



CITY OF ELKO
CITY MANAGER
1751 COLLEGE AVENUE
ELKO, NEVADA 89801
(775) 777-7110/FAX (775) 777-7119

The Elko City Council will meet in regular session on Tuesday, December 11, 2018

Elko City Hall, 1751 College Avenue, Elko, NV 89801, at 4:00 P.M., P.S.T.

Attached with this notice is the agenda for said meeting of the Council.

In accordance with NRS 241.020, the public notice and agenda was posted on the City of Elko

Website, <http://www.elkocity.com>, the State of Nevada's Public Notice Website,


<https://notice.nv.gov> in the following locations:

ELKO CITY HALL
1751 College Avenue, Elko, NV 89801
Date/Time Posted: December 6, 2018 at 8:30 a.m.

ELKO COUNTY COURTHOUSE
571 Idaho Street, Elko, NV 89801
Date/Time Posted: December 6, 2018 at 8:40 a.m.

ELKO POLICE DEPARTMENT
1448 Silver, Elko NV 89801
Date/Time Posted: December 6, 2018 at 8:50 a.m.

ELKO COUNTY LIBRARY
720 Court Street, Elko, NV 89801
Date/Time Posted: December 6, 2018 at 9:00 a.m.

Posted by:	<u>Kim Wilkinson</u>	<u>Administrative Assistant</u>	<u></u>
	Name	Title	Signature

The public may contact Kim Wilkinson by phone at (775)777-7110 or email at kwilkinson@elkocitynv.gov to request supporting material for the meeting described herein. The agenda and supporting material is available at Elko City Hall, 1751 College Avenue, Elko, NV or on the City website at <http://www.elkocity.com>

Dated this 6th day of December, 2018

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Elko City Council, 1751 College Avenue, Elko, Nevada 89801, or by calling (775) 777-7110.


Curtis Calder, City Manager

CITY OF ELKO
CITY COUNCIL AGENDA
REGULAR MEETING
4:00 P.M., P.S.T., TUESDAY, DECEMBER 11, 2018
ELKO CITY HALL, 1751 COLLEGE AVENUE, ELKO, NEVADA

CALL TO ORDER

The Agenda for this meeting of the City of Elko City Council has been properly posted for this date and time in accordance with NRS requirements.

ROLL CALL

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**

APPROVAL OF MINUTES: September 18, 2018 Special Joint Workshop Planning and the Elko City Council

I. PRESENTATIONS

- A. Presentation of a retirement plaque to Mary Hassett, Fire Department for her 23 Years of Service, and matters related thereto. **INFORMATION ONLY – NON ACTION ITEM**
- B. Presentation by Linda Tobey, Nevada Health Centers regarding the expansion of the Elko Family Medical and Dental Center (EFMDC), and matters related thereto. **INFORMATION ONLY – NON ACTION ITEM**
- 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, 2018, 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 2017/2018 Financial Report. JJ

II. APPROPRIATIONS

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

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

III. UNFINISHED BUSINESS

- A. 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. CL

IV. NEW BUSINESS

- A. Review, consideration, and possible approval of an Agreement to Install Improvements and Performance/Maintenance Guarantees for subdivision improvements associated with the Great Basin Estates Phase 3 subdivision, and matters related thereto. **FOR POSSIBLE ACTION**

Elko City Code 3-3-44 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 3-3-45. The Planning Commission recommended as one of the conditions for approval of the final plat, that the agreement shall 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. CL

- B. Review, consideration, and possible appointment of Ms. Jorja Muir to fill one (1) vacant seat on the California Trail Advisory Board, and matters related thereto. **FOR POSSIBLE ACTION**

A "Letter of Interest" has been submitted by candidate Ms. Jorja Muir and has been placed in your packet. CC

- C. Hearing and/or review of investigation and findings concerning alleged nuisance(s) and/or accumulation of excessive solid waste and possible declaration of a nuisance(s) and/or excessive solid waste and appropriate order(s)/actions for abatement of nuisance(s) and removal of solid waste regarding the property located

at 403 Pine Street, Elko, Nevada, owned by William Armstrong and other actions, orders or matters related thereto. **FOR POSSIBLE ACTION**

The City has received numerous complaints concerning the storage of inoperable automobiles and the accumulation of solid waste on the property located at 403 Pine Street. Accordingly, the complaints were forwarded to the City Clerk's Office as required under 5-1-5 of city code. The City Clerk forwarded the complaints to the City Manager on July 13, 2018. The City Manager assigned the investigation to the Assistant City Manager on July 17, 2018. The Assistant City Manager completed an investigation and presented those findings to the City Manager on July 26, 2018. Based on the findings of the investigation, it was determined that the storage of solid waste on the property violates the following sections of city code:

- a. Title 5 Chapter 1; 5-1-4(I) Offensive Matter
 - b. Title 5 Chapter 1; 5-1-4(N) Public Nuisance further defined
 - c. Title 9 Chapter 2; 9-2-8(A) Fly Breeding Conditions
- The storage of vehicles in various states of disrepair and utilized for storage violates the following sections of city code:

- a. Title 5 Chapter 1; 5-1-4(N) Public Nuisance further defined
- b. Title 5 Chapter 1; 5-1-4(P) Outside storage of vehicles

The property owner has been properly noticed under the noticing provisions stipulated in Title 5 Chapter 1 of city code, Title 9 Chapter 2, NRS Chapter 241 and NRS 268. The noticing was completed by the City's legal counsel. SAW

V. RESOLUTIONS AND ORDINANCES

- A. Review and consideration of submitted data and/or arguments and determination as to whether the proposed ordinance and fee for **BROTHEL LICENSING** will impose a direct and significant burden upon a business or directly restrict the formation, operation, or expansion of a business.

Pursuant to NRS 237.080 the City of Elko notified owners and officers of businesses which may be affected by the fee for **BROTHEL LICENSING**. Staff has prepared a Business Impact Statement for Ordinance 835, AN ORDINANCE AMENDING TITLE 4, CHAPTER 9, OF THE ELKO CITY CODE ENTITLED "PROSTITUTION" BY ADDING NEW LANGUAGE AND CLARIFYING MATTERS RELATED THERETO; AND RESOLUTION 27-18 AMENDING THE LICENSING FEES OF BROTHELS, and matters related thereto. **FOR POSSIBLE ACTION**

Pursuant to NRS 237.090, a Business Impact Statement has been prepared and must be considered by the City Council prior to the public hearing and adoption for the ordinance and resolution. KW

VI. PETITIONS, APPEALS, AND COMMUNICATIONS

- A. Review for possible approval or denial of a House of Prostitution License Application and Retail Liquor License Application made by Louis R. Goldberg, Anna L. Brown, and Peter S.N. Tang, dba Inez's Brothel located at 232 S 3rd Street, Elko, and matters related thereto. **FOR POSSIBLE ACTION**

A comprehensive background investigation was conducted by Elko Police Detectives regarding the Applicants. Mr. Goldberg, Ms. Brown, and Mr. Tang have met the requirements relating to City Code 4-9-7. The Police Chief has reviewed the investigation and documented a summary of the results in the attached memos to the Council. BR

- B. Ratification of the Police Chief issuing a 90-day Temporary Packaged Liquor License and issue a Regular Packaged Liquor License, to Dennis O'Keefe, DBA Golden Gate Gas, located at 3600 West Idaho Street, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

- C. Review for possible approval or denial of a House of Prostitution License Application and Retail Liquor License Application, modifying the current House of Prostitution License and Retail Liquor License Application, to add Peter Tang to the license, DBA Mona's Ranch, located at 103 S 3rd St, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

A comprehensive background investigation was conducted by Elko Police Detectives regarding the Applicant. Mr. Tang has met the requirements relating to City Code 4-9-7. The Police Chief has reviewed the investigation and documented a summary of the results in the attached memo to the Council. BR

VII. REPORTS

- A. Mayor and City Council
- B. City Manager
- C. Assistant City Manager
- D. Utilities Director
- E. Public Works
- F. Airport Manager
- G. City Attorney
- H. Fire Chief
- I. Police Chief
- J. City Clerk
- K. City Planner
- L. Development Manager
- M. Administrative Services Director
- N. Parks and Recreation Director
- O. Civil Engineer
- P. Building Official

COMMENTS BY THE GENERAL PUBLIC

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

NOTE: The Mayor, Mayor Pro Tempore, or other Presiding Officer of the City Council reserves the right to change the order of the agenda, and if the agenda has not been completed, to recess the meeting and continue on another specified date and time. Additionally, the City Council reserves the right to combine two or more agenda items, and/or remove an item from the agenda, or delay discussion relating to an item on the agenda at any time.

ADJOURNMENT

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Curtis Calder", is written over the printed name.

Curtis Calder
City Manager

CITY OF ELKO
CITY COUNCIL AND
PLANNING COMMISSION
SPECIAL JOINT WORKSHOP MINUTES
1:00 P.M., P.D.S.T., TUESDAY, SEPTEMBER 18, 2018
ELKO CONVENTION CENTER, RUBY MOUNTAIN ROOM #1B
700 MOREN WAY, ELKO, NEVADA

CALL TO ORDER

The Meeting was called to order by Mayor Chris Johnson at 1:22 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

City Council Present: Mayor Chris Johnson
Councilman Reece Keener
Councilwoman Mandy Simons
Councilman Robert Schmidlein

Excused: Councilman John Rice

Planning Commission Present: Chairman David Freistroffer
Vice-Chairman Jeff Dalling
Evi Buell
John Anderson
Tera Hooiman

Excused: Stefan Beck
Ian Montgomery

City Staff Present: Curtis Calder, City Manager
Scott Wilkinson, Assistant City Manager
Cathy Laughlin, City Planner
Bob Thibault, Civil Engineer
Kelly Wooldridge, City Clerk
Dave Stanton, City Attorney
John Holmes, Fire Marshal
Shelby Archuleta, Planning Technician

INITIAL PUBLIC COMMENT PERIOD

Mike Lattin, Elko, NV asked if there were facilities for the hearing impaired.

He was provided an assisted hearing device.

I. NEW BUSINESS

A. MISCELLANEOUS ITEMS, PETITIONS AND COMMUNICATIONS

1. Workshop to discuss proposed amendments to Title 3, Chapter 3 of the Elko City Code, to include receiving input and comments from the public and members of the development community regarding possible changes to the proposed Divisions of Land Code, which may replace the chapter currently titled "Subdivisions," and matters related thereto, **FOR POSSIBLE ACTION.**

Mayor Chris Johnson announced that today was the workshop on the Subdivision Code. He explained that they would start with the history of subdivisions, then go over the revisions that are in place, there is a flow chart that will be presented, and then open it up to questions and comments from the public, the Planning Commission, and City Council.

Curtis Calder, City Manager, explained that he did some research on why the City Code looks the way it does today in its current form. He researched some old planning books and got online and found a report from 1953, from the American Society of Planning Officials, which was entitled *Performance Bonds for the Installation of Subdivision Improvements*. This issue had been studied in the 50's fairly extensively. It was republished by the American Planning Association. It provided considerable background regarding the evolution of Subdivision Codes in the United States since the 1920's. The City's current Subdivision Code, which has been in place since the 1950's, appears to be based, almost entirely, on the best practices of the era. The purpose that led to the use of Performance Bonds was the result of unbridled land subdivision in the 1920's, just prior to the Great Depression. There were many dead subdivisions that remained in both large and small cities until after World War II. Those were forming obstacles in the path of normal city growth. The process of uneconomic subdividing and premature platting had negatively affected city development and was considered gross negligence of city officials, because they failed to prevent it from occurring. In response, cities protected themselves from premature subdividing by insisting on assured land improvements, the performance bond being one of those assurances. The report pointed out that subdividing land was a risky business and that the profit to the developer was the payment for the risk undertaken. Further adding that it is illogical for the government to assume risk for which the developer receives payment. In other words, if the government was willing to assume all of the risk in land development there was no need for performance bonds or any other method of assuring the installation of improvements. The report concluded three things: that one, cities have a responsibility to prevent premature subdivisions; two, Assured installation of the improvements is a proven method for carrying out this responsibility; and three, some part, or all of the risks should be assumed by developers. That is the broad history that led up to the development of the City Code.

Cathy Laughlin, City Planner, discussed how the City Code came about. It started with Ordinance No. 115, which was passed on February 11, 1954. This was the first Subdivision

Code. A Performance Bond was in the original Ordinance, as well as a 12 month completion period for improvements. Then on May 16, 1973 the State of Nevada Urban Planning Division sent a letter stating that Senate Bill No. 460 was adopted and it established a subdivision evaluation procedure administered by the Urban Planning Division that would be available to all cities and counties except for the areas of Washoe and Clark Counties. Because the rural communities were small and didn't have planning staff, the State of Nevada Urban Planning Division provided communities with planning consultants, which was done through grants. Many of the small rural areas, such as Elko and Winnemucca have similar Subdivision Codes written after the SB 460 was adopted. That was due to the same consultant writing the codes for both Elko and Winnemucca. On November 6, 1974 the City of Elko's Planning Consultant, Mr. Tom Conger, presented draft copies of the proposed Subdivision Ordinance for the changes that were in relation to the Urban Planning Division sending out the letter. They had three different special workshop meetings that were held between December of 1974 and January of 1975. Those were for discussion of the ordinance and the proposed changes. On December 9, 1975 it was passed by City Council as Ordinance No. 226, which is the current code. There have been some minor modifications that have been made to the code. Ordinance No. 548 was approved in November of 2000, which was when the Performance Agreement was added to the Code. Ordinance No. 624 was done in 2004, Ordinance No. 739 was done in 2011, Ordinance No. 768 was done in 2013, and Ordinance No. 785 was done in 2014. Those were all minor modifications that were made to the current code.

Councilman Reece Keener, asked if Ms. Laughlin knew what the driver was for Ordinance No. 554 in November of 2000 that initiated the Performance Agreement.

Ms. Laughlin stated that she didn't have the minutes for the meeting that was approved at, but she stated that she would do some research on that.

Dave Stanton, City Attorney, explained that he would go through a power point that hit some of the high points of the Code revisions in the present draft. He wanted to let everyone know where he envisioned the process and what he saw the workshop being all about. He thought that the Code had become archaic in a number of ways. He thought the intent needed to be preserved, but having worked with the Code for a number of years and in a variety of different circumstances and situations he had run across areas that were capable of multiple interpretations and that is a bad thing in a code. You want a code to be very clear so that anyone, even someone without a lot of back ground in this area, could pick it up, read it, and understand what the requirements are. He didn't think the draft today was a finished product. He thought there were other things that could be done to the Code. When he reads through it he sees other things that could be cleared up even further. What he thought the workshop could accomplish today was to give the people working on it insight to the public concerns. Mr. Stanton stated that he wanted to hear what the public's issues were. He also wanted to hear proposed language, language that was unclear, and he wanted to be able to get input from everyone here and go back and address those concerns. The product that comes out of this needs to be clear, understandable, concise, and consistent with Nevada Law. If that's the Code that is ultimately adopted, he would consider it a success. He wanted everyone to approach this in a spirit of cooperation, and understanding that this was a draft and a working document, which is still capable of being revised and will be revised before it becomes final. He then went through the power point. He asked for comments and concerns on

the changes, so that the Planning Commission and City Council could make an informed decision on the direction they wanted the Code to go.

Ms. Laughlin explained that the flow chart was a draft and it would be modified with some additional information. This will give you the basic summary of how a subdivision is processed. She then went over the flow chart for the subdivision process.

Chairman David Freistroffer left the meeting at 2:05 p.m.

Scott MacRitchie, 312 Four Mile Trail, wanted to briefly get into what he thought were the most important parts of the changes. The Performance Agreement and the Performance Guarantee, as Mr. Stanton mentioned, would be an area where they think there is some room for some changes. Part of the problem they have with it, is the new flow. There used to be a mechanism whereby they would come in and get final approval, but not certification of the plat. That allowed them to build the development for cash. That may, or may not, be a possibility at this point in time. The bigger problem that he saw with the overall portion of this agreement is prior to commencement of construction of the subdivision improvements he must enter into the Performance Agreement, but he also must complete both the bond for the full engineer's estimate, pay that in any one of the three forms, and complete the maintenance bond and pay that. He asked if that was correct.

Mr. Stanton added that Mr. Wilkinson might want to refine that. It would be at different times, not all simultaneously.

Mr. MacRitchie asked what would not all be simultaneously, the payment of it?

Scott Wilkinson, Assistant City Manager, explained that they don't need to post the maintenance guarantee at the same time the performance guarantee is posted for the body of the work.

