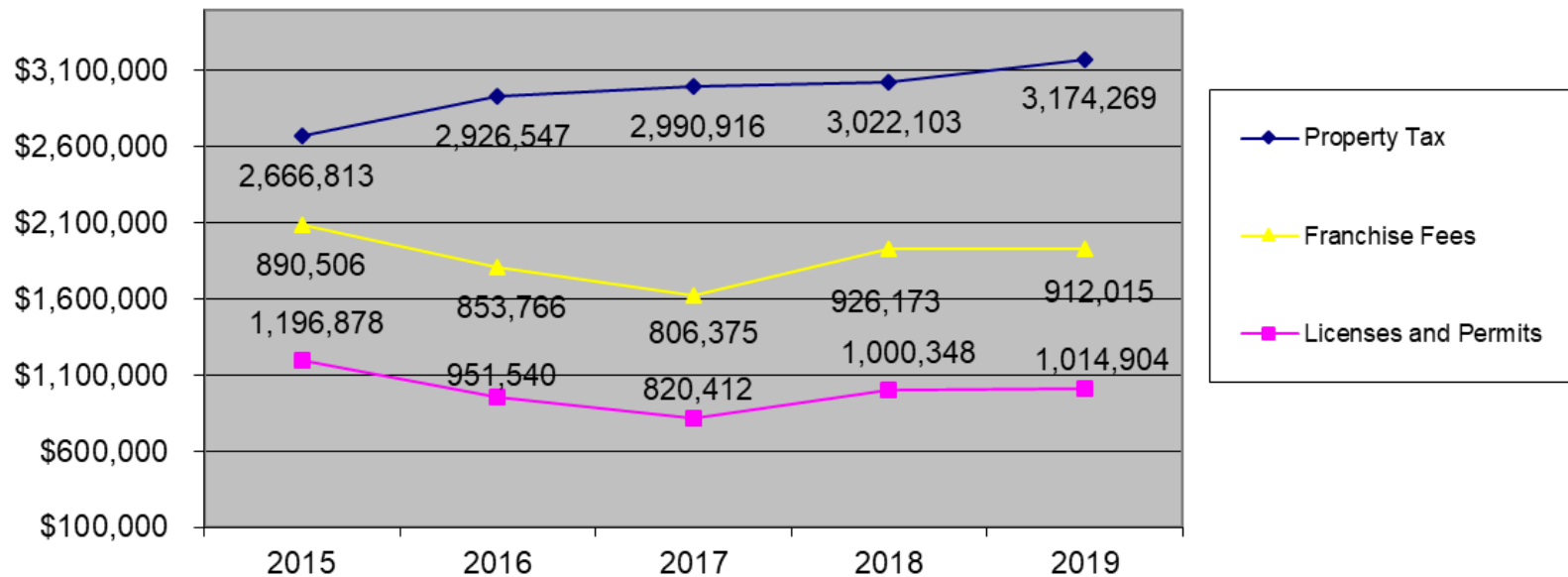


Consolidated taxes are the largest single annual source of governmental revenues for the City. These tax revenues increased by 4.22% during the fiscal year and by 13.08% over the last five years.



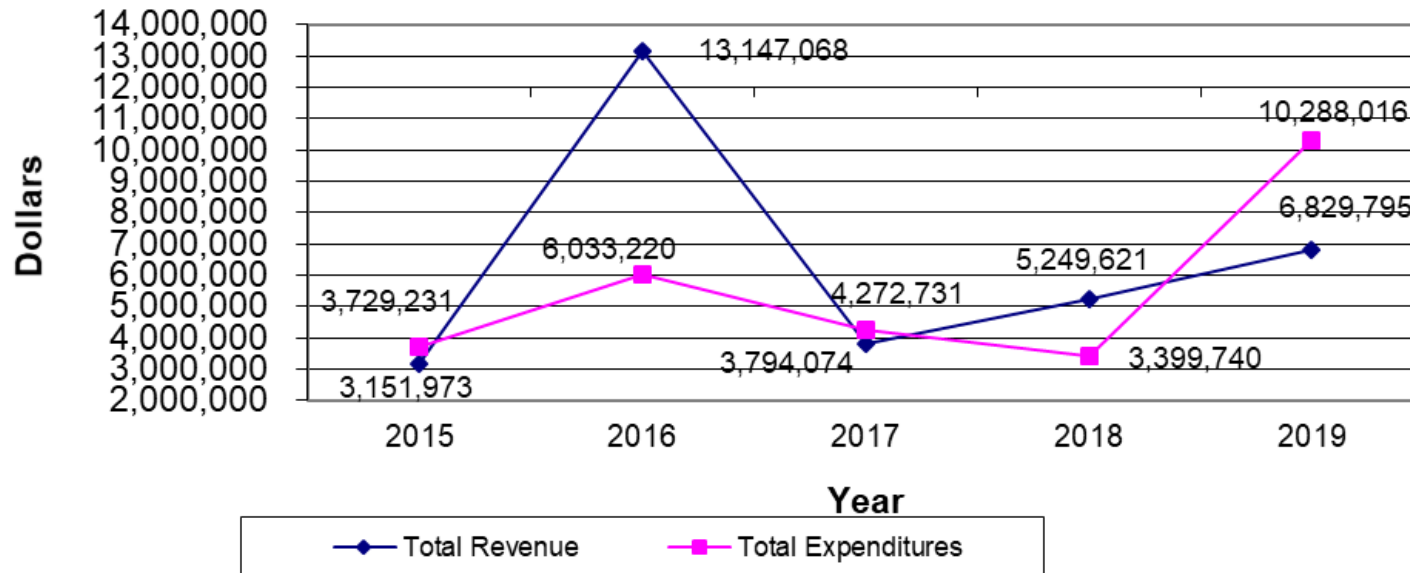
Recreation tax is the second most significant governmental revenue for the City. Recreation taxes increased by 3.98% for the current fiscal year and by 22.14 % over the last five fiscal years.

CITY OF ELKO Other Governmental Revenues



Property tax revenues show increases over the last five years with franchise fees remaining about the same and licenses and permits declining slightly over the past five years.