Mr. MacRitchie asked if that was done at the time it was accepted by the City for maintenance.

Mr. Wilkinson said that was correct.

Mr. MacRitchie said the biggest issue was the language that pretty much, in two locations, states that there is no ability to draw from a cash bond. Let's say he put in a cash bond. That cash bond might be \$1 Million. He goes out and does some work and gets it certified. He should be able to draw from that, but this Code specifically states in two locations that he cannot. There is an additional provision, notwithstanding, which is 3-3-21(B) that states: Addition Provisions: Notwithstanding any other requirements set forth in Subsection 3-3-21(A), the agreement to install improvements may, in the discretion of the City, also contain any of the following provisions and/or requirements. That allows for it in 3-3-21(B)(3): That upon a determination by the City that specific improvements have been satisfactorily constructed and completed, funds may be released from the performance guaranty either by refunding a portion of a cash deposit to the subdivider or by authorizing a reduction of a bond or other form of non-cash guaranty, so long as the foregoing release of funds does not exceed ninety percent of the value of the completed improvements that have been certified by the subdivider's engineer and approved by the City. But in two locations the Code specifically spells out that that is not allowed. To have

that subject to, and solely, in the discretion of the City to be able to be put in a Performance Agreement. That means that it might not be put in all Performance Agreements. It should be standardized in the Code. The Code should read, not that they can't draw down on that, but that they should be able to draw down on that, and it could be further explained in the Performance Agreement. As it stands, the Performance Agreement upon being executed would be in direct violation of the Code.

Mr. Stanton asked what other provision Mr. MacRitchie could direct him to that they should revise.

Mr. MacRitchie stated 3-3-21(A)(10): That a performance guaranty given in the form of a bond or irrevocable letter of credit shall not expire or be released prior to completion of all required subdivision improvements and written authorization by the City permitting the performance guaranty to expire or be released.

Mr. Stanton said since the entire performance guaranty can't be released, only 90% of it, this provision keeps the bond or the letter of credit active, right up until the time that all of the subdivision improvements have been completed. He thought they could clear this up by adding some language after the word released, which would say "subject to any reduction".

Mr. MacRitchie added any language that would not ban subdividers from being able to draw on any cash, reduce any surety bond or letter of credit would go a long way to make the developers more comfortable than specifically banning it in two locations.

Mr. Stanton stated that the intent was to do exactly what Mr. MacRitchie was describing.

Mr. MacRitchie asked why it was left up to the City's discretion, instead of putting the Code as to do that.

Mr. Stanton explained that the discretionary part was staff's job, they will decide whether they want it to be discretionary or mandatory. He stated what he was trying to do with Mr. MacRitchie is to get some language in, which would take care of what Mr. MacRitchie viewed as an ambiguity.

Mr. MacRitchie said that he didn't see it as an ambiguity, he found it as an absolute block to get any of the money back until all items are completed.

Mr. Stanton suggested adding after the word released, "subject to any reductions permitted under the agreement to install improvements."

Mr. MacRitchie said that would put it right back over to a performance agreement, which is subject to the City's discretion.

Mr. Stanton said that was a different issue.

Mr. MacRitchie said he didn't like that language, because it kept it in that framework of it being subject to a performance agreement instead of it being codified that you can have reductions in your bond. That's what he wanted it to state.

Mr. Stanton said let's get past the discretionary part of the performance agreement. If staff wants to take that out, and they direct us to take that out, then that's what we will do. Let's assume that that is in there. Mr. Stanton wanted to add a little language to 3-3-21(A)(10) that says that even though the bond or the letter of credit has to stay active until its done, that it will be subject to any reductions that are permitted. Hopefully that takes care of that section. Mr. Stanton thought the other section was in the performance guarantee.

Mr. MacRitchie said it was in 3-3-22(B) on page 80 and it stated: No Release of Funds from or Reduction of Performance Guaranty: Except as otherwise specifically permitted under Section 3-3-21 of this Code, once a performance guaranty has been delivered to the City, the City shall not thereafter release any funds from or reduce the amount of the performance guaranty except upon written certification by the City that all required subdivision improvements have been completed in conformance with the agreement to install improvements and that the release of funds is permitted the agreement to install improvements; provided, in no event shall the release of funds exceed the amount of the performance guaranty.

Mr. Stanton suggested that they replace the word "all required" with "the required".

Mr. MacRitchie stated that it wouldn't change the material, because "the required" is still required under what needs to be proved for the final approval. Until any/all/the requirements are completed that are in the agreement, no money could be received back from that. Let's say he went in and put in his sewer and water, or a certain amount of his infrastructure, he couldn't ask for a draw on that because he hasn't completed all of it. Let alone you would be in violation if you made a performance agreement that had him allowing to draw some of that out. It should state that he is allowed to reduce his bond by anything that is certified, accepted, completed by the City as certified.

Mr. Wilkinson thought if there was some language tying it back to the certification. Another reason they put this language in is, typically if you get a surety they'll issue them for one year. So we wanted to have some language in the Code, so that if someone obtained a surety we could point to the Code and say that surety will be in place, not just for a period of one year, and then automatically expire, because they have provisions that do that. It will have to stay active and stay in place until communication from the City of Elko that it could be reduced or eliminated in its entirety.

Mr. MacRitchie said in the form of a cash bond, which a lot of people use a cash bond in Elko, it is much easier to utilize cash if you have the luxury of doing it. When a Phase of a million dollars is put in, and then do several hundred dollars' worth of work that then can be certified completed, and the City does inspect that, and the engineer of record is providing all of that documentation, or testing companies like Thurston are providing all of the testing. There shouldn't be a blockade for a developer to be able to retrieve some of that money back in order to pay bills. What happens is it expands exponentially. For Mr. MacRitchie an \$800,000

construct of a phase might effectively require him to put in a performance agreement that might be well over \$1 Million. If that money can't be drawn on, his \$800,000 construct would now cost him \$800,000 plus \$1 Million before he would get to the end of the line. That more than doubles the cost of entry into developing in Elko. In a town that has tough margins, it's tough to allocate that kind of resource for that kind of recovery.

Mr. Stanton said he heard Mr. MacRitchie and he didn't disagree with him. He suggested after the words "performance guaranty", at the end of (B) add "further provided nothing herein shall prevent the reduction of a performance guarantee, pursuant to an agreement to install improvements."

Mr. MacRitchie said or it should state affirmatively that the reduction in a bond or performance guarantee can be achieved and a cash draw can take place by providing the City with certified portions of completion of items as part of the total number of items to complete.

Mr. Stanton said it depended on how they wanted to structure this.

Mr. MacRitchie added that any release of funds or reduction would automatically be in violation of that.

Councilwoman Mandy Simons asked Mr. MacRitchie if he just wanted something in the Code that guarantees that if you provide X,Y, and Z you will be allowed to make a cash draw,

Mr. MacRitchie said certification of completion of individual item done. He wanted to be assured of that in a way that doesn't have in the Code stating specifically that he can't do that.

Councilwoman Simons asked Mr. MacRitchie if he didn't want it to refer back to the previous, where it provides for that.

Mr. MacRitchie said he wanted it directly, right up front. It shouldn't say no release of funds. It should say release of funds can only occur.

Councilwoman Simons asked Mr. MacRitchie if he didn't want it to say release of funds unless.

Mr. MacRitchie repeated that he wanted it to say that release of funds can occur, not cannot occur. They can occur but you have to meet certain criteria in order to have that happen. He said they just went through that with Tower Hill, it was pretty good. It wasn't what they expected in the middle of Tower Hill to be confronted with, but it worked out great. In the end they put 'X' amount of dollars into a cash bond and when they completed certain items, they applied to the City, and it wasn't unreasonably withheld, in fact it was ten times faster getting the money out that he thought it would be, but he was allowed to do that. In this particular code it makes it explicit that he is not allowed to do it, unless in the City's discretion in a private agreement that he can get it approved. The problem with that is that is arbitrary, it could be approved for him and not for someone else. It should be directly allowed by all people who develop in the City of Elko, not just those that he could convince to take his side on the issue.

Mr. Stanton said it seemed like there was two different things that Mr. MacRitchie was proposing, one is that the additional provisions section in the Agreement to Install Improvements that that become part of every single agreement to install improvements, as opposed to something that is put in some agreements and not in others; and also that the release of funds is mandatory, not something that is tied to the agreement.

Mr. MacRitchie said it could be tied to the agreement as well, but it should be mandatorily available to all who comply with what is required in order to get that released.

Mr. Stanton just wanted to say it so that everyone understood where Mr. MacRitchie was coming from.

Mr. MacRitchie said above and beyond anything else, that was the largest area that has remained unclear, and has even gotten cloudier in the new draft. It has become sediment that you cannot. His problem was with how it was worded today, if he had his performance agreement state that he could. The City could easily go back and say that the Code says under no circumstances can you do this. He wanted that to be altered, so that developers could have assurance that if they did the work and met the certifications of the City, and the requirements that they could expect to get some of their own working capital back, not the City's, in order to pay their development bills. He didn't want to guess or negotiate in the performance agreement, he wanted it written in the Code.

Mayor Johnson asked if he had anything else.

Mr. MacRitchie stated that he had a whole lot more, but he wasn't going to go in to a whole bunch of the little items. There used to be a process, they called it building for cash and then certifying the plat afterwards. He wasn't advocating that that needed to be done in this Code. He was explicitly explaining that that has been absolutely barred in this Code for a number of different reasons. Starting on Page 58 on 3-3-7(G)(5) where it states: Following approval of the final map by the City Council, the city clerk shall place upon the final map a certificate, signed by the mayor and the city clerk, stating that (a) the City Council approved the map. So, now they are certifying the map at the same time they are getting City approval. When he did Benti Way, he came through, got his approvals, didn't develop illegally, had approvals to do the development, paid cash for all the infrastructure improvements, and at the time he was nearly completed he came to the City to record his plat. The difference being is, you used to be able to get final approval without getting certification of the map. That may, or may not, become available in this environment, but it goes a long way to allowing for a developer, who knows that we have two year time periods to develop a particular phase in a development. Let's say he comes through the more lengthy process, 60 days for all of the different approvals. It could take him four to five months to get approval on things. The moment he gets that approval, let's say it's in the middle of February and he can't start his project until April or May. He has the right to do construction, but construction really just isn't feasible at that point in time. He gets his approvals done in February, he has to post his entire cash development bond, or one of the other two instruments allowed. That money would sit in that account for all that time until he can begin construction on a project, and he wouldn't be able to draw anything because he wouldn't be doing any work on it. But he has his approval. He would have no choice, he would have to put

the money in. He could tie up \$1 Million for the greater part of six to eight months before he could get his first draw. That would be his risk and his problem. He would have to time approvals as best as he could. Where they could come in before and get final approval and begin construction with a performance guaranty, but without the money put into a bank account, and develop for cash. That was a luxury that he wasn't sure they would see again in Elko, although he would like to. He asked what everyone's thoughts were on that.

Mr. Stanton said Mr. MacRitchie talked about a number of things and he wanted to zero in. One of them was final map approval, final map certification, and when construction can begin.

Mr. MacRitchie said that construction could not begin, as Mr. Stanton has mentioned before, under the tentative map, nor have they treated it that way. They used to get final approval, then do their development, and come back in and get certification of the map. Mr. MacRitchie stated: You're creating a situation where every single developer is going to be a paper developer in this town.

Mr. Stanton wanted to talk about approvals and certifications, because to some extent the City is constrained by the NRS. There are two difference NRS Sections, 278.380, which deals with approvals, and 278.378 that talks about certifications. The section reads: A final map presented to the county recorder for recording must include a certificate by the clerk saying that the City approved the map.

Mr. MacRitchie interrupted with before recording. Those are the key words. They don't want to record before they finish the development and now they are going to be forced to.

Mr. Stanton explained that the City Clerk cannot certify the map without it being approved.

Mr. MacRitchie said you can get the map approved without certifying it until the infrastructure is complete.

Mr. Stanton asked if Mr. MacRitchie was talking about the timing of construction, when the construction can take place.

Mr. MacRitchie said in this particular instance he was talking about the fact that you can go and get approval from City Council for your map. For instance, in Tower Hill when he did the tentative on phase I, they had it one way. When he came back for the final there were some changes that needed to be made, i.e. a dedication of land for a particularly deep storm drain that went through. So he came back, got his final, because there were some changes during the final that needed to take place for the City to accept his infrastructure plan for that phase. At that point in time he received final approval, but he didn't have certification. Final approval gives him the ability to go forth and develop, meaning construct the infrastructure within his project. Final map certification gives him the ability to sell the lots. He preferred the other way around. The safest bet from a City standpoint, that secures the City even more, is a developer who doesn't ask for certification. He can't go out and sell any of his lots until he completes all the infrastructure and goes through all the hoops of getting it certified. All of his infrastructure gets certified, the engineer's stamp goes on saying that it was built to standards, only then can he come in and say

now that he's all done does he wants certification for the map. He doesn't want to sell the lots before they are completed. That poses a riskier environment for the City. He could go out and sell 10 lots, take the money, and run. That is what has gone on all over America for a long time, and is part of the reason why some of these have tightened down. Now they are being required to literally record the map at the time they get final approval, before they have ever constructed. That eliminates any type of cash development going forward.

Mr. Stanton asked Mr. MacRitchie to point him to the section in the new Code that Mr. MacRitchie thought needed to be revised to distinguish between final map approval and final map certification.

Mr. MacRitchie said they could go right back to the start on Page 58, Section 3-3-7(G)(5) Following approval of the final by the City Council, the city clerk shall place upon the final map a certificate. If that was eliminated until such time that you would have at least two options. Not to put the certification on the map at this point in time, hold that off until the developer comes back in and states that the improvements are complete. At that point in time on the final map, that is the only time he wanted certification in the way he has developed in Elko in the past.

Mr. Stanton said the language in Number 5 that he was looking at was basically taken out of the NRS.

Mr. MacRitchie said if you look at NRS 278.380 it specifically gives two options, to develop for cash and then come in for certification, or not.

Mr. Stanton said to take a look at NRS 278.378.

Mr. MacRitchie said to take a look at NRS 278.380.

Mr. Stanton said that wasn't relevant, and it wasn't what they were talking about. Take a look at 278.378 and you will see where the language in the code comes from. Section 278.378 is regarding certification and 278.380 is regarding approval.

Mr. MacRitchie said what they were discussing was approval versus certification. There is a difference between the two. Mr. Stanton was going to certification, and Mr. MacRitchie understood that, but he wanted to go to approval, because he believed that there was a mechanism in NRS 278.380 that would allow him to gain approval, build for cash, then come back to get the certification, and record the map when he is complete.

Mr. Stanton stated that 3-3-7(G)(5) stated following approval, which was after approval of the final map.

Mr. MacRitchie asked if the City had any interest in that type of environment.

Mr. Wilkinson said the question was if the City Council and/or the Planning Commission considered alternatives, because you may have a developer that would argue differently because they want to record their lots, to sell their lots, to pay for their improvements. Mr. Wilkinson

thought Mr. MacRitchie's question to the Council, the City Attorney, and the Planning Commission is, does it make sense to have Code that allows for two different scenarios. Then the City Attorney would review the NRS and determine whether or not that is possible.

Mr. MacRitchie stated where he lives and does other projects, he has the option to do either one of those. He does have to post a restoration bond if he chooses to develop for cash and go in and has his map certified after the fact. He can also bond for it up front, complete the infrastructure, receive draws upon that bond, and then certifies his infrastructure to the municipality. He has two options available to him in Utah. He was asking the question if the City had any interest in that, not only do they have interest but the City has done that throughout the City's history, and Mr. MacRitchie's time here. He was asking if the City was at all interested in that type of development, because it seemed to be the most secure for the City.

Mr. Stanton said as long as it was consistent with 278.378 and 278.380, he didn't have an opinion either way. He thought that was open to discussion.

Mr. MacRitchie referred to NRS 278.380(1) and (2) and said that that gave developers the options to put in the improvements, or agree to put in the improvements with a performance agreement and a bond in place. It can be stipulated that a performance agreement must be in place. That might be a great way to go, but that performance agreement states that the developer agrees to put in the improvements and should they come in to full acceptance prior to every last item being done, which there is always time when you have to schedule Planning Commission or City Council. He didn't know if he would complete every last item of his development at that time. He might have a few hanging chads off to the side, that the City says you know you've got \$40,000 worth of items that aren't complete you've got to bond for that. Up until that point he had paid cash for everything along the way, it's all certified and all there. Then he would enter into his maintenance period and pay the maintenance bond and any last remaining items that are left. That is one way that seems allowable under 278.380.

Mr. Stanton said that was something that was open for discussion. It's just not having a performance agreement at all under some circumstances.

Mr. MacRitchie stated that they could still have a performance agreement that would state that the map won't be certified until all the items are completed or bond for any items that aren't complete. He agreed with the performance agreement, it puts him under the gun to make sure he completes the items he agreed to complete. It has the City dictating all the items that need to be completed and the terms of the agreement. It could be written in such a way that allows the developer to pay out of pocket and not put the City at risk, and not sell any lots until the map is certified.

Mr. Stanton said it would do away with the guarantee requirement.

Mr. MacRitchie said it would do away with the initial part of the guarantee requirement.

Mr. Stanton asked if it would do away with the performance part.

Mr. MacRitchie said that was correct, unless certain items weren't completed at the end, then he would be responsible to put in a guarantee for whichever items are left.

Mr. Wilkinson thought a performance agreement was critical, because there is time for completion, requirements that needed to be required provisions, that a properly licensed engineer is hired, QAQC, and a variety of things. He thought everyone could agree that a performance agreement is required regardless of what scenario might be available under the Code. We're really talking about the level of performance agreement that would be required. We have to have time of completions, especially if you're into multiple phases. the NRS only allows for two years to record maps. Mr. Wilkinson thought there needed to be that contractual obligation between the parties.

Mr. MacRitchie said it was already in the Code. Twenty-four months is in the Code. A performance agreement is just duplication of what's already in the Code for 24 months.

Mr. Wilkinson added that it was also in the Code that the developer needs to hire an engineer. So a performance agreement is required.

Katie McConnell stated that she didn't think they were asking for the performance agreement to be taken away. What they were saying was that the NRS is flexible enough to allow for some of these options to be in the Code. It is not mandatory. It is permissive to allow for the option of what Mr. MacRitchie is talking about, or the option as the Code is written if other developers wanted it that way. She thought the initial question was if there was enough flexibility, and it's in their position that there is.

Mr. Stanton said it was a functional practicality issue.

Mayor Johnson asked for the next item.

Mr. MacRitchie wanted some clarification on 3-3-21(A)(2)(d), which states the cost to replace any existing streets, utilities or other improvements that are included in the required improvements as shown on the construction plans. What he gathered was if he had some offsite infrastructure that isn't currently in place and he needed to tear into a street in order to tap into something, it is his job to repair that. He asked if that was the intent of that section of Code.

Mr. Wilkinson said yes, and the way this was reworded is those offsite improvements would actually have to be shown on the construction plans.

Mr. MacRitchie added unless he damaged something.

Mr. Wilkinson didn't think it was practical to try and address anything that may, or may not happen. He thought they changed the language to address that.

Mr. MacRitchie referred to Section 3-3-21(A)(7) on Page 78. It states; In the event the subdivider fails to construct all required subdivision improvements according to the approved

construction plans and within the times set forth in a schedule. He said he had 24 months and he wasn't aware that the City was going to put a schedule of development activity in his way.

Mr. Wilkinson clarified that the agreement would stipulate the two years, and then typically in those agreements the City allows for a one year extension for cause.

Mr. MacRitchie asked what the Code meant by "a schedule determined by the City."

Mr. Wilkinson explained that it would be based on the two year time frame.

Mr. MacRitchie said so it is not a schedule to get certain things done laid out by the City.

Mr. Wilkinson said no, it would be based on the NRS requirement if you were in your final plat time requirements, where you have to meet that two year schedule. You have to meet that, record the subsequent final plat within a two year time frame. Initially under the existing code, that can be extended for one year, if that provision is in the performance agreement.

Mr. MacRitchie asked if Section 3-3-21(A)(14) was new on Page 79, which states That the parties acknowledge the City Council will only accept the subdivision improvement if (a) the subdivider's engineer certifies that the subdivision improvements are complete and (b) the City independently confirms that the subdivision improvements are complete. He thought that it had been there all along, but it was in red.

Mr. Stanton explained that this was a living document. Some of things that are seen in black are not in the old code, the old code is the strike out stuff. Some of the stuff in color is newer, more recent revisions.

Mr. MacRitchie asked if it was just revised.

Mr. Stanton said the old code worked that way.

Mr. Wilkinson added that it was a clarifying provision.

Mr. MacRitchie referred to 3-3-22(C), which reads: Penalty in Case of Default: In the event the subdivider fails to complete all required subdivision improvements in accordance with terms of the agreement to install improvements, the City may, in its sole discretion, complete the work at its own expense and thereafter reimburse itself for the cost and expense thereof from the performance guaranty. Any decision by City staff to complete the work in accordance with the subsection is subject to review by the City Council. At this point in time it brings up the question, on these particular things. Have they already dedicated over all of the land where City dedications are going to take place, where the City would be doing work; or does that still remain private property.

Mr. Wilkinson explained that if the map was of record it would have been dedicated.

Mr. MacRitchie asked if the map wasn't of record, but if the map is approved its not been dedicated.

Mr. Wilkinson said that would be private property.

Mr. MacRitchie said the developer would have to have an agreement with the City that that would be ok in the performance agreement.

Mr. Wilkinson said if the City Council and Planning Commission decide to initiate a variety of scenarios, these are the type of things that will take considerable amount of time for City staff to go back through this Code and address all these provisions that apply to the scenario that is envisioned under the Code.

Mr. MacRitchie said the City staff had already put a great deal of effort into it. He thought if they weren't allowed a little variety in the Code the way it is, specifically in the things Mr. Stanton and himself had talked about earlier, then this code would become somewhat unworkable anyways. He thought it would be worth the investment of figuring out how to make Section C fit in with that scenario, even if it just means in the performance agreement. If he signed the performance agreement that stated that he wasn't going to record the map, it would have a clause that gives that right.

Mr. Stanton asked Mr. MacRitchie if he thought 3-3-22(C) should be put into a performance agreement instead of code and be a performance agreement provision and there be some flexibility built into the Penalty provision to take into account different scenarios.

Mr. MacRitchie said he was saying that 3-3-22(C) becomes a problem for the City if there was a scenario in which he would get final approval but not record the map, because upon recordation of the map is where the City takes dedication of certain items, like roadways.

Mr. Wilkinson said that would be correct.

Mr. MacRitchie stated therein lies another cleanup problem. It was the only one he saw, that if he did a development in which he gained final approval, develop out of pocket, and ask for final certification and recordation of the map at the end. The City would want this clause hanging over his head in advance of him getting that far, he thought. If not the City would be developing on private property and there would be some issues with that.

Mr. Wilkinson added that the City wouldn't have a guarantee to reimburse itself from. This provision does not work under another scenario. There are probably other provisions in the Code that when the City Council and the Planning Commission decided to initiate alternatives in the Code. We will have to go through all of the Code to make sure there aren't other conflicts.

Mr. MacRitchie asked how this worked before, like with his development on Benti Way. How was this address on that particular development, because he developed it for cash?

Mr. Wilkinson stated that Mr. MacRitchie didn't default on that development, so there wasn't a penalty for default on Benti Way. (Correct)

Mr. Stanton pointed out as an aside, that this provision matches a provision in the old code, so this isn't entirely new. This is from the old Code Section 3-3-45(B). It has been reworded a little, but the intent is there. He then read the Section out of the old Code. Mr. Stanton said that if Mr. MacRitchie thought there was some other language that should be added in order to clear it up some more.

Mr. MacRitchie said no, it just referred back to the two main points that he had today, which were that there should be directly in the Code a mechanism, not in a performance agreement, that does not oppose the ability for a developer to draw cash on completed portions of infrastructure of the great total amount. The other point was the difference in today's version of the Code versus where things were before, where developers could get final approval without certification. That allowed for a gap in time for developers to have final approval, which allowed for them to go get building permit that allowed them to construct the project, and it allowed enough of a gap for them to construct the project and then come back for certification. This section would only be a problem in that particular scenario, to make sure that the City has rights in case the developer does default on doing the infrastructure within the two year time period. He thought those were the big items that he wanted to see some movement on. To have Code that states in two places that developers cannot draw against it until all items are completed goes directly against what he thought the intent of Council, Commission, and Staff is, which is that developers should be able to draw on it. If all the money has to be put up in advance, developers should be able to draw some of it down when items are completed. What he was referencing before when he talked about when to put that amount of money down, he thought it should state that it should be put down prior to the start of construction. Now with the larger dates developers have to plan more in advance. The minimum time now goes from two to three month to four to six months to get through the approval process, and that cannot line up with months of construction. In doing so that may mean developers have to put in a large cash bond at a time when they can't start construction, which that bond is there to protect against. The developer may have to let the bond sit there for months until construction can start. Mr. MacRitchie said he would prefer it be put in place prior to the start of construction, not when they get an approval date, which is out of the developer's hands.

Mr. Wilkinson said they could take a look at that. The problem he saw was once you get into that two year NRS requirement. Once you record a map you have two years to record the next map, so it is up to the developer to get their applications in, get the approvals moving, and get the construction done. The City may not have the flexibility to write an agreement that says you have two years and three months.

Mr. MacRitchie said he wouldn't expect any increase in the duration of time available. Let's say the map was approved in February, knowing that there are 24 months from that month, but the bond does no good for either party because construction can't start. The bond would be required to state prior to any mobilization of equipment on the project, or start of construction, the bond must be in place with the City of Elko.

Councilman Schmidtlein asked if would be a grace period.

Mr. MacRitchie said it's not a grace period at all.

Councilman Schmidtlein said he realized that, but prior to construction starting. He asked if Mr. MacRitchie would be willing to put the cash down 15 days prior to, or 30 days prior to the start of construction.

Mr. MacRitchie said he would be willing to do that.

Mr. Wilkinson said that may be possible. There is the two year time for completion, but we could probably add a provision that states the bonding would be in a place by a date certain that the developer could propose to the City Council.

Mr. MacRitchie added but not after construction begins.

Mr. Wilkinson said yeah, that was something that could probably be working into there.

The Mayor called for a break at 2:53 pm.

The meeting was called back to order at 3:28 p.m.

Spencer Defty, 32500 State Highway 16, Woodland, CA, stated that he had been investing in Elko for 4 or 5 years. As someone from California who is looking for an avenue to leave crazy land. They are in three western states California, Wyoming, and Nevada. He wanted to talk a little bit about his experience. He was asked by some of the local development community to come speak. They are in three western states doing business, five different counties, and five different cities. Within those they have seen a wide range. One of his concerns with where they are at is they have the local government trying to control the narrative and not reacting to the business and development community. They are king of the kingdom and there are people within staff who play king of the kingdom. It's very frustrating when you come in with your hard earned money and somebody gets some idea that they're going to put this regulation in place to protect against the what if, and it just adds nothing but parasitic load to the developer's cost to do business, whether it is development or business. This is the reason they are moving money into places like Wyoming and Nevada. He had heard people say that here they are doing this because this is the way everyone else is doing. That is exactly the reason he was coming here, because you're not doing it like everyone else. He cautioned the City on doing it the way everyone else does it, because it is a problem from where his standpoint was. They don't have that flexibility, they don't have that interaction that you have. Just in the short time he had been here today and talking to some of the people in here. The City has very bright people here that can help manage and drive this. He would propose what they had done locally in their county in Woodland. They now have a working group that meets quarterly. That working is group is private and public coming together and working out these types of issues. Staff is really driven by the private sector, they say that doesn't work and here's the reason why. As far as this bond issue, the question he had was what is the City's failure rate? Is there a statistical failure rate since 1954? How many times has the City taken over a subdivision and had to finish it?

Mayor Johnson said he didn't know about a specific subdivision, but the City has had to take over for public improvements outside of the subdivision.

Mr. Defty said at the risk of being subjective, it seemed like the City was making an Ordinance for what ifs. It doesn't seem like it's broken. The City has a good thing going here.

Mayor Johnson deferred to the City Attorney. The City is not changing the Ordinance that much from what has been in place since the 70's.

Mr. Defty said it sounded like a lot of parasitic load was being added to the development community. In his opinion, when you start trying to guaranty outcomes you lend it to more liability for the City. If you're going to guaranty an outcome and that subdivision fails, then the bond company fails, it's going to be on the City. They are moving their money out here because Elko is not like everyone else. If you want to break something that is running well, this sounds like it's a good start to it. There will be a vacuum created that will suck money out of Elko and it will go somewhere else. Whether you realize it or not, you are competing. You are not only competing locally in Nevada, but also with Idaho and Wyoming. There are people like himself that are looking for places to put their money. Mr. Defty stated that he was on a pathway to move about 70% of his wealth out of California right now. It was because of these types of narratives, where their staffs, in their counties and cities, have become what they think is smarter than the private sector. They come up with these different Ordinances and rules that become problematic for the developers, and they don't understand that parasitic load. We are in a very crucial time right now, the cost of money is going up hugely, and it's going to continue to go up. That will put a lot of people out of the game, and if you add to that load by elongating the process, it will stop development. He wants to come here and invest his money. He stated his experience in the City of Elko and the County of Elko had been nothing but good. Every one of the City staff members that he had talked to had been wonderful to deal with. They were open, collaborative, they want to see business, and the culture seems very strong to help. They seem to get that they are public servants. They are here to serve all of us, we drive the ship, and they are there to clear the way. He always tells people it is crazy the system that we live in, whereby the City, or the Government, is a basically an average 35% no risk partner with all of us in business. As a no risk partner, if he were in the City's position he would be trying to get his partners to make money. It seems like more times than not, Staff's ultimate job is to say let's put more stuff in the way of these guys, so they can't make money. He was just here to say that the City had a room full of bright people. Start a working group, where you guys work collaboratively with them.

Howard Schmidt, 1694 E Torrey Pines Circle, Draper, Utah, explained that he had a long history with Elko City and it had been really great. It has been 30 years since they started their first development here. They have done a lot of lots and have had a good relationship with the City. He appreciated the time and effort that had gone into this rewrite. There are a couple things that they really needed. They need a second option, not to have to bond a subdivision when they are ready to start. Take it through all the approval processes that are laid out, and then give developers the window to build the development and get it done, have the City come inspect it, turn in the certifications from the engineers, and then record the plat. He thought that was an option that made sense a lot of times. People say well just go get a bond for it. Well, not

everyone has the ability to get those bonds. They are tricky, and Elko is not the most attractive place for bonding agencies to want to put their money. If you have a relationship from another area of the world, or if you do a lot of bonding that is understandable, but typical subdivisions aren't doing a lot of that right now. He asked if there was an appetite for that. He wanted to know how the City felt about that.

Councilman Robert Schmidtlein stated he was in favor of entertaining the options on both of those items. As Scott said, on Page 78, Section 10, and Page 80, Section B, he was very much in favor of both of those. He hit multiple other items to retain the options. From the sounds of it, Mr. Stanton is in the process of potentially rewriting those, more or less in the flavor that the developers want it written, to give them the options. The City is here to encourage development, not to hinder it.

Councilman Keener said he concurred with what Councilman Schmidtlein said. When you look at the increase in housing prices in Elko, up 14% year over year for 2018 versus 2017. We need more inventory. There's only 3.5 months of inventory on the market right now. If the construction gets slowed down, it's only going to increase prices and push people out of the area. He thought it was crucial. We really need for the economy, here in Elko, a robust construction sector. It really helps the City a lot, in terms of sales tax revenues and jobs. He was all for responsible development within the City Limits. We have been doing a lot of annexations as well, and we need to continue to acquire more land to keep up with the number of developable lots.

Mr. Schmidt thought they needed that kind of partnership. That was really important to them. He stated he was spending less time here in Elko, but his partner, Dusty, is trying to do a lot. The other concern he had was the timing. It takes so long to get a subdivision approved. By the time you go through Stage I, and then move on to Stage II, the Code that is changing is lengthening the time, not shrinking the time. He thought one of the time periods was 45 days. Section 3-3-5, Page 48 talking about Tentative Map, in (C)(1). He then read through the section of Code. He thought 60 days was too long. He thought 30 days should be plenty of time to review the application and put it before the Planning Commission.