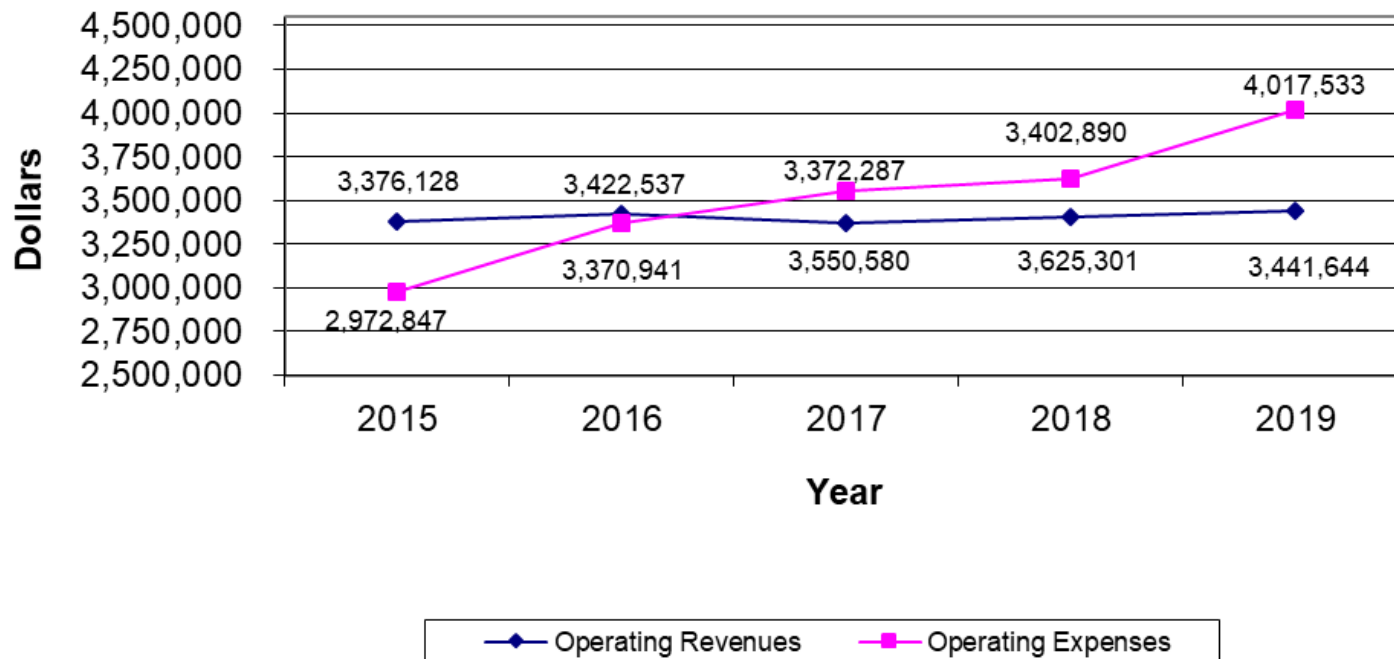
CITY OF ELKO - RECREATION FUND Total Revenues - Total Expenditures



The Recreation fund reports small amounts of net net expenditures for 2015.

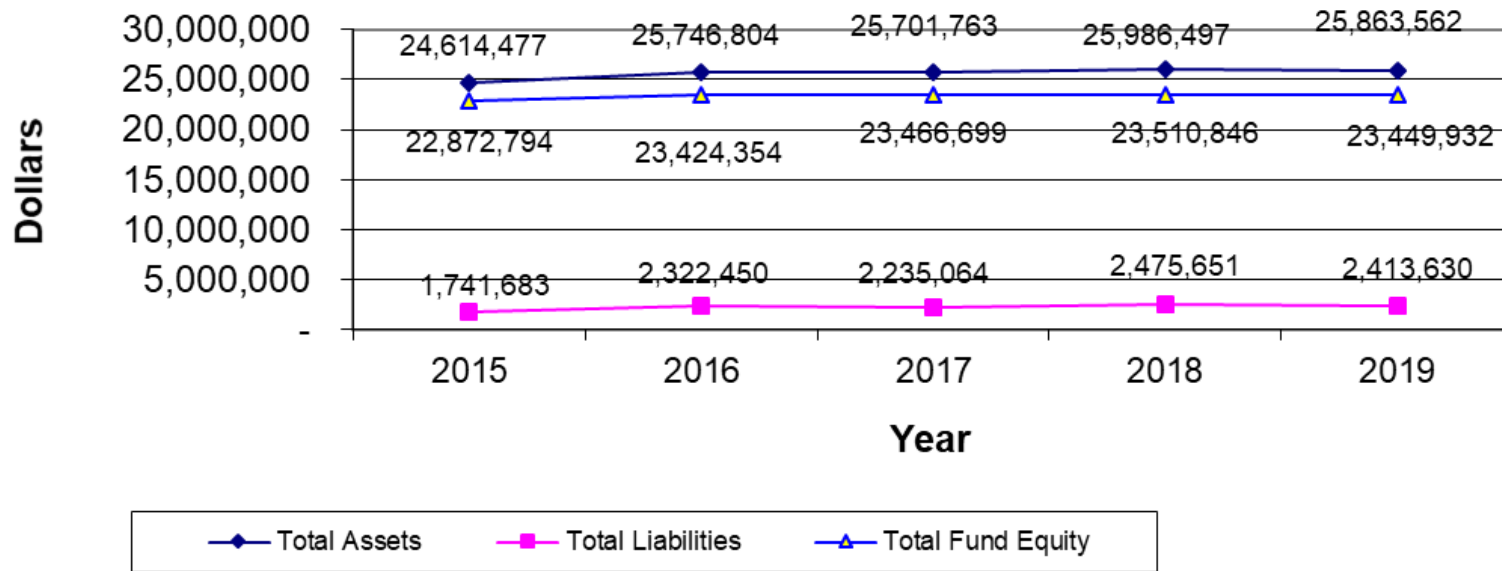
The fiscal year 2016 net revenue is due to the refunding bonds that were issued for capital projects that had not yet been expended including the sports complex. During fiscal year 2017 some of the proceeds were used in the golf irrigation and other small projects and during fiscal years 2018 and 2019 the sports complex was in its construction stages.