Ms. Laughlin explained that it was changed to 60 because the NRS allows the City to go up to 60 days on that. One of the issues that the Planning Department has come across is, right now they currently have 21 days prior to the Planning Commission meeting. The Planning Department has approximately 7 days before they have to get the item out for public hearing notices. If any member of the staff is out of town, and haven't had a chance to review the application, the notifications are going out to the Free Press, and spending hundreds of dollars, and maybe it's not a complete application. What we are really hoping is that if a very complete application gets submitted, it can get processed onto the next Planning Commission meeting, staff doesn't have a problem with that. What is happening is when they are incomplete, or there is questions on something, and we go back and forth and ask for revisions, then we had already advertised for the public hearing. The 60 days would allow staff enough time to do a complete review and get revisions if necessary, but it would be staff's goal to get it on the next Planning Commission Meeting.

Mr. Wilkinson added that the subdivision applications have to be complete enough to make some findings required for an approval. The findings are required as stipulated in the NRS and the City Code. The Planning Commission can't make a recommendation to the City Council unless those findings can be made. Many times we get applications that don't contain enough information to make those findings. The question Mr. Wilkinson had in response to that was why the developer can't plan according to the Code and make applications sooner rather than later. What is the inconvenience with being able to do that?

Mr. Schmidt said the tentative map had already gone through the Stage I Meeting and they have already addressed a lot of issues. He thought that the time wouldn't start until the City had a complete application.

Mr. Wilkinson explained that the tentative map was in the Stage II process. The Development Review Committee is in Stage I, which is an informal process without an application. The Tentative Plat for all subdivision is the most important review process in the entire subdivision planning and approval for the City of Elko. That's where all of the elements have to be addressed in order to make the findings that are required for approval of subdivisions. It's really about the construction season that Elko has to offer. He thought it was incumbent on the developer to take a look at those time frames and plan and make application according to the time frames stipulated in Code to meet the construction season.

Mr. Schmidt couldn't agree more. His concern was with building this time that it would become an assumed thing that that amount of time is going to be used. Maybe the clock doesn't start until the developer brings in a complete packet. That was a concern that he wanted to bring up. He felt like adding more time didn't help the developers. He wanted to ask about Tentative Map versus Final Map. Typically a tentative map may have three or four different phases on it. If it is a larger development the tentative map will have phases one, two, and three. In the even that you have a tentative map that is one phase. He asked if it was possible to run tentative map and final map at the same time. They do that in some cities, and some will not allow it.

Mr. Wilkinson didn't think under the NRS, and the requirements for State approval, that the City could do that. We could look at whether that is possible or not. What factors into all of the timing, and the timing for construction of projects, is the State approval. The tentative plat approval allows for the City of Elko to issue an intent to server letter. At that point, it allows for the State to review the tentative plat and go through its approval process. The State's approval process is documented in writing back to the City of Elko. He didn't believe that it would work for the City to approve both of the maps at the same time. He thought it would probably be in violation of the NRS and how the City works with the State. Once we have the tentative approval the State has actually approved it and then you are able to move forward with your final plat application and the final engineering design of the subdivision and make those submittals not only to the City, but to the State. Both of those, the final plat and the construction plans, run in conjunction with each other through the State approval process and with the City.

Mr. Schmidt said let's try and research that, because it would probably save the City a lot of time if they didn't have to go through two meeting processes. They do that in several cities that he works in.

Mr. Wilkinson imagined that the other cities took separate actions.

Mr. Schmidt said yes, but at the same meeting. They were separate agenda items, but at the same meeting.

Bob Thibault, Civil Engineer, asked if that took place in Nevada.

Mr. Schmidt said no.

Dusty Shipp, 959 Montrose Lane, said he was going to pick up on the timing situation. We have talked a lot about some of the new and clarified code writings, but timing has a lot to do to development, because the amount of time the money is tied up. In Elko there are weather situations. If a subdivision records in certain times of the year, or can't record because they can't get asphalt, that is a big deal for the timing of the subdivision. When you start implementing bonding, performance agreements, and things like that and developers can't follow through on some of those, or it's difficult to, because of timing. It becomes very hard to do and then the money is tied up because of that timing as well. The other thing that is in Elko that is pretty unique is a lot of times the developers are developers, they come in and develop the land, but then the builder is someone else. In Elko, because it's hard to find both, the builder and the developer are the same. On Page 58, items 8 and 9 of the new proposed draft. In the current code, it doesn't really state this, but developers have been allowed to start and obtain building permits in conjunction with their subdivisions. So, they are building the subdivision out and they are building the homes in conjunction. In the new revision in Section 3-3-7(G)(8) states: The City shall not issue any building permits in accordance with Section 3-2-2(B)(4) and 3-2-3(B)(6) prior to completion, certification and acceptance by the City Council of the required improvements as shown on the construction plans. With this being the case, if you get a subdivision that can't get final certification and the developer can't pull building permits, developers could lose six to nine months of building time. A lot of times they will jump on an early spring, pull a permit, and get a foundation in the ground, so that people can be finishing up in the decent building weather. In theory, this kills some of that potential. The other problem with that is the market in Elko changes. The subdivision Mr. Shipp is currently working on, last year they had 20 people lined up that wanted to take lot reservations. For many reasons that subdivision has been delayed until next year, so they will have a change in who's lined up to do that, and then a market change that will probably happen during the course of building the subdivision. All those things add to the stress of getting things done. Timing is a big deal. He thought that item needed to be looked at again. There are some things they can do. If they are building the subdivision out of cash, if that gets allowed, then the City is not as protected if they started building homes. If they do bond that subdivision and they tried to pull home permits, then there would be no risk to the City at that point. He thought that needed to be reworded to allow some of that. Obviously there is some risk when you start building a home where you don't have a subdivision. Maybe there is a requirement that there has to be water and fire hydrants be alive. He thought not allowing that until the subdivision is certified is a problem.

Mr. Wilkinson clarified that Mr. Shipp suggested that if a subdivision is certified and bonded, because there would need to be lots of record to issue building permits, that that might be a way

to go. The City would also need State approvals to place the utilities into service, so that there would be fire protection for vertical construction. The City would need to figure that out. If a subdivision wasn't bonded and of record, it's not possible to issue building permits. Mr. Wilkinson asked Mr. Shipp if he agreed.

Mr. Shipp said yes. He clarified that timing is of essence. There are some things that can be done in the building process that wouldn't need fire protection. Maybe there is some give and take there that allows some of it to get started. You have a month of building that can be done prior to needing that.

Mr. MacRitchie stated that in areas that he had worked, if the subdivision is bonded for and the plat is recorded, the municipality will give a building permit, but not a Certificate of Occupancy until all of the items are completed and certified. The building permit can be had in order to be able to continue with work, but no occupancy can take place until that is done.

Mr. Wilkinson said that was in the Code.

Mr. MacRitchie said it goes back to the zoning. If you have a larger project, maybe it encompasses 100 acres, but you're considering only doing a tentative map that is only a small portion of that. The reason you would consider doing a small portion of that because the moment you get into a tentative map you're now on the clock. Every two years you've got to come through. In a town like Elko, where the absorption rates go up and down, you can't plan six years from now to make sure that you take an entire massive development, and have that on a two year schedule. You had mentioned that there are some areas for that currently in this Code, which would allow for the potential to rezone the area before submitting a tentative map.

Mr. Wilkinson explained that the Code allows for that under Section 3-2-21 before you get into a subdivision process. The zoning that they had talked about, related to a subdivision is under the subdivision process. Other zoning amendments occur under 3-2-21. If you are looking at zoning a larger area prior to subdividing property, that would be done under 3-2. Then once you get into the subdivision process, the zoning that is referenced is specific to the subdivision of that property under that application.

Robert Capps, Flagstone Drive, said he had heard a lot of really good points he felt were made this afternoon. He was happy with the response and the dialog that he heard. It's been a constructive afternoon and some progress was being made. He explained that he had been developing real estate for a long time. He wanted to tell everyone that developing real estate and building homes in Elko has been a pleasure, relative to other areas where he has worked. He hoped to continue to do so. There were a few things in the proposed Code revision that he thought were very important, primarily the performance bond. It was music to his ears to hear that there are some open ears as to having the two options, to either do the improvements or financially guarantee to do the improvements. Bonds aren't easy and there isn't a cost free approach to a financial guarantee, whether it be cash or borrowing. They are difficult to obtain and very expensive. Since the proposed Code change came up a few months ago he had been studying it himself thoroughly and looking at other Codes throughout Nevada to try brainstorm and come up with some solutions to make everyone comfortable. He thought they were making

some good strides. He was in favor of the City being assured that they are getting good quality improvements when they take them over, because they are stuck with them. He wasn't sure that a mandatory performance bond in every situation was the best way to get there. He wanted to touch on a few of the minor points. He thought some good points were made in regards to timing. It is interesting, and some other cities do it too, that you come in for a tentative map approval. That gets approved, then you go to work and start spending a ton of money. Then you come back for a final map approval, which in essence is the same approval twice. Nothing changes, you have a tentative map and construction drawings and that is what you build. He wasn't sure if it was a productive use of anybody's time to go through that same process, Planning Commission and City Council, twice. To him the final map was more of a surveyor's instrument, a map of recordation, so everyone knows property descriptions and things.

Mr. Wilkinson explained that the final map had to be consistent with the tentative map. The final map may be a portion, or part of, a tentative plat. All of that is dictated by the NRS. There is a process in the NRS. The Code follows the NRS, and follows the State approval process for subdivisions, which also follows the NRS. As part of that process the NRS requires a tentative process and a final plat process.

Mr. Capps said he wasn't 100% clear on the NRS code in that regard. He did know that other cities did that. It just doesn't seem like a very effective use of anyone's time. He understood that the Code needed to be consistent with the NRS. The project that he is involved with, and others that he has sat through at Planning Commission and City Council meetings, it is the exact same approval at the tentative map and the final map, so he didn't understand why it needed to go through two public hearings.

Mr. Wilkinson explained that a final plat may be portion of a tentative plat. Then if you're doing a phase of a tentative plat, of course, then under the NRS there is a two year period to continue recording the final plats until the entire tentative plat has been recorded. That is all dictated by the NRS.

Mr. Capps said he understood that. It would just be a shame if you get a tentative map approval and you're out doing work, and then additional things get added.

Mr. Wilkinson clarified that at the tentative plat stage, the engineering or construction plans have not been submitted. The tentative plat approval provides enough information to make the findings to approve the subdivision of the property. At the tentative plat approval you then have authorization to do the final design, the construction plans, engineering plans, and all the detailed plans. With any tentative plat the City doesn't get a full set of civil improvements. Those come with the final plat approval process.

Mr. Capps said he understood the process. If possible they might want to look at if it is necessary to go through two Planning Commission meetings and two City Council meetings for the same approval. He wanted to talk about the partial release of funds. The issue that you run into is, it is like a construction loan, the timing never works between a loan draw and when you actually have to pay subcontractors and material suppliers. That is a bit of an issue, but a necessary evil perhaps. In trying to come up with some solutions, understanding that the City needs to protect

itself from shotty improvements, so he has done a lot of research on this. He looked through the NRS, and Chapter 278.380 says as a condition precedent to the acceptance of streets or easements, require that the subdivider improve or agree to improve the streets or easements. He also looked through several cities and counties throughout Nevada; Minden, Douglas County, Carson City, Fernley, Churchill County, Yerington, Lyon County, Tonopah, Reno, Hawthorne, Sparks, Washoe County, Battle Mountain, and Humboldt County. They all say it in slightly different wordings, but in every one of them they have a second option, where you can either do the improvements or financially guarantee to do them. He hoped the City of Elko ended up being consistent with that.

Mike Lattin, 3250 Sundance Drive said in the way of background on the tentative map issue. He felt, having developed for over 40 years, that the tentative map was an important part of the process to protect the developer. Whether or not, after the initial public hearing, the final map needed to go back to the Planning Commission. He questioned the need for that. Whatever could be done to streamline the process is going to save the ultimate customer money. If the developer saves money, the home buyer is going to save money. Things are already expensive enough. He thought the two things he has heard this afternoon, which are absolutely necessary, was that there has to be a provision for draw down on the cash guaranty. It should probably be like a voucher control system off of the engineer's estimate. When that work is done, then the money is released to the developer. The second thing that he thought was critically important, and also helps keep the cost down, was what Mr. MacRitchie referred to as building with cash. There needs to be that option for developers to go in and front the cost, complete the improvements, and come in for the final map certification and recordation after it's all done. That was very important to him.

Jim Winer, 700 Idaho Street, thanked everyone for their time today. This is an important issue that will affect the community for years to come. He stated the same thing at the Planning Commission meeting a month ago. It has been 1970 something since this section of the Code has really been looked at. The decisions that you guys are going to collectively make and whatever comes out the other end is going to affect the City and how it grows for years. The President of the Elko County Association of Realtors was here, but she has State meetings tomorrow and had to drive to Reno, so he was going to say some things for her. Reece also mentioned some of the statics in the market right now. The National Association of Realtors says 3% to 5% is the growth rate that you like to see in a residential community on housing stock going up, as far as average increase in prices. We are sitting at about 14%, it is at 13.8%. That is in the City. The entire market, which is all of Northeastern Nevada from Wells to Carlin, is 10.8%, but the City itself is 13.7%. We are currently in a housing shortage. The topic at hand affects that for all the reasons that people mentioned before about cost, development, time is money, money is money, and supply issues. This issue has peaked the demand of the major employers in the area. He knew in the audience there were representatives from, and/or reached out to people directly to express their interest, Newmont and Barrick are tracking this, and also the hospital and the college. It's not too far back in history, 2006 and 2007, when there was such a housing crunch from apartments to houses, that Newmont and Barrick were forced into the housing industry. They don't want to be there again. Globally, the decisions that are about to be made, collectively affect the community on so many levels for so many years. The first time the topic came up about guarantees, as he recalled, was a meeting that Mr. MacRitchie was in front of the City on Tower Hill. It was at that meeting that Mr. Winer remembered Councilwoman Simons saying

that perhaps two paths or two methods are needed. He thought after a lot of good dialog today, he thought that's where they were headed. Two plans, two ways, each would be beneficial to the City to make sure the citizens are protected, and also that developers can develop with flexibility for some degrees of cost control. One of the things that plan B would allow, which is where you get your approvals, you build the stuff, get it certified, and then get your plat recorded. That allows for market slowdowns. If you're putting in all your money up front and the market slows down then you can pull back the reins on the expenditures, but if the money is in the hands of the City, or in bonding or financial instruments, all your cash is tied up. If you take away plan B you are taking away the potential for a developer to slow down the process and make prudent decisions on money. From the real estate industry standpoint those are the statistics that the community is looking at right now.

Mayor Johnson thought if everything remained the same, or not enough changes, the next step would be the Planning Commission meeting and then back to City Council.

Mr. Calder explained that City Staff was looking for some direction from the working group with regard to what types of revisions the Council and the Planning Commission would like to see. Once staff gets that direction they can make those revisions and then go back to the Planning Commission to show them the revisions for an initiation process. That process would ultimately lead to the City Council hearing it at a first reading.

Mayor Johnson thought it was sounding as though they wanted to see a two option path. For the developer to choose whether they are going to provide bonding or cash. He thought it was going along the lines of whether or not they wanted to sell property before the subdivision is complete or after. That might go hand in hand. He thought that was one.

Councilman Schmittlein asked if they needed to make a decision on each change.

Mayor Johnson didn't think they needed to be specific, but here's the two path. He thought there was some great points regarding the tentative versus the final map. He thought there was something they could do there to help.

Councilman Keener thought Mr. Stanton was taking some pretty good notes. He thought that Mr. Stanton could put together a proposed draft, and then meet with a representative from the developers group, Planning Commission Chairman, and a member of Council to have a working meeting on that to see where things are at, how close things are, and make some revisions and have another meeting to go through and debate it.

Mr. Stanton asked if Councilman Keener was referring to another joint meeting.

Councilman Schmittlein explained that Councilman Keener was saying to get a working group together. Have a member from the development, someone from the Planning Commission, and have a member of the City Council sit down so they weren't bringing 50 people together.

Vice-Chairman Jeff Dalling said he liked that idea.

Mayor Johnson thought the main thing that needed to happen, as Mr. Calder asked for, was what we want to do as elected officials and appointed officials. We need to define that. He thought they were willing to go with the two path. He wanted to see whether or not they could do something with tentative map versus final. He thought Mr. Schmidt brought up a good point with the 60 days. He also heard good comments from Ms. Laughlin on that. He thought that as long as the developer knows that it could be shorter than 60 days. Keeping that timeframe as short as possible, so that the development can happen as it needs to.

Councilwoman Mandy Simons asked if they could also include some language clarifying that the developers are able to draw down. If they present what the City requires, you will be able to draw down. She thought that was an important point.

Mr. Stanton wanted to make a couple of suggestions, because both the Planning Commission and the City Council were present. He thought that if they were going to take action, it would have to be done as separate bodies. We might get direction from the Planning Commission as one voter, and then the City Council would give direction in another vote, if it decided that it wanted to do that. He had been listening to the input from everyone, staff and developers both. He thought there were some areas where we could clean up the part about reducing cash bonds and how that works. He thought they could clean up other areas as well. In terms of the tentative maps, some of that is in the NRS. We really have to stick to the NRS scheme for how the tentative map/final map process works. What you're really talking about is reducing the 60 days back down to a shorter number of days to complete that tentative map process. He really thought that part of the working group needed to have Scott and/or Cathy involved as well, because they have to live with the Code changes. He thought staff needed to be involved in the working group, right alongside of us. He thought he had enough information to generate another draft, which would address the majority of the concerns that he heard subject to NRS restrictions. He didn't think he could change anything that the legislature is telling us that we have to do.

Mr. MacRitchie thought that it was fundamental that the language in the Code that currently states that you cannot draw it down, be changed specifically. That is a fundamental point. Even if there is not two paths, although it would be great if there was, the inability for the language to change allowing for draw downs and making it specific only to a separate agreement, absolutely has got to change, or it could easily be tagged back to say that it couldn't actually be put in the agreement because Code specifically states no draw down ability.

Mr. Stanton thought Mr. MacRitchie brought up a good point. This was something that he could use direction on. He could clear up the language that talks about the draw down and make that clear that it works that way. What he thought Mr. MacRitchie was getting at was is the draw down going to be something that is in Code that works automatically, or is this going to be a provision that we have in a development agreement, and is enforced that way.

Mr. MacRitchie said but then it could be arbitrarily dispensed.

Mr. Stanton said that they could reword it so that that provision is in all development agreements. It seemed logical to include it in a development agreement.

Mr. MacRitchie said unless the Code specifically stated that you cannot do a draw down, which in two places in the Code it does.

Mr. Stanton thought they were past that.

Mayor Johnson said he understood what Mr. Stanton was saying. He thought that if it was in the Code that the developer had the option of drawing down, and then if there is some circumstance that the developer wanted to finish the project without a draw down, do they necessarily have to have it.

Mr. Stanton thought there was some flexibility built into this right now, the way it is drafted. So that not all circumstances are the same and you might not need to have that provision for a draw down in a development agreement. It might not even be relevant to it. The way it is worded now, if you're in a circumstance where it is relevant, then that can be added.

Mayor Johnson added as long as it is said that the developer has the option of whether they can draw down based on things within the performance agreement. That's what needed to happen.

Mr. Stanton thought that was the way it was written now, but there was some confusion about whether that is clear enough. He intended to clear that up and make it so there is no room for doubt.

Mr. MacRitchie said it wasn't confusing at all. It specifically bans that in the Code in two places. One other clarification that was that the tentative map does not give approval to start construction. Under no circumstance could you get a tentative plat that then allowed you to put a lot of money into construction before you had final plat approval. (Correct).

Mr. Stanton said he needed to know what direction the Planning Commission and the City Council wanted to take. If the direction is to have a working group composed of certain members and develop another draft to present to the Planning Commission.

Councilman Schmidlein asked if the Council needed to initiate, or if the Planning Commission initiated that.

Mr. Stanton said that either the Planning Commission or the City Council could do it.

Mayor Johnson asked if there was a chance they could get to a Planning Commission meeting without having a workshop.

Mr. Stanton thought so.

Mr. Wilkinson thought if they could get direction, do they want to have options or alternatives. If they can get that type of direction, he thought they had had enough conversation and comment. That was the biggest issue that they would need to consider when going through this revision process to try to get it back to the Planning Commission for initiation. At that point in time we would have the ability to review that under a public hearing setting and even make additional

revisions between that meeting and a second public hearing with the Planning Commission before it went to the City Council. He thought that compressed the timeline a bit. Or there could be a working group, but he still thought they needed that type of direction for the working group to come up with a revision.

Mr. Stanton said if they were to have a working group they would need some direction on what they were going to do.

Mr. Schmidt said that they really never addressed if there was ever a circumstance where a person would have 110% bond in place.

Mayor Johnson said probably not.

Mr. Schmidt added because they did. That's what was after Scott MacRitchie that he threw the fit on last spring. That's what happened to them at Golden Hills. He was wondering, because that hadn't been addressed. That should never happen.

Mayor Johnson said that the discussion of the two paths should solve that.

Mr. Schmidt thought so, and the draw down should solve it.

Mr. MacRitchie thought Cathy and Scott specifically addressed that by saying not in addition to, and that clarified it enough to let everyone that the 100% contained the 10% maintenance bond. It removed the language of in addition to the 100% there's an additional 10%.

Mr. Wilkinson said it can. The Code allows you to draw down to 90%. Some surety companies issue a performance bond and they replace that with a maintenance bond. Under difference scenarios, however you have provided the guarantee, if its cash the Code allows it down to 90% envisioning that the 10% then becomes the maintenance guarantee upon acceptance of the improvements by the City Council. Under some sureties they'll reduce it down to 90%, a lot of the surety companies actually title the sureties "Performance" and "Maintenance" and then one replaces the other and the other one goes away.

Vice-Chairman Dalling stated that he was ready to make a motion.

***** A motion was made by Vice-Chairman Jeff Dalling, seconded by Evi Buell, to direct staff to create a working group consisting of one member of the Planning Commission, one member of City Council, a developer group representative, the City Planning, the City Manager, and the City Attorney; and direct them to work on the two paths for performance bonding, work on the draw down language, and also to discuss the 45 to 60 days for the application period.**

**Motion passed unanimously. (4-0, Jeff Dalling, Evi Buell, Tera Hooiman, and John Anderson voted yes)*

Robert Capps asked if anyone would be opposed to having two representatives from the development community.

Vice-Chairman Dalling said that two would be fine.

Commissioner Tera Hooiman asked if they had an idea of how the representatives could, or should, be selected.

Councilman Schmidtlein explained that the developers had a group among themselves.

Vice-Chairman Dalling amended his motion to include **“two representatives from developers groups.”**

FINAL PUBLIC COMMENT PERIOD

There were no public comments made at this time.

ADJOURNMENT

There being no further business, Mayor Chris Johnson adjourned the meeting.

Mayor Chris Johnson

Kelly Wooldridge, City Clerk

Jeff Dalling, Vice-Chairman

Tera Hooiman, Secretary

**Elko City Council
Agenda Action Sheet**

1. Title: **Presentation and possible approval of the Consolidated Annual Financial Report and Audit for the City of Elko for the Fiscal Year ending June 30, 2018, and matters related thereto. FOR POSSIBLE ACTION**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **PRESENTATION**
4. Time Required: **30 Minutes**
5. Background Information: **Mike Spilker with Hinton Burdick CPAs will be in attendance to present the City of Elko's Fiscal Year 2017/2018 Financial Report. JJ**
6. Budget Information:
 Appropriation Required: **N/A**
 Budget amount available: **N/A**
 Fund name: **N/A**
7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **Fiscal Year 2017/2018 Annual Audit Report, Communication charged to governance, Findings & Recommendations.**
9. Recommended Motion: **Approve the City of Elko's Fiscal Year 2017/2018 Annual Audit as presented.**
10. Prepared By: **Jonnye Jund, Administrative Services Director**
11. Committee/Other Agency Review:
12. Council Action:
13. Agenda Distribution: **Mike Spilker, Hinton Burdick CPAs and Advisors**
 mspilker@hintonburdick.com

Jeff Bauer, Hinton Burdick CPAs and Advisors
jbauer@hintonburdick.com



BURDICK

October 24, 2018

To the Honorable Mayor and City Council
City of Elko
Elko, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Elko for the year ended June 30, 2018, and have issued our report thereon dated October 24, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 7, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

As described in Note 1, the City changed accounting policies related to the application of postemployment benefits other than pensions (OPEB) and pension accounting and financial reporting requirements by adopting GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and GASB Statement No. 82, Pension Issues, in fiscal year 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities and the statement of revenues, expenses, and changes in net position – proprietary funds as a restatement adjustment to beginning net position.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation expense is based on the assigned depreciation lives. We evaluated the key factors and assumptions used to develop the depreciation lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital contributed by developers is based on the estimated value of the developers' construction costs. We evaluated the key factors and assumptions used to develop the amount of contributed capital in determining that it is reasonable in relation to the financial statements taken as a whole. While the procedures used by management to estimate these costs appear reasonable, there may be differences between the City's estimates and actual costs paid by developers, and these differences may be material.

Management's estimate of the compensated absences accrual is based on current pay rates and accrued vacation and sick pay hours. We evaluated the key factors and assumptions used to develop the compensated absences accrual in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of other postemployment benefit obligations payable is based on an independent actuarial valuation as of June 30, 2018. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, management's estimates have been determined on the same basis as they are reported by the Nevada Public Employee Retirement System (PERS). The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Allocations between governmental and business-type activities are based on the pro-rata share of pension contributions. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has been provided a list of adjustments and has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (MD&A), Budgetary Comparison Schedules, pension-related schedules and the Schedule of Funding Progress for other postemployment benefit which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information including the combining statements, individual nonmajor fund and enterprise fund budgetary comparison schedules, statistical section, and schedule of fees imposed subject to the provision of NRS 354,5989, as listed in the table of contents, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Statistical Information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of City Council and management of City of Elko and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



HintonBurdick, PLLC

City of Elko, Nevada

FINANCIAL STATEMENTS

**FISCAL YEAR ENDED
JUNE 30, 2018**



The Heart of Northeast Nevada

CITY OF ELKO, NEVADA

Table of Contents

	Page
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position – Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds.....	26
Notes to the Financial Statements.....	27
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability.....	61
Schedule of Contributions.....	62
Schedule of Changes in the Net OPEB Liability and Related Ratios	63
Schedule of OPEB Contributions	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual – General Fund	66
Reconciliation of the General Fund (Budgetary Basis) to the Schedule of Revenues, Expenditures, and Changes in Fund Balances General Fund (GAAP Basis)	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Recreation Special Revenue Fund	72
Notes to Required Supplementary Information	73

CITY OF ELKO, NEVADA

Table of Contents (Continued)

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis).....	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Revenue Stabilization Fund	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Construction Capital Projects Fund	80
Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	84

Schedules of Revenues, Expenditures, and Changes in Fund

Balances – Budget and Actual – Nonmajor Governmental Funds:

Youth Recreation – Special Revenue Fund	86
Municipal Court Administration Assessment – Special Revenue Fund	87
Narcotics Task Force – Special Revenue Fund	88
Elko Redevelopment Agency – Special Revenue Fund	89
Debt Service Fund	90
Ad Valorem – Capital Projects Fund	91
Public Improvement Development – Capital Projects Fund	92
Capital Equipment Reserve – Capital Projects Fund	93
Facility Reserve Fund	94

Schedules of Revenues, Expenses, and Changes in Net

Position – Budget and Actual – Major Enterprise Funds:

Water Utility – Enterprise Fund	96
Sewer Utility – Enterprise Fund	97
Airport – Enterprise Fund	98
Landfill – Enterprise Fund	99
Golf – Enterprise Fund	100

Schedule of Revenues, Expenses and Change in Net Position – Health

Insurance Fund	102
----------------------	-----

CITY OF ELKO, NEVADA

Table of Contents (Continued)

STATISTICAL SECTION:

Schedule of Revenues and Related Capital Expenditures – Cash Basis	105
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budgetary Basis	106
Assessed Valuation – Secured and Unsecured Property	108
Countywide Secured Tax Levies, Collection and Delinquencies	109
Ten Largest Property Owners	110
Statewide Average and Overlapping Tax Rates.....	111
Statutory Debt Limitation	112
Outstanding Bonded Indebtedness.....	113
Annual General Obligation Debt Service Requirements	114
Total and Unfunded Accrued Liabilities.....	116

COMPLIANCE SECTION:

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters	119
Independent Auditors' Report on Compliance Applicable to Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and the Passenger Facility Charge Audit Guide for Public Agencies	121
Summary of Auditors' Results.....	123
Financial Statement Findings.....	124
Federal Award Findings and Questioned Costs.....	124
Passenger Facility Program Findings and Questioned Costs.....	124
Summary of Prior Year Findings and Questioned Costs	124
Schedule of Expenditures of Federal Awards.....	125
Notes to the Schedule of Expenditures of Federal Awards.....	126
Schedule of Expenditures of Passenger Facility Charges	127
Independent Auditors' Report on Compliance with State Fiscal Laws	129
Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989 Limitation of Fees for Business Licenses	131

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FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and City Council
City of Elko, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elko, Nevada, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elko, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As described in Note 1 to the financial statements, in fiscal year 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and GASB Statement No. 82, Pension Issues. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the proportionate share of the net pension liability, the schedule of contributions, the schedule of changes in the net OPEB liability and related ratios, the schedule of OPEB contributions, and the budgetary comparison and reconciliation information and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elko's basic financial statements. The combining statements and individual major fund, nonmajor fund and enterprise fund budgetary comparison schedules, statistical section, and schedule of fees imposed subject to the provision of NRS 354.5989 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the financial statements. The combining statements and individual major fund, nonmajor fund and enterprise fund budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, individual nonmajor fund and enterprise fund budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section and the schedule of fees imposed subject to the provision of NRS 354.6989 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Elko City Council
Agenda Action Sheet**

1. Title: **Presentation and possible approval of the Consolidated Annual Financial Report and Audit for the City of Elko for the Fiscal Year ending June 30, 2018, and matters related thereto. FOR POSSIBLE ACTION**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **PRESENTATION**
4. Time Required: **30 Minutes**
5. Background Information: **Mike Spilker with Hinton Burdick CPAs will be in attendance to present the City of Elko's Fiscal Year 2017/2018 Financial Report. JJ**
6. Budget Information:
 Appropriation Required: **N/A**
 Budget amount available: **N/A**
 Fund name: **N/A**
7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **Fiscal Year 2017/2018 Annual Audit Report, Communication charged to governance, Findings & Recommendations.**
9. Recommended Motion: **Approve the City of Elko's Fiscal Year 2017/2018 Annual Audit as presented.**
10. Prepared By: **Jonnye Jund, Administrative Services Director**
11. Committee/Other Agency Review:
12. Council Action:
13. Agenda Distribution: **Mike Spilker, Hinton Burdick CPAs and Advisors**
 mspilker@hintonburdick.com

 Jeff Bauer, Hinton Burdick CPAs and Advisors
 jbauer@hintonburdick.com



BURDICK

October 24, 2018

To the Honorable Mayor and City Council
City of Elko
Elko, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Elko for the year ended June 30, 2018, and have issued our report thereon dated October 24, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 7, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

As described in Note 1, the City changed accounting policies related to the application of postemployment benefits other than pensions (OPEB) and pension accounting and financial reporting requirements by adopting GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and GASB Statement No. 82, Pension Issues, in fiscal year 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities and the statement of revenues, expenses, and changes in net position – proprietary funds as a restatement adjustment to beginning net position.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation expense is based on the assigned depreciation lives. We evaluated the key factors and assumptions used to develop the depreciation lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital contributed by developers is based on the estimated value of the developers' construction costs. We evaluated the key factors and assumptions used to develop the amount of contributed capital in determining that it is reasonable in relation to the financial statements taken as a whole. While the procedures used by management to estimate these costs appear reasonable, there may be differences between the City's estimates and actual costs paid by developers, and these differences may be material.