CITY OF ELKO- WATER FUND Operating Revenues and Operating Expenses



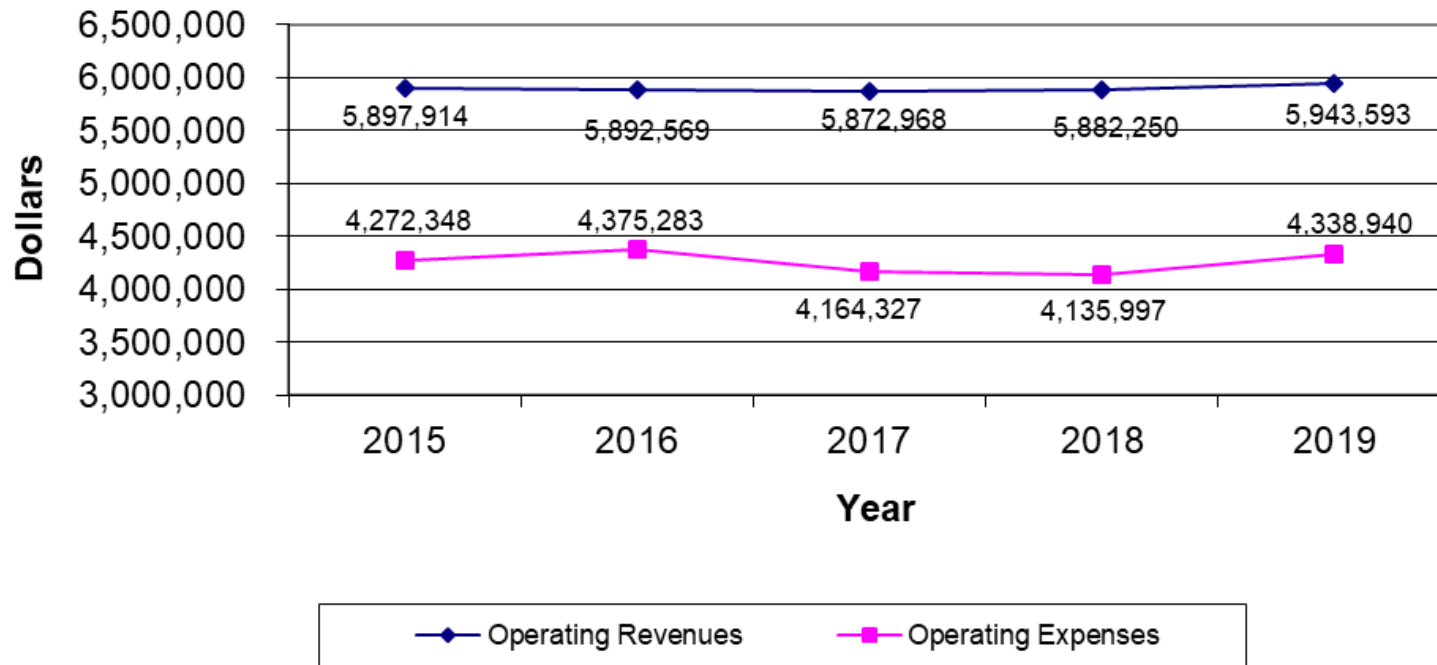
The Water fund shows fairly consistent revenues over the last five years. The Water fund had reported net operating income during 2015 and 2016 while FY2017, FY2018, FY2019 had net operating losses due to increases in salaries, benefits and depreciation.

CITY OF ELKO - WATER FUND BALANCE SHEET TREND



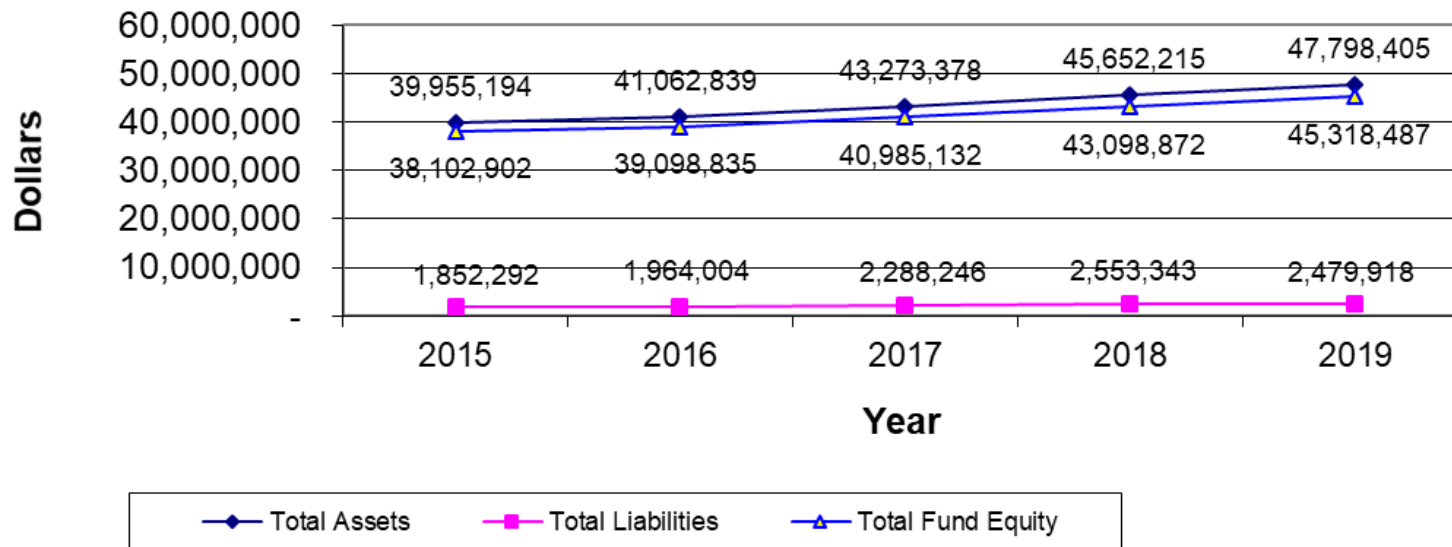
The Water fund balance sheet shows an increase in assets, liabilities and equity over 5 years. Liabilities increased in FY15 and FY16 due to the GASB 68 adjustment for the net pension liability. FY18 liabilities increased due to GASB 75 adjustments.