Management's estimate of the compensated absences accrual is based on current pay rates and accrued vacation and sick pay hours. We evaluated the key factors and assumptions used to develop the compensated absences accrual in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of other postemployment benefit obligations payable is based on an independent actuarial valuation as of June 30, 2018. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, management's estimates have been determined on the same basis as they are reported by the Nevada Public Employee Retirement System (PERS). The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Allocations between governmental and business-type activities are based on the pro-rata share of pension contributions. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has been provided a list of adjustments and has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (MD&A), Budgetary Comparison Schedules, pension-related schedules and the Schedule of Funding Progress for other postemployment benefit which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information including the combining statements, individual nonmajor fund and enterprise fund budgetary comparison schedules, statistical section, and schedule of fees imposed subject to the provision of NRS 354.5989, as listed in the table of contents, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Statistical Information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of City Council and management of City of Elko and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



HintonBurdick, PLLC

City of Elko, Nevada

FINANCIAL STATEMENTS

**FISCAL YEAR ENDED
JUNE 30, 2018**



CITY OF ELKO, NEVADA

Table of Contents

	Page
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position – Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds.....	26
Notes to the Financial Statements.....	27
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability.....	61
Schedule of Contributions.....	62
Schedule of Changes in the Net OPEB Liability and Related Ratios	63
Schedule of OPEB Contributions	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual – General Fund	66
Reconciliation of the General Fund (Budgetary Basis) to the Schedule of Revenues, Expenditures, and Changes in Fund Balances General Fund (GAAP Basis)	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Recreation Special Revenue Fund	72
Notes to Required Supplementary Information	73

CITY OF ELKO, NEVADA

Table of Contents (Continued)

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis).....	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Revenue Stabilization Fund	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Construction Capital Projects Fund	80
Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	84

Schedules of Revenues, Expenditures, and Changes in Fund

Balances – Budget and Actual – Nonmajor Governmental Funds:

Youth Recreation – Special Revenue Fund	86
Municipal Court Administration Assessment – Special Revenue Fund	87
Narcotics Task Force – Special Revenue Fund	88
Elko Redevelopment Agency – Special Revenue Fund.....	89
Debt Service Fund	90
Ad Valorem – Capital Projects Fund	91
Public Improvement Development -- Capital Projects Fund	92
Capital Equipment Reserve – Capital Projects Fund	93
Facility Reserve Fund	94

Schedules of Revenues, Expenses, and Changes in Net

Position – Budget and Actual – Major Enterprise Funds:

Water Utility – Enterprise Fund.....	96
Sewer Utility – Enterprise Fund	97
Airport – Enterprise Fund	98
Landfill – Enterprise Fund	99
Golf – Enterprise Fund	100

Schedule of Revenues, Expenses and Change in Net Position – Health

Insurance Fund	102
----------------------	-----

CITY OF ELKO, NEVADA

Table of Contents (Continued)

STATISTICAL SECTION:

Schedule of Revenues and Related Capital Expenditures – Cash Basis	105
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budgetary Basis	106
Assessed Valuation – Secured and Unsecured Property	108
Countywide Secured Tax Levies, Collection and Delinquencies	109
Ten Largest Property Owners	110
Statewide Average and Overlapping Tax Rates	111
Statutory Debt Limitation	112
Outstanding Bonded Indebtedness	113
Annual General Obligation Debt Service Requirements	114
Total and Unfunded Accrued Liabilities	116

COMPLIANCE SECTION:

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters	119
Independent Auditors' Report on Compliance Applicable to Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and the Passenger Facility Charge Audit Guide for Public Agencies	121
Summary of Auditors' Results	123
Financial Statement Findings	124
Federal Award Findings and Questioned Costs	124
Passenger Facility Program Findings and Questioned Costs	124
Summary of Prior Year Findings and Questioned Costs	124
Schedule of Expenditures of Federal Awards	125
Notes to the Schedule of Expenditures of Federal Awards	126
Schedule of Expenditures of Passenger Facility Charges	127
Independent Auditors' Report on Compliance with State Fiscal Laws	129
Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989 Limitation of Fees for Business Licenses	131

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FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and City Council
City of Elko, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elko, Nevada, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elko, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As described in Note 1 to the financial statements, in fiscal year 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and GASB Statement No. 82, Pension Issues. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the proportionate share of the net pension liability, the schedule of contributions, the schedule of changes in the net OPEB liability and related ratios, the schedule of OPEB contributions, and the budgetary comparison and reconciliation information and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elko's basic financial statements. The combining statements and individual major fund, nonmajor fund and enterprise fund budgetary comparison schedules, statistical section, and schedule of fees imposed subject to the provision of NRS 354.5989 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the financial statements. The combining statements and individual major fund, nonmajor fund and enterprise fund budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, individual nonmajor fund and enterprise fund budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section and the schedule of fees imposed subject to the provision of NRS 354.6989 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HintonBurdick, PLLC

A handwritten signature in cursive script that reads "HintonBurdick, PLLC".

St. George, Utah

October 24, 2018

City of Elko
Management's Discussion and Analysis
June 30, 2018

The following management's discussion and analysis (MD & A) is presented to provide the reader with an overview of the financial activity and overall financial condition of the City of Elko (the City).

The MD&A is a component of Required Supplementary Information and introduces the basic financial statements and provides an analytical overview of the City's financial activities.

Overview of the Financial Statements

The City's basic financial statements include the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except Fiduciary Funds)	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private businesses	Instances in which the City is the trustee agent for someone else's resources
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting No measurement focus

City of Elko
Management's Discussion and Analysis
June 30, 2018

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	Results of operations are not measured

City of Elko
Management's Discussion and Analysis
June 30, 2018

Condensed Statement of Net Position

The largest component, \$114,979,126, of the City's net position reflects its investment in capital assets (i.e. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these capital assets are not available for future spending. Restricted net position is the next component, totaling \$9,867,796. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net position totals \$10,647,067 and is available for the City's operations.

Table 2 below presents the City's condensed statement of net position as of June 30, 2018 with comparisons for June 30, 2017. These are derived from the government-wide statement of net position.

Table 2: Condensed Statement of Net Position
As of June 30, 2018 and 2017

	Government Activities		Business-type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 25,228,011	\$ 21,738,161	\$ 29,758,184	\$ 27,885,453	\$ 55,011,195	\$ 49,623,614
Capital assets	47,209,160	46,677,507	87,501,765	83,053,619	134,710,925	132,252,525
Total assets	72,437,171	68,415,668	117,284,949	113,460,471	189,722,120	181,876,139
Deferred outflows of resources	3,039,175	5,332,506	756,237	1,370,159	3,795,412	6,702,665
Current and other liabilities	2,866,673	4,091,833	1,195,579	1,348,322	4,062,252	5,440,155
Long-term liabilities	42,070,536	41,985,970	8,531,121	8,608,439	50,601,657	50,594,409
Total liabilities	44,937,209	46,077,803	9,726,700	9,956,761	54,663,909	56,034,564
Deferred inflows of resources	2,690,228	1,801,382	669,406	462,856	3,359,634	2,264,238
Net position						
Net investment in capital assets	29,782,464	28,113,936	85,196,662	83,063,690	114,979,126	111,177,626
Restricted	9,636,099	9,060,808	231,697	224,939	9,867,796	9,285,747
Unrestricted	(11,569,654)	(11,305,755)	22,216,721	21,122,384	10,647,067	9,816,629
Total net position	<u>\$ 27,848,909</u>	<u>\$ 25,868,989</u>	<u>\$ 107,645,080</u>	<u>\$ 104,411,013</u>	<u>\$ 135,493,989</u>	<u>\$ 130,280,002</u>

Overall Analysis

Financial highlights for the City, as a whole, during the fiscal year ended June 30, 2018, include the following:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at the close of the fiscal year by \$27.8 million for governmental activities and by \$107.6 million for business-type activities.
- The City's total net position increased during the year by \$5,213,987 or by 4 percent. Net position of governmental activities increased by \$1,979,920 or by 7.6 percent, while net assets of business-type activities increased by \$3,234,067 or by 3.1 percent.

City of Elko
Management's Discussion and Analysis
June 30, 2018

Condensed Statement of Activities

Table 3 presents the City's condensed statement of activities for the fiscal year ended June 30, 2018, with comparisons for June 30 2017, as derived from the government-wide Statement of Activities.

Table 3: Condensed Statement of Activities
For Fiscal Years Ended June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for Services	\$2,169,424	\$2,020,424	\$12,926,896	\$13,155,927	\$15,096,320	\$15,176,351
Operating Grants and Contributions	419,848	341,270	-	-	\$419,848	\$341,270
Capital Grants and Contributions	1,068,467	368,492	3,576,268	4,279,271	\$4,644,735	\$4,647,763
General Revenues:						
Ad Valorem Taxes	5,165,865	5,096,380	-	-	\$5,165,865	\$5,096,380
Consolidated Taxes	13,711,043	13,057,838	-	-	\$13,711,043	\$13,057,838
Motor Vehicle Fuel Taxes	1,193,415	1,186,204	-	-	\$1,193,415	\$1,186,204
Room Taxes	3,831,732	3,607,717	-	-	\$3,831,732	\$3,607,717
Other Taxes	111,555	116,282	-	-	\$111,555	\$116,282
Gaming Licenses	104,826	104,354	-	-	\$104,826	\$104,354
Franchise Fees	1,051,101	806,375	-	-	\$1,051,101	\$806,375
Miscellaneous Revenues	1,470	3,100	-	-	\$1,470	\$3,100
Gain (loss) on Sale of Asset:	12,880	106,947	-	(169,209)	\$12,880	(\$62,262)
Interest Income	173,860	112,851	241,688	147,867	\$415,548	\$260,718
Total Revenues	29,015,486	26,928,234	16,744,852	17,413,856	45,760,338	44,342,090
Expenses:						
General government	2,320,800	2,352,443	-	-	2,320,800	2,352,443
Judicial	269,124	311,799	-	-	269,124	311,799
Public safety	10,933,997	10,595,010	-	-	10,933,997	10,595,010
Public works	5,543,100	5,925,232	-	-	5,543,100	5,925,232
Health and sanitation	678,862	704,116	-	-	678,862	704,116
Culture and recreation	3,554,311	6,027,580	-	-	3,554,311	6,027,580
Community support	102,630	96,435	-	-	102,630	96,435
Interest on long-term debt	547,048	577,365	-	-	547,048	577,365
Water	-	-	3,625,301	3,550,580	3,625,301	3,550,580
Sewer	-	-	4,135,997	4,164,327	4,135,997	4,164,327
Landfill	-	-	3,154,808	3,349,722	3,154,808	3,349,722
Airport	-	-	1,808,727	1,674,231	1,808,727	1,674,231
Golf	-	-	594,133	604,587	594,133	604,587
Total Expenses	23,949,872	26,589,980	13,318,966	13,343,447	37,268,838	39,933,427
Increase(decrease) in net position before transfers	5,065,614	338,254	3,425,886	4,070,409	8,491,500	4,408,663
Transfers	(509,341)	(510,054)	509,341	510,054	-	-
Change in net position	4,556,273	(171,800)	3,935,227	4,580,463	8,491,500	4,408,663
Beginning net position	25,868,989	26,040,789	104,411,013	99,830,550	130,280,002	125,871,339
Restatement adjustment	(2,576,353)	-	(701,160)	-	(3,277,513)	-
Ending net position	\$27,848,909	\$25,868,989	\$107,645,080	\$104,411,013	\$135,493,989	\$130,280,002

City of Elko
Management's Discussion and Analysis
June 30, 2018

Condensed Statement of Activities (continued)

Over time, increases and decreases in net position measure whether the City's financial position is improving or deteriorating. Overall the City's total net position increased by \$5,213,987 or 4 percent. The net position of the governmental activities increased by \$1,979,920 or by 7.65 percent, and the net position of the business-type activities increased by \$3,234,067 or by 3.1 percent. The following is a breakdown of the major changes that occurred during fiscal year 2018:

The City's general revenues increased by \$2,087,252 or 7.8 percent. The increase was a combination of increases in some revenues and decreases in others. Sales taxes increased by \$653,205 or 5 percent. Additionally, ad valorem taxes increased by \$69,485 or 1.4 percent and charges for services' revenues increased by \$149,000 or 7.4 percent. The majority of this was due to an increase in building permit issuances. Transient lodging taxes increased by \$224,015 or 6.2 percent, mainly due to the opening of new hotels in the City.

The City received a total of \$4,644,735 in grants and capital contributions. The majority of the grant funds received were for the airport and totaled \$2,681,667. The water fund received \$404,189 in connection fees and the sewer fund received \$431,281 in connection fees.

The City's general expenditures were down by \$2,640,108 or 9.9 percent from the prior year. The majority of this decrease is due to a reduction in spending in culture and recreation. This variance is due in total to timing of projects that were budgeted in 2018 but were not started. The City budgets almost one hundred percent of resources annually to dedicate funds for large projects which may not be completed within a current year with current resources.

The City's business-type activities expenditures decreased \$24,481 or 0.2% percent due to general operating expenses and capital outlay reductions. Revenues for the business-type activities decreased by \$669,004 or 3.84% due to decreased capital contributions from golf and airport grants of \$703,003 or 16 percent; the water fund experienced an increase in connection fees of \$208,180 or 106 percent; and the sewer fund had an increase in connection fees of \$210,368 or 95 percent. Other revenues decreased in the airport fund by \$500,000 or 42 percent due to a one time settlement payment received in the prior year and interest income increased by \$93,281 for the year. Increased connection fees for both the water and the sewer funds are directly related to growth and development within the City. Airport grant funding varies greatly from year to year based on federal funding as well as the type of projects the airport has in its capital improvement plan.

City of Elko
Management's Discussion and Analysis
June 30, 2018

Program Expenses and Revenues for Governmental Activities

Table 4 presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were, therefore, supported by general revenues, mainly taxes.

**Table 4: Program Expenses and Revenues
For Governmental Activities
For the Fiscal Year Ended June 30, 2018 and 2017**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program Expenses (Revenues) (a) 2018</u>	<u>Net Program Expenses (Revenues) (a) 2017</u>
General Government	\$ 2,320,800	\$ 665,249	\$ 1,655,551	\$ 1,352,495
Judicial	269,124	85,904	183,220	187,076
Public Safety	10,933,997	526,908	10,407,089	10,285,369
Public Works	5,543,100	1,149,172	4,393,928	5,291,148
Health	678,862	149,418	529,444	558,966
Culture & Recreation	3,554,311	1,079,168	2,475,143	5,513,340
Debt Service - interest	547,048	-	547,048	577,365
Community Support	102,630	1,920	100,710	94,035
Totals	<u>\$ 23,949,872</u>	<u>\$ 3,657,739</u>	<u>\$ 20,292,133</u>	<u>\$ 23,859,794</u>

(a) Net program expenses are mainly supported by taxes.

City of Elko
Management's Discussion and Analysis
June 30, 2018

Program Expenses and Revenues for Business-type Activities

Table 5 presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
For Business-type Activities
For the Fiscal Year Ended June 30, 2017 and 2018**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program Expenses (Revenues) 2018</u>	<u>Net Program Expenses (Revenues) 2017</u>
Water Enterprise	\$ 3,625,301	\$ 3,807,080	\$ (181,779)	\$ (217,717)
Sewer Enterprise	4,135,997	6,313,532	\$ (2,177,535)	(1,929,555)
Landfill Enterprise	1,808,727	1,981,565	\$ (172,838)	(129,313)
Airport Enterprise	3,154,808	3,672,975	\$ (518,167)	690,347
Golf Enterprise	<u>594,133</u>	<u>728,012</u>	<u>(133,879) (a)</u>	<u>(2,058,428)</u>
Totals	<u>\$ 13,318,966</u>	<u>\$ 16,503,164</u>	<u>\$ (3,184,198)</u>	<u>\$ (3,644,666)</u>

(a) Contributed Proceeds/Capital from Bond Proceeds for Golf Course Irrigation Project

City of Elko
Management's Discussion and Analysis
June 30, 2018

Fund Analysis

Funds that experienced significant changes during the year are as follows:

Governmental Funds

At the close of the fiscal year ending June 30, 2018, the City's governmental funds reported a combined ending fund balance of \$20,897,471, with 3,038,144 reported as unassigned fund balance, \$2,072,741 reported as assigned for the next year's budget shortfall, \$8,347,981 reported as restricted, \$7,405,382 reported as committed, and the remaining amount of \$33,223 as non-spendable. See Note 1 to the financial statements for an explanation of the different types of fund balance categories.

Major Funds:

General Fund

Fund balance at June 30, 2018, totaled \$7,063,743, which includes \$1,892,635 from the revenue stabilization fund. This represents an increase of \$778,298 for the general fund or 6 percent and an increase of \$107,415 or 6 percent for the revenue stabilization fund during the fiscal year. The increase is mainly due to sales taxes coming in higher than the prior year in the amount of \$653,205. There was a decrease in overall expenditures of \$293,859 or 1.1 percent. There was a \$155,347 transfer to the airport fund to pay for administrative and ARFF fire service. There was a \$700,000 transfer to the recreation fund to facilitate the purchase of field lightning for the new sports complex project. Additionally, there was an annual transfer of excess fund balance to the following in compliance with City Code: revenue stabilization fund- \$138,018, facility fund - \$207,027, and capital equipment fund - \$207,027. That brought the total transfers out of the general fund to \$1,454,741.

Recreation Fund

Fund balance at June 30, 2017, totaled \$9,140,927 of which, \$50,680 is restricted for the Recreation Facilities Bond payment for the following year. In addition, \$5,736,582 is restricted for recreation facilities associated with the bond issue. Transient lodging tax increased \$224,015 or 6 percent mainly due to the construction of new properties within the City. Total expenditures for the fund were \$2,073,405 which included \$141,702 for the sports complex design; and \$59,129 for the golf course irrigation upgrade project.

Capital Construction Fund

Fund balance at June 30, 2018 totaled \$328,536, which is a decrease of \$169,975 or 34 percent. The City had one major project in the Capital Construction fund for fiscal year 2018 which was the Cedar Street Reconstruction Phase II project totaling \$1,081,118. These monies are accumulated over several years until such time there are sufficient resources to fund major street construction or reconstruction projects.

Nonmajor funds:

Ad Valorem Capital Projects Fund

Fund balance at June 30, 2018, totaled \$979,755, which is an increase of \$347,785 or 55 percent during the fiscal year. The City did not have any projects out of this fund in FY18. This fund is used to leverage grant funding for infrastructure projects in the City. The total revenue received from the \$0.05 cent property tax for capital projects was \$347,875.

Capital Equipment Reserve Fund

Fund balance at June 30, 2018, totaled \$1,030,786, which is a decrease of \$203,570 or 16 percent during the fiscal year. The City uses this fund for all major equipment purchases for governmental funds including fire trucks and police squad cars. The City made multiple purchases from this fund in fiscal year 2017/2018: purchases for general government totaled \$55,667, which were for computer information systems equipment; equipment purchases for public safety departments totaled \$809,005; and equipment purchases for public works departments totaled \$174,815.

Redevelopment Fund

Fund balance at June 30, 2018 totaled \$850,722, which is a decrease of \$80,592 or 9 percent. The main expenditures from this fund were for the Chilton Tower, Centennial Park and an alley improvement project in the downtown corridor totaling \$460,543. The other expenses were for \$41,175 for a storefront grant program and \$3,705 for legal and consulting fees related to development. Total tax revenues for the fund for fiscal year 2018 were \$292,342.

City of Elko
Management's Discussion and Analysis
June 30, 2018

Proprietary Funds

The City's proprietary funds reported net position of \$107,645,080 for fiscal year ending June 30, 2018. Following is a list of the proprietary funds and their respective net position at June 30, 2018 and 2017 with the percentage change.

<u>Fund</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Water Enterprise	\$23,510,846	\$23,469,699	\$41,147	0.18%
Sewer Enterprise	43,098,872	40,985,132	\$2,113,740	5.16%
Landfill Enterprise	3,174,431	3,130,696	\$43,735	1.40%
Airport Enterprise	33,866,095	32,952,196	\$913,899	2.77%
Golf Enterprise	3,994,836	3,876,290	\$118,546	3.06%
	<u>\$107,645,080</u>	<u>\$104,414,013</u>	<u>\$3,231,067</u>	<u>3.09%</u>

**City of Elko
Management's Discussion and Analysis
June 30, 2018**

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2018, the City reported \$47.2 million in capital assets for governmental activities and \$87.5 million in capital assets for business-type activities. Major capital asset additions for the governmental activities were \$55,667, for upgrades to information systems equipment and infrastructure; \$1,125,121 in public safety vehicles, equipment and facility improvements; \$1,423,809 in public works projects which included the Cedar Street Phase II reconstruction project and various equipment purchases totaling \$114,083.

Major capital additions for business-type activities for projects included \$251,432 for an alley line replacement project; \$182,636 for the Exit 298 water line agreement, \$22,465 for the water meter pit project and improvements on Cedar Street; as well as \$124,106 for a new shop design and an additional \$39,274 for various equipment purchases in the water fund. The sewer fund had the following projects in FY18: \$777,541 for the third secondary clarifier, \$411,927 for a reuse line to the sports complex, \$367,852 for the primary digester, \$210,233 for slip lining project; \$197,396 for the primary digester; \$182,214 for a fill station; \$128,237 for a new generator, \$124,178 for a new shop design; and \$352,971 for various equipment purchases. \$94,799 for fencing; in the landfill fund. \$84,970 for snow building design; \$104,085 for the runway finalization and small projects in the airport fund; \$109,506 for the golf equipment purchases in the golf course fund. Refer to Notes 6 and 11 to the financial statements for additional information on capital assets.

Long-term Debt Activity

Long-term debt outstanding at June 30, 2018, excluding the annual required contribution for other post-employment benefits and the net pension liability, totaled \$21,475,921, a decrease of 5 percent when compared to the prior year.

As of June 30, 2018, the City of Elko had a bond rating of AA- from Standard & Poors Rating Services on the Airport Improvement Bonds, Series 2009A and Series 2009B as well as the 2015 Limited Tax Recreational Facilities Bonds and the 2010 Limited Tax Street Bonds.

As of June 30, 2018, the City of Elko had \$19,070,000 of general obligation debt outstanding, which is subject to the legal debt margin. This is well below the legal limit of \$154,001,340 by \$134,931,340. Refer to Note 7 of the financial statements for additional information on long-term debt.

Economic Factors and Next Year's Budget and Rates

The user fees for water users remained unchanged in fiscal year 2017/2018; there has been no change for the last nine years. The last sewer user fee increase was in fiscal year 2012/2013 to help fund minor shortfalls in required resources. All fees are reviewed annually to determine whether increases are required to properly fund operational expenses as well as capital projects for both replacement and new capital purchases.

The consolidated tax revenues increased \$653,205 or 4.9 percent for fiscal year 2017/2018. In fiscal year 2017/2018 we have seen an increase of 18 percent in consolidated tax revenues for the first two months and the revenues are \$462,655 above the budget for the same period. As consolidated tax revenues make up over 65 percent of the general fund revenues, any fluctuations either positive or negative can have significant impacts on the City's ability to provide the required services to its citizens. It is the City's policy to put most of the excess revenues into one-time purchases for much needed improvements in capital projects as well as equipment purchases. This puts the City in a much better position going forward as we do not increase staffing with the increased consolidated tax revenues. We will monitor all economic situations to determine whether any adjustments are required in order to keep the City fiscally sound.

All of these factors were considered in preparing the City of Elko's budget for the 2019 fiscal year.

**City of Elko
Management's Discussion and Analysis
June 30, 2018**

Requests for Information

This financial report is designed to provide a general overview of the financial activity of the City of Elko to all having an interest in the City of Elko. Questions concerning any of the information provided in this report or requests of additional financial information should be addressed to the City of Elko Finance Department, 1751 College Avenue, Elko, Nevada 89801.

BASIC FINANCIAL STATEMENTS

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CITY OF ELKO, NEVADA
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 14,843,161	\$ 28,235,486	\$ 43,078,647
Receivables (net of allowance)	3,995,438	1,217,945	5,213,383
Interest receivable	2,196	38,032	40,228
Inventories	33,223	53,649	86,872
Prepays	-	4,463	4,463
Restricted assets:			
Temporarily restricted:			
Cash and investments	6,353,993	233,609	6,587,602
Capital assets (net of accumulated depreciation):			
Land and water rights	670,458	1,677,189	2,347,647
Buildings	9,185,400	6,532,010	15,717,410
Improvements	6,721,421	39,045,375	45,766,796
Infrastructure	22,035,421	27,592,953	49,628,374
Machinery, equipment, and vehicles	6,608,549	6,489,594	13,098,143
Construction-in-progress	1,987,911	6,164,644	8,152,555
Total assets	<u>72,437,171</u>	<u>117,284,949</u>	<u>189,722,120</u>
Deferred outflows of resources			
Deferred outflows related to pensions	3,039,175	756,237	3,795,412
Liabilities			
Accounts payable and other current liabilities	2,087,278	1,121,845	3,209,123
Unearned revenue	199,019	1,375	200,394
Refundable deposits	453,020	43,001	496,021
Accrued interest	127,356	29,358	156,714
Noncurrent liabilities:			
Due within one year	1,896,451	363,710	2,260,161
Due in more than one year	16,979,397	2,236,363	19,215,760
Net pension liability	20,344,511	5,062,309	25,406,820
Other postemployment benefits obligation	2,850,177	868,739	3,718,916
Total liabilities	<u>44,937,209</u>	<u>9,726,700</u>	<u>54,663,909</u>
Deferred inflows of resources			
Deferred inflows related to pensions	2,690,228	669,406	3,359,634
Net position			
Net investment in capital assets	29,782,464	85,196,662	114,979,126
Restricted for:			
Debt service	490,055	190,608	680,663
Capital projects	6,732,068	-	6,732,068
Judicial	112,484	-	112,484
Elko Redevelopment Agency	850,722	-	850,722
Health insurance claims	1,450,770	-	1,450,770
Refundable deposits	-	41,089	41,089
Unrestricted	(11,569,654)	22,216,721	10,647,067
Total net position	<u>\$ 27,848,909</u>	<u>\$ 107,645,080</u>	<u>\$ 135,493,989</u>

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

CITY OF ELKO, NEVADA
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Governmental activities:				
General government	\$ 2,320,800	\$ 636,343	\$ -	\$ 28,906
Judicial	269,124	85,904	-	-
Public safety	10,933,997	198,257	328,651	-
Public works	5,543,100	794,651	-	354,521
Health	678,862	132,012	17,406	-
Culture and recreation	3,554,311	322,257	71,871	685,040
Community support and development	102,630	-	1,920	-
Interest on long-term debt	547,048	-	-	-
Total governmental activities	23,949,872	2,169,424	419,848	1,068,467
Business-type activities:				
Water	3,625,301	3,402,890	-	404,190
Sewer	4,135,997	5,882,250	-	431,282
Airport	3,154,808	991,308	-	2,681,667
Landfill	1,808,727	1,981,565	-	-
Golf	594,133	668,883	-	59,129
Total business-type activities	13,318,966	12,926,896	-	3,576,268
Total primary government	\$ 37,268,838	\$ 15,096,320	\$ 419,848	\$ 4,644,735

General revenues:

Taxes:

Ad valorem taxes

Consolidated tax

Motor vehicle fuel taxes

Room tax

Other

Gaming licenses

Franchise fees

Miscellaneous

Gain (loss) on disposal of capital assets

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Restatement adjustment

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,655,551)	\$ -	\$ (1,655,551)
(183,220)	-	(183,220)
(10,407,089)	-	(10,407,089)
(4,393,928)	-	(4,393,928)
(529,444)	-	(529,444)
(2,475,143)	-	(2,475,143)
(100,710)	-	(100,710)
(547,048)	-	(547,048)
(20,292,133)	-	(20,292,133)
-	181,779	181,779
-	2,177,535	2,177,535
-	518,167	518,167
-	172,838	172,838
-	133,879	133,879
-	3,184,198	3,184,198
5,165,865	-	5,165,865
13,711,043	-	13,711,043
1,193,415	-	1,193,415
3,831,732	-	3,831,732
111,555	-	111,555
104,826	-	104,826
1,051,101	-	1,051,101
1,470	-	1,470
12,880	-	12,880
173,860	241,688	415,548
(509,341)	509,341	-
24,848,406	751,029	25,599,435
4,556,273	3,935,227	8,491,500
25,868,989	104,411,013	130,280,002
(2,576,353)	(701,160)	(3,277,513)
<u>\$ 27,848,909</u>	<u>\$ 107,645,080</u>	<u>\$ 135,493,989</u>

CITY OF ELKO, NEVADA
Balance Sheet
Governmental Funds
June 30, 2018

		Special Revenue	Capital Project Capital	Other Governmental Funds	Total Governmental Funds
	General Fund	Recreation Fund	Construction Fund		
Assets					
Cash and investments	\$ 5,207,802	\$ 3,128,129	1,228,863	\$ 3,682,204	\$ 13,246,998
Receivables:					
Property taxes	43,652	-	10,839	20,326	74,817
Room taxes receivable	-	579,337	-	-	579,337
Interest receivable	5,142	11,702	1,613	5,391	23,848
Other	208,673	13,801	39,938	175	262,587
Due from other governments	2,629,297	-	-	423,524	3,052,821
Inventories and prepaids	33,223	-	-	-	33,223
Restricted cash and investments	-	5,787,262	-	566,731	6,353,993
Total assets	<u>\$ 8,127,789</u>	<u>\$ 9,520,231</u>	<u>1,281,253</u>	<u>\$ 4,698,351</u>	<u>\$ 23,627,624</u>
Liabilities					
Accounts payable	\$ 417,169	\$ 84,189	506,861	\$ 115,580	\$ 1,123,799
Accrued liabilities	509,588	-	-	7,707	517,295
Due to other governments	1,452	295,115	-	-	296,567
Customer deposits	18,003	-	435,017	-	453,020
Unearned revenue	101,182	-	-	97,837	199,019
Total liabilities	<u>1,047,394</u>	<u>379,304</u>	<u>941,878</u>	<u>221,124</u>	<u>2,589,700</u>
Deferred inflows of resources					
Unavailable revenue - fuel taxes	-	-	-	65,636	65,636
Unavailable revenue - property taxes	43,652	-	10,839	20,326	74,817
Total deferred inflows of resources	<u>43,652</u>	<u>-</u>	<u>10,839</u>	<u>85,962</u>	<u>140,453</u>
Fund balances					
Nonspendable:					
Inventories and prepaids	33,223	-	-	-	33,223
Restricted for:					
Debt service	-	50,680	-	566,731	617,411
Judicial	-	-	-	112,484	112,484
Capital projects	-	5,736,582	-	995,486	6,732,068
Public Safety	-	-	-	1,133	1,133
Culture and recreation	-	-	-	34,163	34,163
Redevelopment Agency	-	-	-	850,722	850,722
Committed:					
Revenue stabilization	1,892,635	-	-	-	1,892,635
Debt service	-	-	-	688,070	688,070
Capital projects	-	3,353,665	328,536	1,142,476	4,824,677
Assigned to:					
Next year's budget appropriation	2,072,741	-	-	-	2,072,741
Unassigned	3,038,144	-	-	-	3,038,144
Total fund balances	<u>7,036,743</u>	<u>9,140,927</u>	<u>328,536</u>	<u>4,391,265</u>	<u>20,897,471</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,127,789</u>	<u>\$ 9,520,231</u>	<u>1,281,253</u>	<u>\$ 4,698,351</u>	<u>\$ 23,627,624</u>

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

CITY OF ELKO, NEVADA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds		\$ 20,897,471
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 80,045,075	
Accumulated depreciation	<u>(32,835,915)</u>	47,209,160
Some liabilities, including bonds payable, and interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (16,775,000)	
Premium on bonds payable	(651,696)	
Interest payable	(127,356)	
Compensated absences	(1,449,152)	
Other postemployment benefits liability	(2,850,177)	
Net pension liability	<u>(20,344,511)</u>	(42,197,892)
Unavailable revenue associated with property taxes is recognized as revenue in the government-wide statements.		140,453
An internal service fund is used by management to charge the costs of the self-funded health insurance program for City employees, dependents and retirees. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,450,770
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows related to pensions	\$ 3,039,175	
Deferred inflows related to pensions	<u>(2,690,228)</u>	348,947
Net position of governmental activities		<u>\$ 27,848,909</u>

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

CITY OF ELKO, NEVADA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

		Special Revenue	Capital Project		
	General	Recreation Fund	Capital Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 3,022,103	\$ 3,831,732	\$ 762,841	\$ 1,380,921	\$ 8,997,597
Licenses, permits and fees	1,926,521	-	124,928	-	2,051,449
Intergovernmental revenue	14,429,020	-	-	1,133,108	15,562,128
Charges for services	936,326	-	-	143,500	1,079,826
Fines and forfeitures	78,312	-	-	-	78,312
Other revenues	298,720	648,830	12,879	113,221	1,073,650
Investment earnings	49,476	69,059	10,495	33,761	162,791
Total revenues	20,740,478	4,549,621	911,143	2,804,511	29,005,753
Expenditures					
Current:					
General government	2,223,150	-	-	25,346	2,248,496
Judicial	275,370	-	-	-	275,370
Public safety	10,249,453	-	-	31,893	10,281,346
Public works	4,246,619	-	-	55,162	4,301,781
Health	670,376	-	-	-	670,376
Culture and recreation	1,256,089	1,872,574	-	235,840	3,364,503
Community support and development	105,011	-	-	-	105,011
Debt service:					
Principal	-	-	-	1,095,000	1,095,000
Interest	-	-	-	594,174	594,174
Capital outlay	-	200,831	1,081,118	1,887,242	3,169,191
Total expenditures	19,026,068	2,073,405	1,081,118	3,924,657	26,105,248
Excess (deficiency) of revenues over (under) expenditures	1,714,410	2,476,216	(169,975)	(1,120,146)	2,900,505
Other financing sources (uses)					
Transfers in	491,629	700,000	-	1,130,106	2,321,735
Transfers out	(1,454,741)	(1,326,335)	-	(50,000)	(2,831,076)
Total other financing sources (uses)	(963,112)	(626,335)	-	1,080,106	(509,341)
Net change in fund balances	751,298	1,849,881	(169,975)	(40,040)	2,391,164
Fund balances, beginning of year	6,285,445	7,291,046	498,511	4,431,305	18,506,307
Fund balances, end of year	\$ 7,036,743	\$ 9,140,927	\$ 328,536	\$ 4,391,265	\$ 20,897,471

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

CITY OF ELKO, NEVADA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 2,391,164
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.