CITY OF ELKO- SEWER FUND Operating Revenues and Improvement Fees and Operating Expenses



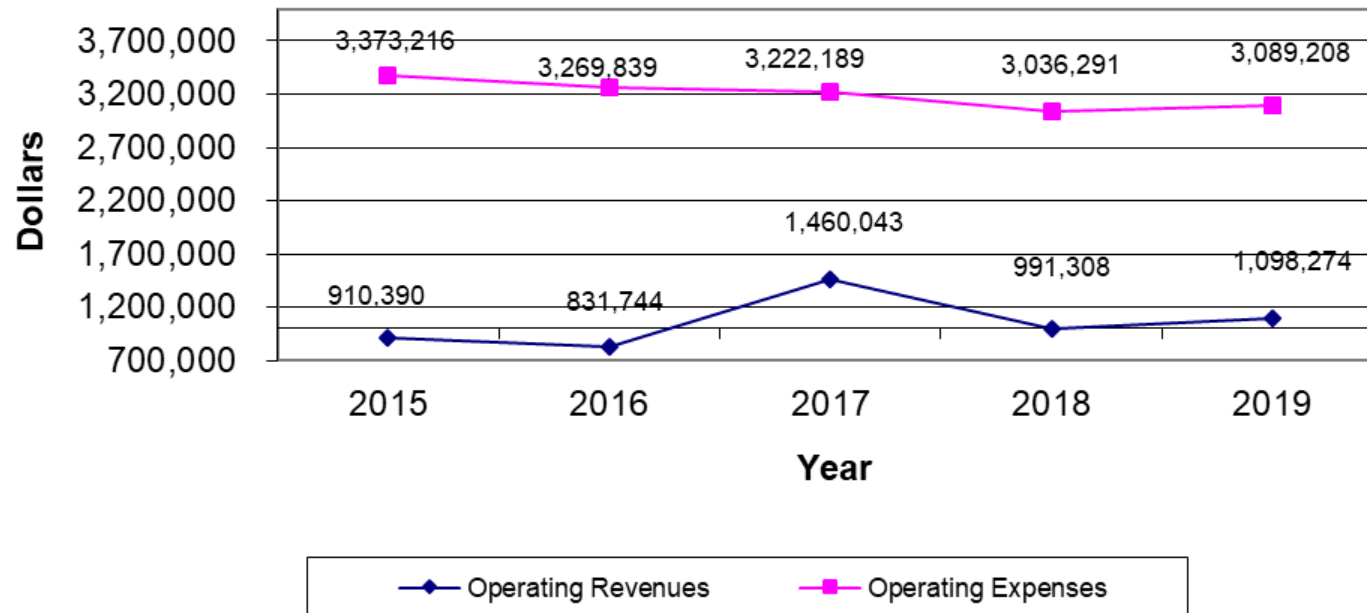
The Sewer fund shows consistent revenues over 5 years and has reported net income for each of the last 5 years.

CITY OF ELKO - SEWER FUND BALANCE SHEET TREND



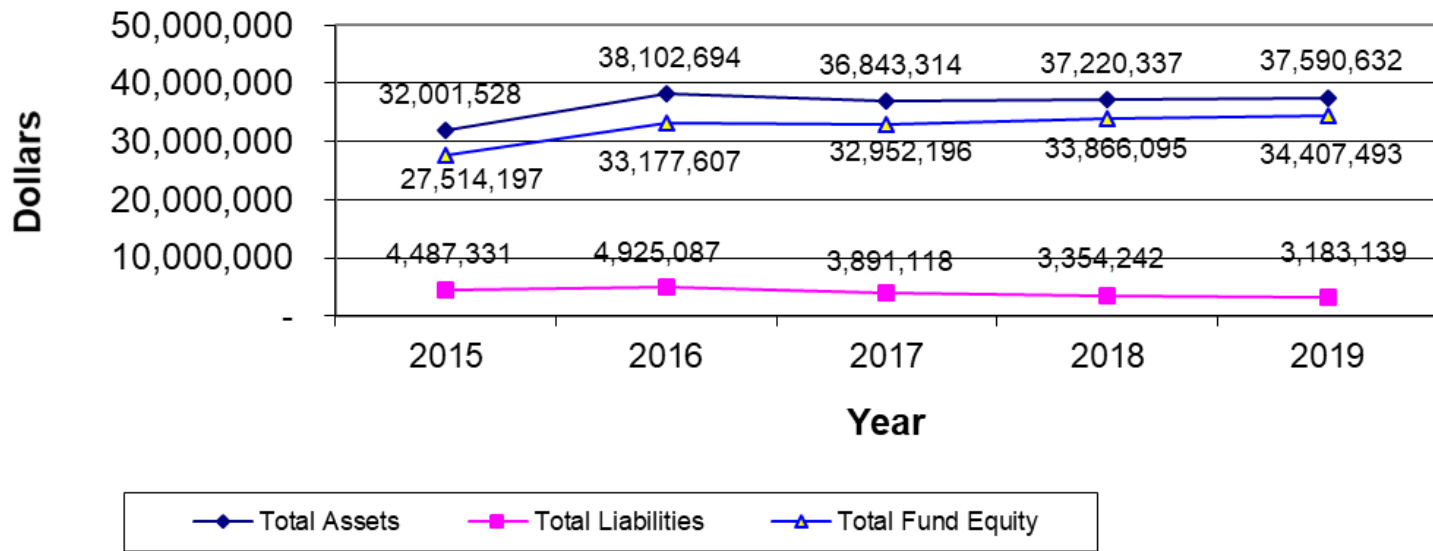
The Sewer fund balance sheet shows a 19.63% increase in assets and 18.94% increase in equity over 5 years. The increase in liabilities is mainly due to the GASB 68 adjustment for the net pension liability. The Sewer fund reports a strong debt to equity position.

CITY OF ELKO- AIRPORT FUND Operating Revenues and Operating Expenses



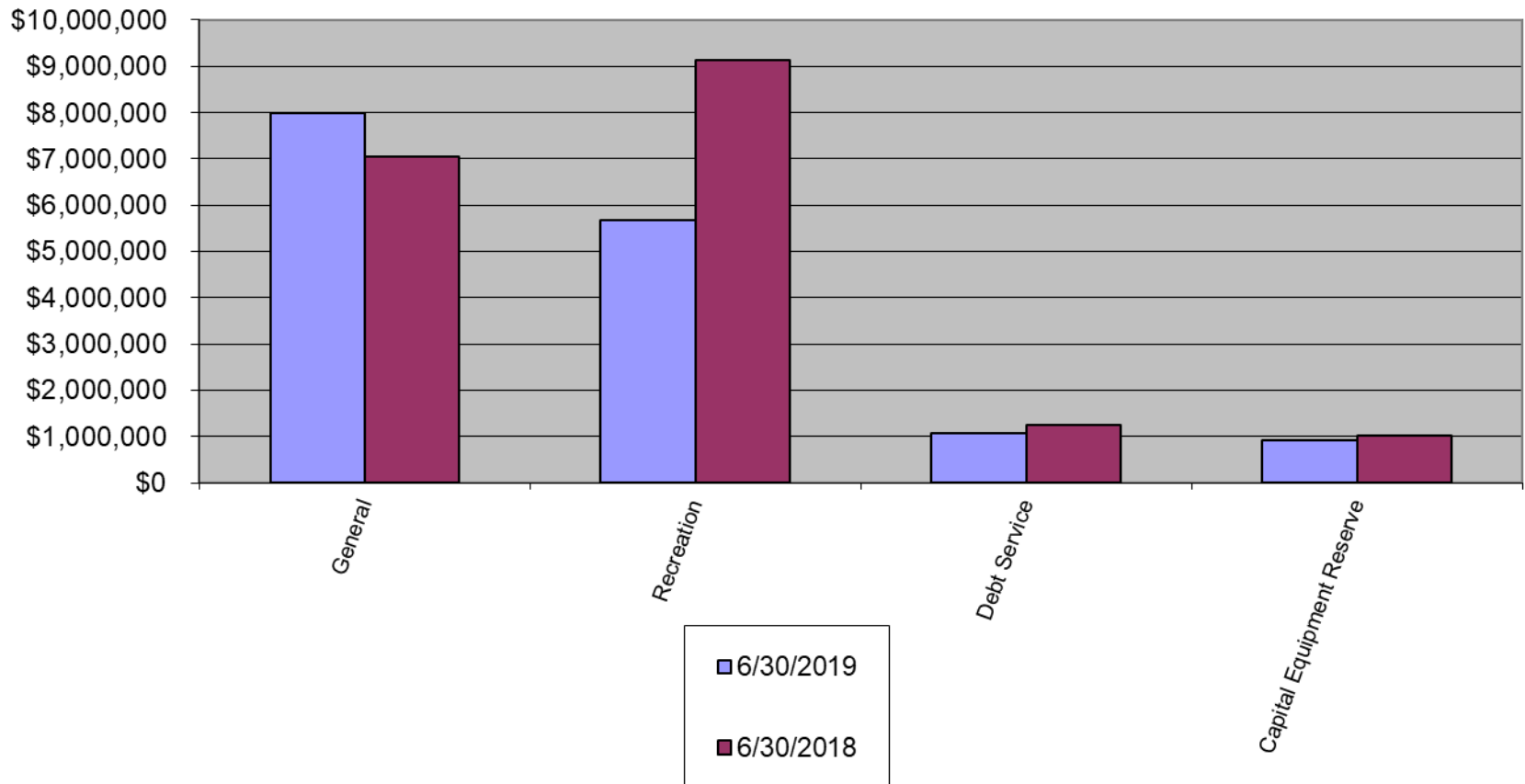
The airport fund shows net losses for each of the last five fiscal years as expected. The net losses are generally subsidized by transfers from other funds and from grants.

CITY OF ELKO - AIRPORT FUND BALANCE SHEET TREND

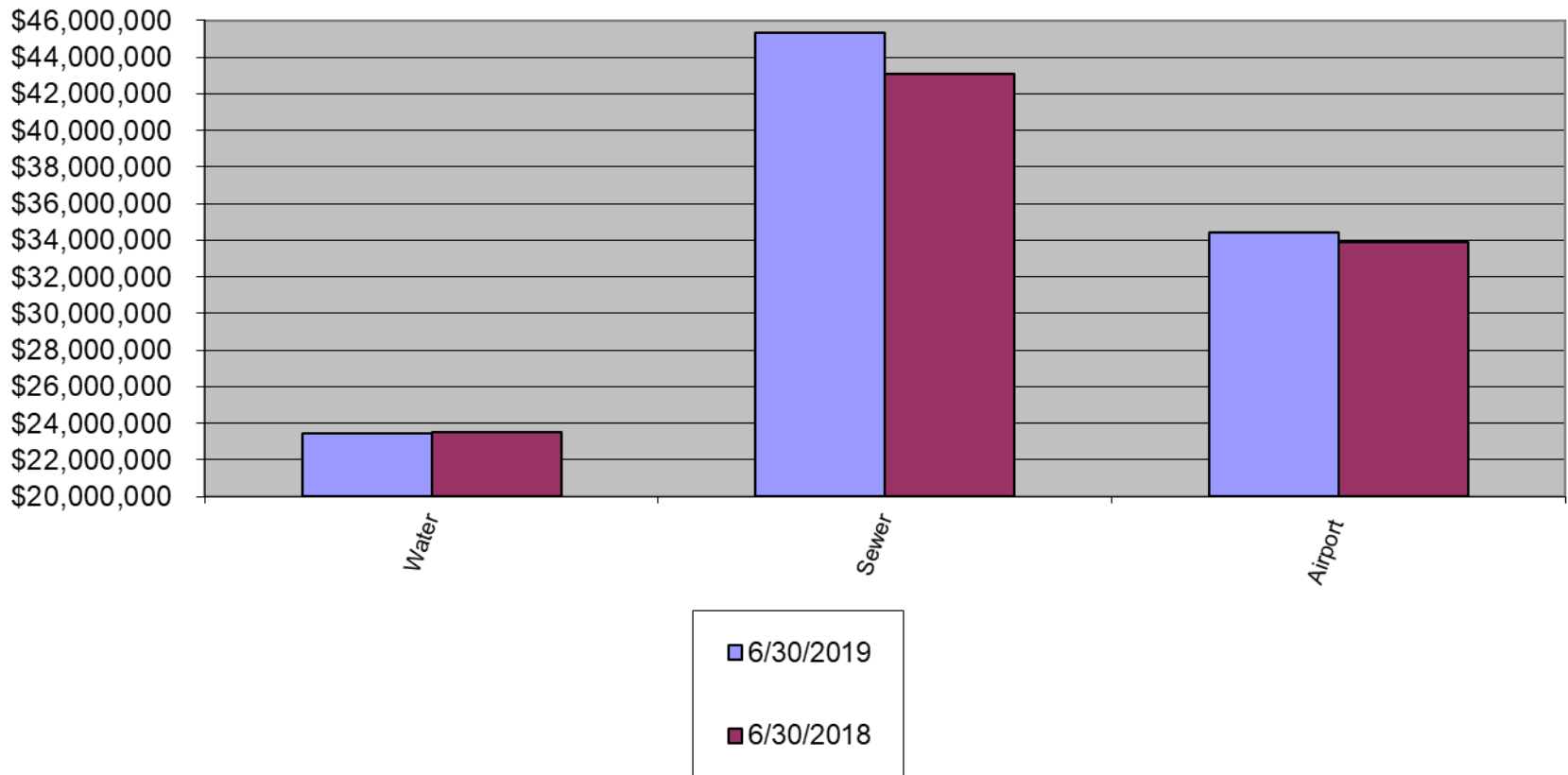


The airport fund reports an increase in assets, and a decrease in liabilities and equity with a strong equity position. The fund equity is made up mainly of net investment in capital assets.

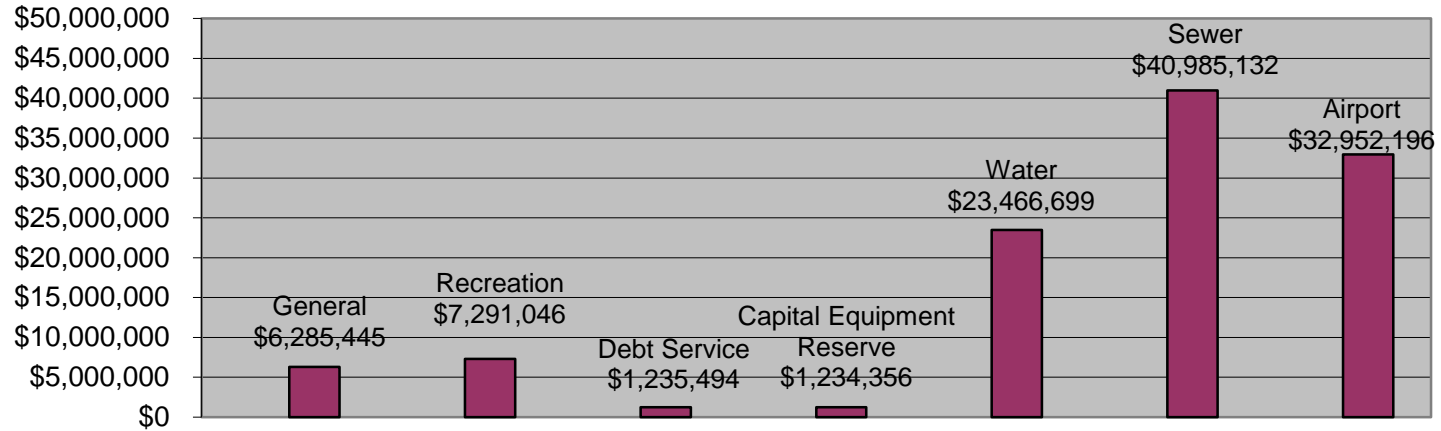
CITY OF ELKO
Significant Governmental Fund Balances at June 30, 2019 and June 30, 2018



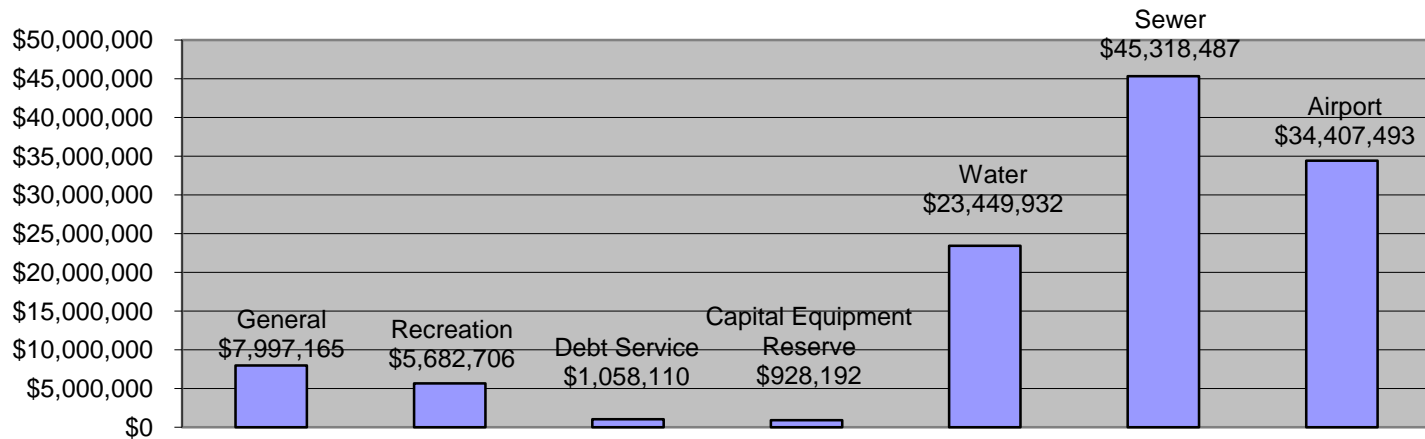
CITY OF ELKO
Significant Proprietary Fund Balances at June 30, 2019 and June 30, 2018



Fund Balances at June 30, 2018



Fund Balances at June 30, 2019



Questions?

- Feel free to contact Mike Spilker
- Phone: 435-628-3663 ext 224
- Email: mspilker@hintonburdick.com

Or

- Jeff Bauer
- Phone: 435-628-3663 ext 254
- Email: jbauer@hintonburdick.com



Thank You!

- Thank you for the opportunity to work with the City.
- Thanks to all those who assisted us with this year's audit.
- We look forward to a continued mutually beneficial relationship.

Elko Holding Group, LLC c/o Barrarcat Lady, LLC
Mark Gaughan & Shu Yun Gaughan

301 Viberti Court
Las Vegas, NV 89144

Date: 11/26/2019
Company: City of Elko | Elko City Council
To: Mr. Curtis Calder, City Manager - Elko, Nevada
Phone: 775-777-7110
Fax: 775-777-7119

From: Mark Gaughan
Phone: 808-388-9088

Pages: 8 including cover
Subject: Public Hearing 11-26-2019 | 5:30pm
VII. A.) Rezone No. 4-19
SUP at Planning Commission and the 66.30 acres

I've attached the following for consideration for tonights meeting:

- 1) Notices for the above with the wrong 66.30 when in fact it's 60.75 (Improper Notice for Public Hearing Open Meeting NRS)
- 2) Exhibit "A thru D-1"
- 3) Also I would to advise the City Council of the Adverse Effect to our Adjoining parcel to East of Mr Baileys property (Hydrology Study, Set Backs from centerline of road and access)
- 4) But we do

Thank you,

Mark Gaughan

This fax is considered confidential. If not received by the intended receiver please forward it to them or inform the sender. Information herein deemed reliable but not guaranteed.

Exhibit B

Exhibit A

offering the property for sale to the public, and matters related thereto. **FOR POSSIBLE ACTION**

At the September 24, 2019 meeting, Council approved the sale of 14,300 square feet of a 24.334 acre parcel (APN 001-610-075) of land adjacent to APN's 001-610-096, 097, & 098 based on NRS 268.061. Adoption of this Resolution finds that it is in the best interest of the City to sell City owned real property as a remnant without offering the property for sale to the public. Adopting this Resolution is the next step in the process to complete the sale. CL

- B. First Reading of Ordinance No. 846, an ordinance amending Title Nine (9), Chapter one (1), section three (3), adding a definition of Fire Protection Service Line and section twenty nine (29) adding a Fire Protection Service Fee, and matters related thereto. **FOR POSSIBLE ACTION**

City Council accepted the Water Study completed by Farr West Engineering and directed Staff to complete a Business Impact Statement on water rate increases at the September 9, 2019 City Council Meeting. At the November 12, 2019 meeting, Council accepted the Business Impact Statement and found that Ordinance No. 846 does not impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business. KW

VII. 5:30 P.M. PUBLIC HEARINGS

- A. Review, consideration, and possible action to adopt Resolution No. 29-19, a resolution of the Elko City Council adopting a change in zoning district boundaries from PC (Planned Commercial) to C (General Commercial) approximately 66.30 acres of property, referred to as APN 001-770-004, filed by Elko West Properties LLC., and processed as Rezone No. 4-19, and matters related thereto. **FOR POSSIBLE ACTION**

The Planning Commission considered the subject zone change request on November 5, 2019 and took action to forward a recommendation to City Council to adopt a resolution which approves Rezone No. 4-19. CL

- B. Second reading, public hearing and possible adoption of Ordinance No. 847, an ordinance amending Title 2, Chapter 7 of the Elko City Code entitled "Energy Conservation Code" by adding Section R402.4.1.2 of the 2018 International Building Code entitled "Testing," and matters related thereto. **FOR POSSIBLE ACTION**

In June 2019, the City passed Ordinance No. 839 adopting the 2018 International Building Code with corresponding amendments. The City worked with the consulting firm WC 3 on this. On November 5, Mr. Chris Kimball from WC 3 informed the City that adoption of Section R.402.4.1.2 of the International Building Code of 2018, entitled "Testing," is needed for the health and safety of the public. This section provides that a building or dwelling unit must be tested and verified as having an air leakage rate not in excess of five air changes per hour. Accordingly,

After 5 days, return to

CITY OF ELKO

PLANNING DEPARTMENT

751 College Avenue

Elko, Nevada 89801

Return Service Requested

001770005

ELKO HOLDING GROUP LLC

C/O BACCARAT LADY, LLC

301 VILBERTI CT

LAS VEGAS NV 89144-4013

891444013 R099

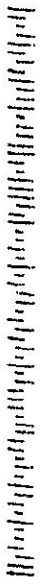


Exhibit B

Exhibit "B-1"

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Elko City Council will conduct a public hearing on Tuesday, November 26, 2019 beginning at 5:30 P.M. P.S.T. at Elko City Hall, 1751 College Avenue, Elko, Nevada, and that the public is invited to provide input and testimony on this matter under consideration in person, by writing, or by representative.

The specific items to be considered under public hearing format are:

- Rezone 4-19, having a hearing as Resolution No. 29-19, filed by Elko West Properties, LLC for a change in zoning from PC (Planned Commercial) to C (General Commercial), approximately 66.30 acres of property, specifically APN 001-770-004, located generally on the south side of Errecart Boulevard, approximately 545' west of Lamoille Highway, more particularly described as:

A parcel of land being the same as Parcel No. 3 and a portion of Errecart Boulevard as shown on the Parcel Map for the City of Elko, Nevada, recorded April 7, 1999, File No. 443291, Records of Elko County, Nevada, situate within a portion of the Northwest Quarter of Section 24, Township 34 North, Range 55 East, MDM, Elko, Nevada, and being more particularly described as follows:

Beginning at the West Quarter corner of said Section 24, also being the Southwest corner of said Parcel No. 3, from which the Northwest corner of said Section 24 bears North $00^{\circ}07'27''$ West a distance of 2806.55;

Thence along the West boundary of said Parcel No. 3 North $00^{\circ}07'27''$ West a distance of 476.64 feet to the intersection of the Southerly right-of-way of Errecart Boulevard as shown on said Parcel Map 443291 to the Northeast corner of said Parcel No. 3;

Thence departing said West boundary and along the West dedication limits of said Errecart Boulevard North $00^{\circ}07'27''$ West a distance of 89.91 feet to the intersection of the centerline of said Errecart Boulevard;

Thence departing said West dedication limits and along said centerline North $56^{\circ}24'15''$ East a distance of 438.54 feet;

Thence along a tangent circular curve to the right with a radius of 1500.00 feet and a central angle of $29^{\circ}07'51''$ and arc length of 762.64 feet;

Thence North $85^{\circ}32'06''$ East a distance of 490.73 feet;

Thence along a tangent circular curve to the left with a radius of 1000.00 feet and a central angle of $61^{\circ}12'52''$ an arc length of 1068.39 feet;

Thence North $24^{\circ}19'14''$ East a distance of 125.87 feet;

Thence along a tangent circular curve to the right with a radius of 1000.00 feet and a central angle of $19^{\circ}48'48''$ an arc length of 345.81 feet to a point on the East dedication limits of said Errecart Boulevard;

Thence departing said centerline and along said East dedication limits with a non-tangent line South $00^{\circ}23'58''$ West a distance of 113.78 feet to the Northeast corner of said Parcel No. 3;

Thence departing said East dedication limits and along the East boundary of said Parcel No. 3 South $00^{\circ}23'58''$ West a distance of 1895.90 feet to the Southeast corner of said Parcel No. 3;

5 days, return to

7 OF ELKO

NNING DEPARTMENT

College Avenue

Nevada 89801

n Service Requested

001770005

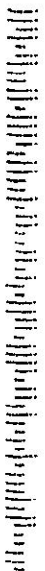
ELKO HOLDING GROUP LLC

C/O BACCARAT LADY, LLC

301 VILBERTI CT

LAS VEGAS NV 89144-4013

6914484013 ROSB



Exhibit

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Elko City Planning Commission will conduct a public hearing on Tuesday, November 5, 2019 beginning at 5:30 P.M. P.S.T. at Elko City Hall, 1751 College Avenue, Elko, Nevada, and that the public is invited to provide input and testimony on this matter under consideration in person, by writing, or by representative.

The specific item to be considered under public hearing format is:

- Rezone 4-19, filed by Elko West Properties, LLC for a change in zoning from PC (Planned Commercial) to C (General Commercial), approximately 66.30 acres of property, specifically APN 001-770-004, located generally on the south side of Errecart Boulevard, approximately 545' west of Lamoille Highway, more particularly described as:

A parcel of land being the same as Parcel No. 3 and a portion of Errecart Boulevard as shown on the Parcel Map for the City of Elko, Nevada, recorded April 7, 1999, File No. 443291, Records of Elko County, Nevada, situate within a portion of the Northwest Quarter of Section 24, Township 34 North, Range 55 East, MDM, Elko, Nevada, and being more particularly described as follows:

Beginning at the West Quarter corner of said Section 24, also being the Southwest corner of said Parcel No. 3, from which the Northwest corner of said Section 24 bears North $00^{\circ}07'27''$ West a distance of 2806.55;

Thence along the West boundary of said Parcel No. 3 North $00^{\circ}07'27''$ West a distance of 476.64 feet to the intersection of the Southerly right-of-way of Errecart Boulevard as shown on said Parcel Map 443291 to the Northeast corner of said Parcel No. 3;

Thence departing said West boundary and along the West dedication limits of said Errecart Boulevard North $00^{\circ}07'27''$ West a distance of 89.91 feet to the intersection of the centerline of said Errecart Boulevard;

Thence departing said West dedication limits and along said centerline North $56^{\circ}24'15''$ East a distance of 438.54 feet;

Thence along a tangent circular curve to the right with a radius of 1500.00 feet and a central angle of $29^{\circ}07'51''$ and arc length of 762.64 feet;

Thence North $85^{\circ}32'06''$ East a distance of 490.73 feet;

Thence along a tangent circular curve to the left with a radius of 1000.00 feet and a central angle of $61^{\circ}12'52''$ an arc length of 1068.39 feet;

Thence North $24^{\circ}19'14''$ East a distance of 125.87 feet;

Thence along a tangent circular curve to the right with a radius of 1000.00 feet and a central angle of $19^{\circ}48'48''$ an arc length of 345.81 feet to a point on the East dedication limits of said Errecart Boulevard;

Thence departing said centerline and along said East dedication limits with a non-tangent line South $00^{\circ}23'58''$ West a distance of 113.78 feet to the Northeast corner of said Parcel No. 3;

Thence departing said East dedication limits and along the East boundary of said Parcel No. 3 South $00^{\circ}23'58''$ West a distance of 1895.90 feet to the Southeast corner of said Parcel No. 3;

After 5 days, return to
CITY OF ELKO
PLANNING DEPARTMENT
1751 College Avenue
Elko, Nevada 89801

Return Service Requested

001770005
ELKO HOLDING GROUP LLC
C/O BACCARAT LADY, LLC
301 VILBERTI CT
LAS VEGAS NV 89144-4013

89144-401301



Exhibit "D"

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Elko City Planning Commission will conduct a public hearing on Tuesday, October 1, 2019 beginning at 5:30 P.M. P.S.T. at Elko City Hall, 1751 College Avenue, Elko, Nevada, and that the public is invited to provide input and testimony on this matter under consideration in person, by writing, or by representative.

The specific items to be considered under public hearing format are:

- Rezone 4-19, filed by Elko West Properties, LLC for a change in zoning from PC (Planned Commercial) to C (General Commercial), approximately 60.75 acres of property, specifically APN 001-770-004, located generally on the south side of Errecart Boulevard, approximately 545' west of Lamoille Highway, more particularly described as:

A parcel of land being the same as Parcel No. 3 of the Parcel Map for the City of Elko, Nevada, recorded April 7, 1999, File No. 443291, Records of Elko County, Nevada, situate within a portion of the Northwest Quarter of Section 24, Township 34 North, Range 55 East, MDM, Elko, Nevada, and being more particularly described as follows: Beginning at the West Quarter corner of said Section 24, also being the Southwest corner of said Parcel No. 3, from which the Northwest corner of said Section 24 bears North 00°07'27" West a distance of 2806.55 feet;

Thence along the West boundary of said Section 24 North 00°07'27" West a distance of 476.64 feet to the intersection of the Southerly right-of-way of Errecart Boulevard as shown on said Parcel Map 443291;

Thence departing said West boundary and along said Southerly right-of-way North 56°24'15" East a distance of 488.13;

Thence along a tangent circular curve to the right with a radius of 1425.00 feet and a central angle of 29°07'51" an arc length of 724.51 feet;

Thence North 85°32'06" East a distance of 490.73 feet;

Thence along a tangent circular curve to the left with a radius of 1075.00 feet and a central angle of 61°12'52" and arc length of 1148.52 feet;

Thence North 24°19'14" East a distance of 125.87 feet;

Thence along a tangent circular curve to the right with a radius of 925.00 feet and a central angle of 14°42'50" an arc length of 237.55 feet to a point of the East boundary of said Parcel No. 3;

Thence departing said Southerly right-of-way and along said East boundary with a non-tangent light South 00°23'58" West a distance of 1895.90 feet to the Southeast corner of said Parcel No. 3;

Thence departing said East boundary and along the South boundary of said Parcel No. 3 South 88°31'03" West a distance of 2632.17 feet to the Point of Beginning.

Said parcel contains an area of approximately 60.75 acres.

The intent of the zone change is to allow for multi-family residential and commercial development.

- Conditional Use Permit No. 8-19, filed by Elko West Properties, LLC, which would allow for the development of an apartment complex within a C (General Commercial)

HP ENVY 7640 e-All-in-One Printer Series

Fax Log for
7028880888
7028880888
Nov 26 2019 6:35PM

Last Transaction

Date	Time	Type	Station ID	Duration	Pages	Result
				<u>Digital Fax</u>		
Nov 26	6:32PM	Fax Sent	17757777119	3:11 N/A	8	OK