Capital outlay	\$ 3,274,802	
Depreciation expense	(2,743,149)	531,653

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,095,000
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Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of premium on bonds		41,875
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Accrued interest for long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities. This adjustment reflects the change in interest payable.		5,251
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Because some property taxes will not be collected in time to pay for obligations in the current period, they are not considered available revenues in the governmental funds and are instead reported as deferred revenues. These revenues are accounted for as revenue in the statement of activities.		(1,338)
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Internal service funds are used by management to charge the costs of the self-funded health insurance program for City employees, dependents and retirees to individual funds.		493,041
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Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the net pension liability is measured a year before the government's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities.

Pension contributions	\$ 1,409,056	
Pension expense	(1,430,353)	(21,297)

Other postemployment benefit obligation (OPEB) expense, which is the change in the net OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities.

OPEB expense	90,042	90,042
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Compensated absences and other postemployment benefit obligation expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

This adjustment reflects the change in compensated absences and other postemployment benefit obligations.		(69,118)
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Change in net position of governmental activities		\$ 4,556,273
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The accompanying notes are an integral part of the financial statements.

CITY OF ELKO, NEVADA
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities						Governmental Activities
	Water Fund	Sewer Fund	Airport Fund	Landfill Fund	Nonmajor Golf Fund	Total Enterprise Funds	Internal Service Fund
Assets							
Current assets:							
Cash and investments	\$ 8,438,662	\$ 16,501,643	\$ 870,718	\$ 1,693,595	\$ 730,868	\$ 28,235,486	\$ 1,596,163
Receivables	329,817	565,934	39,292	148,883	4,485	1,088,411	2,028
Due from other governments	-	-	129,534	-	-	129,534	-
Interest receivable	11,323	22,170	1,383	2,190	966	38,032	2,196
Inventory	53,649	-	-	-	-	53,649	-
Prepaid expense	-	4,463	-	-	-	4,463	-
Total current assets	<u>8,833,451</u>	<u>17,094,210</u>	<u>1,040,927</u>	<u>1,844,668</u>	<u>736,319</u>	<u>29,549,575</u>	<u>1,600,387</u>
Noncurrent assets:							
Restricted cash and investments	41,089	-	190,608	1,912	-	233,609	-
Capital assets:							
Land and water rights	573,740	207,668	884,269	2,467	9,045	1,677,189	-
Buildings	1,665,569	1,791,955	6,120,631	668,955	782,983	11,030,093	-
Improvements	20,299,348	47,821,606	203,250	1,064,624	3,312,762	72,701,590	-
Infrastructure	864,410	-	48,677,742	-	-	49,542,152	-
Machinery, equipment and vehicles	2,656,603	3,278,272	3,561,579	3,094,059	718,543	13,309,056	-
Construction-in-progress	433,688	1,726,513	4,004,443	-	-	6,164,644	-
Less accumulated depreciation	(9,615,350)	(26,486,663)	(27,565,588)	(2,106,307)	(1,149,051)	(66,922,959)	-
Total noncurrent assets	<u>16,919,097</u>	<u>28,339,351</u>	<u>36,076,934</u>	<u>2,725,710</u>	<u>3,674,282</u>	<u>87,735,374</u>	<u>-</u>
Total assets	<u>25,752,548</u>	<u>45,433,561</u>	<u>37,117,861</u>	<u>4,570,378</u>	<u>4,410,601</u>	<u>117,284,949</u>	<u>1,600,387</u>
Deferred outflows of resources							
Deferred outflows related to pensions	233,949	218,654	102,476	154,474	46,684	756,237	-
Liabilities							
Current liabilities:							
Accounts payable	312,735	484,266	79,864	81,475	21,316	979,656	149,617
Accrued liabilities	44,462	40,065	15,127	29,404	13,131	142,189	-
Refundable deposits	41,089	-	-	1,912	-	43,001	-
Accrued interest	-	-	29,358	-	-	29,358	-
Unearned revenue	-	-	1,375	-	-	1,375	-
Compensated absences	20,823	55,912	19,808	39,887	11,055	147,485	-
Bonds payable - current	-	-	216,225	-	-	216,225	-
Total current liabilities	<u>419,109</u>	<u>580,243</u>	<u>361,757</u>	<u>152,678</u>	<u>45,502</u>	<u>1,559,289</u>	<u>149,617</u>
Noncurrent liabilities:							
Compensated absences	20,823	55,912	19,808	39,887	11,055	147,485	-
Other postemployment benefits obligation	262,555	259,952	107,106	187,061	52,065	868,739	-
Bonds payable	-	-	2,088,878	-	-	2,088,878	-
Net pension liability	1,566,076	1,463,687	685,984	1,034,058	312,504	5,062,309	-
Total noncurrent liabilities	<u>1,849,454</u>	<u>1,779,551</u>	<u>2,901,776</u>	<u>1,261,006</u>	<u>375,624</u>	<u>8,167,411</u>	<u>-</u>
Total liabilities	<u>2,268,563</u>	<u>2,359,794</u>	<u>3,263,533</u>	<u>1,413,684</u>	<u>421,126</u>	<u>9,726,700</u>	<u>149,617</u>
Deferred inflows of resources							
Deferred inflows related to pensions	207,088	193,549	90,709	136,737	41,323	669,406	-
Net position							
Net investment in capital assets	16,878,008	28,339,351	33,581,223	2,723,798	3,674,282	85,196,662	-
Restricted for group health insurance claims	-	-	-	-	-	-	1,450,770
Restricted for debt service	-	-	190,608	-	-	190,608	-
Restricted for refundable deposits	41,089	-	-	-	-	41,089	-
Unrestricted	6,591,749	14,759,521	94,264	450,633	320,554	22,216,721	-
Total net position	<u>\$ 23,510,846</u>	<u>\$ 43,098,872</u>	<u>\$ 33,866,095</u>	<u>\$ 3,174,431</u>	<u>\$ 3,994,836</u>	<u>\$ 107,645,080</u>	<u>\$ 1,450,770</u>

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

CITY OF ELKO, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities						Governmental Activities
	Water Fund	Sewer Fund	Airport Fund	Landfill Fund	Nonmajor Golf Fund	Total Enterprise Funds	Internal Service Fund
Operating revenues							
Service fees	\$ 3,271,847	\$ 2,928,992	\$ 273,231	\$ 1,930,617	\$ 619,061	\$ 9,023,748	\$ 2,160,147
Intergovernmental revenue	-	-	21,653	-	-	21,653	-
Other revenues	131,043	18,155	696,424	50,948	49,822	946,392	-
Total operating revenues	3,402,890	2,947,147	991,308	1,981,565	668,883	9,991,793	2,160,147
Operating expenses							
Salaries	818,290	770,333	322,890	560,806	179,323	2,651,642	-
Employee benefits	478,208	369,455	84,920	306,681	59,885	1,299,149	1,678,177
Service, supplies and other	1,753,160	1,709,918	265,945	716,766	263,283	4,709,072	-
Depreciation expense	575,643	1,286,291	2,362,536	224,474	91,642	4,540,586	-
Total operating expenses	3,625,301	4,135,997	3,036,291	1,808,727	594,133	13,200,449	1,678,177
Operating income (loss)	(222,411)	(1,188,850)	(2,044,983)	172,838	74,750	(3,208,656)	481,970
Nonoperating revenues (expenses)							
Sewer improvement fees	-	2,935,103	-	-	-	2,935,103	-
Interest income	72,772	140,449	10,418	12,779	5,270	241,688	11,071
Interest expense	-	-	(118,517)	-	-	(118,517)	-
Total nonoperating revenues (expenses)	72,772	3,075,552	(108,099)	12,779	5,270	3,058,274	11,071
Income (loss) before grants, contributions and transfers	(149,639)	1,886,702	(2,153,082)	185,617	80,020	(150,382)	493,041
Grant income	-	-	2,681,667	-	-	2,681,667	-
Capital contributions	404,190	431,282	-	-	59,129	894,601	-
Transfers in	-	-	482,402	-	26,939	509,341	-
Change in net position	254,551	2,317,984	1,010,987	185,617	166,088	3,935,227	493,041
Total net position, beginning of year	23,466,699	40,985,132	32,952,196	3,130,696	3,876,290	104,411,013	957,729
Restatement adjustments	(210,404)	(204,244)	(97,088)	(141,882)	(47,542)	(701,160)	-
Total net position, end of year	\$ 23,510,846	\$ 43,098,872	\$ 33,866,095	\$ 3,174,431	\$ 3,994,836	\$ 107,645,080	\$ 1,450,770

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

CITY OF ELKO, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities						Governmental Activities
	Water Fund	Sewer Fund	Airport Fund	Landfill Fund	Nonmajor Golf fund	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities:							
Cash received from customers, service fees	\$ 3,284,091	\$ 2,956,787	\$ 422,852	\$ 2,013,158	\$ 615,967	\$ 9,292,855	\$ 2,160,147
Cash received from customers, capacity fees and other	131,043	18,155	718,077	50,948	49,822	968,045	-
Cash paid to suppliers	(1,730,433)	(1,843,380)	(572,179)	(685,443)	(261,661)	(5,093,096)	109,309
Cash paid to employees	(1,254,825)	(1,138,936)	(478,048)	(834,172)	(322,692)	(4,028,673)	(1,678,177)
Net cash flows from operating activities	429,876	(7,374)	90,702	544,491	81,436	1,139,131	591,279
Cash flows from noncapital financing activities:							
Transfer from (to) other funds	-	-	482,402	-	26,939	509,341	-
Cash flows from capital and related financing activities:							
Grant revenue	-	-	2,681,667	-	-	2,681,667	-
Cash received from customer contributions	404,190	431,282	-	-	-	835,472	-
Cash received for capital improvement user fee	-	2,935,103	-	-	-	2,935,103	-
Principal paid on capital debt	-	-	(205,000)	-	-	(205,000)	-
Interest paid on capital debt	-	-	(122,054)	-	-	(122,054)	-
Acquisition and construction of capital assets	(481,766)	(2,419,208)	(2,804,536)	(94,799)	(50,378)	(5,850,687)	-
Proceeds from capital asset disposals	-	-	-	-	-	-	-
Net cash flows from capital and related financing activities	(77,576)	947,177	(449,923)	(94,799)	(50,378)	274,501	-
Cash flows from investing activities:							
Interest on investments	69,107	132,963	9,901	11,774	4,930	228,675	9,822
Net change in cash and investments	421,407	1,072,766	133,082	461,466	62,927	2,151,648	601,101
Cash and investments, including restricted, beginning of year	8,058,345	15,428,877	928,244	1,234,041	667,941	26,317,448	995,062
Cash and investments, including restricted, end of year	\$ 8,479,752	\$ 16,501,643	\$ 1,061,326	\$ 1,695,507	\$ 730,868	\$ 28,469,096	\$ 1,596,163
Reconciliation of operating income to net cash flows from operating activities:							
Operating income (loss)	\$ (222,411)	\$ (1,188,850)	\$ (2,044,983)	\$ 172,838	\$ 74,750	(3,208,656)	\$ 481,970
Adjustments to reconcile operating income (loss) to net cash flows from operating activities							
Depreciation expense	575,643	1,286,291	2,362,536	224,474	91,642	4,540,586	-
Pension expense	113,671	67,457	(31,970)	86,189	(41,535)	193,812	-
Pension contributions	(108,466)	(101,375)	(47,511)	(71,619)	(21,644)	(350,615)	-
Changes in operating assets and liabilities:							
(Increase) decrease in receivables	10,674	27,795	155,749	81,918	(3,094)	273,042	-
(Increase) decrease in inventories	(1,649)	-	-	-	-	(1,649)	-
(Increase) decrease in prepaid expenses	-	(4,463)	-	-	-	(4,463)	69,363
Increase (decrease) in accounts payable	24,376	(128,999)	(306,234)	31,323	1,622	(377,912)	39,946
Increase (decrease) in accrued liabilities	1,423	3,033	(601)	3,998	1,573	9,426	-
Increase (decrease) in customer deposits	1,570	-	(6,128)	623	-	(3,935)	-
Increase (decrease) in other postemployment benefits	31,438	16,907	(3,420)	14,608	(26,405)	33,128	-
Increase (decrease) in compensated absences payable	3,607	14,830	13,264	139	4,527	36,367	-
Net cash flows from operating activities	\$ 429,876	\$ (7,374)	\$ 90,702	\$ 544,491	\$ 81,436	\$ 1,139,131	\$ 591,279
Noncash investing, capital, and financing activities:							
Acquisition of capital assets with payables	\$ 138,148	\$ 363,457	\$ 55,911	\$ -	\$ -	\$ 557,516	\$ -
Acquisition of capital assets via contributions	\$ -	\$ -	\$ -	\$ -	\$ 59,129	\$ 59,129	\$ -

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

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies

The financial statements of the City of Elko, State of Nevada (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the more significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Reporting entity

The City of Elko, Nevada (City) was incorporated on April 15, 1917. The City is a municipal corporation governed by an elected mayor and four members of a City Council. The accompanying financial statements present all activities of the City and its blended component unit, an entity for which the City is considered to be financially accountable. The blended component unit is, in substance, part of the City's operations, even though it is a separate legal entity. Thus the following blended unit is appropriately presented as a fund of the primary government.

Elko Redevelopment Agency

Although legally separate from the City, the Elko Redevelopment Agency is governed by a Board comprised of the City Council and Mayor.

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **Recreation Fund** is a special revenue fund used to account for room tax monies received for the purposes of providing recreation improvements.

The **Capital Construction Fund** is used to account for projects financed from property taxes, land sales, and operating transfers.

The City reports the following major enterprise funds:

The **Water Fund** is used to account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection.

The **Sewer Fund** is used to account for provision of sanitary sewer services for the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection.

The **Airport Fund** is used to account for the operation of the Elko Regional Airport. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance and improvement, financing and related debt services, and billing and collection (including collection of passenger facility charges).

The **Landfill Fund** is used to account for the regional landfill and associated costs. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

Additionally, the City reports the following fund type:

The **Internal Service Fund** accounts for operations of providing health insurance to City employees, retirees and their dependents on a cost reimbursement basis.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, consolidated taxes (sales taxes, cigarette taxes, government service tax, and liquor taxes), gaming taxes, gasoline taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, franchise fees, charges for services and fines and forfeits are not susceptible to accrual because

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

generally they are not measurable until received in cash. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary fund and internal service funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Based on the nature of the investment policies, all amounts are available on demand and are, therefore, classified as cash equivalents on the Statement of Cash Flows.

Cash and Investments

Cash balances from all funds are combined and, to the extent practicable, invested by the City administration as permitted by law. Investments are recorded at fair value. The City of Elko invests in the State of Nevada Local Government Investment Pool, which as regulatory oversight from the Board of Finance for the State of Nevada. All interest earned on these investments is recognized in the General Fund, except for amounts credited to certain other funds in accordance with law, contract and City policy.

Investments for the City are reported at fair value (generally based on quoted market prices)

State statutes authorize the City to invest in obligations of the U.S. Treasury; certain farm loan bonds; certain securities issued by Nevada local governments and other state and local governments; certain repurchase agreements; certain bankers acceptances; certain commercial paper; and certain negotiable certificates of deposits and money market mutual funds, as well as the State of Nevada Local Government Investment Pool.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

The following investments are allowed but must not exceed 20% of the total portfolio at the purchase date and 25% of such investments may not be in notes, bonds, or unconditional obligations issued by any one corporation:

- Certain notes, bonds and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States.
- Collateralized mortgage obligations "AAA" rated.
- Asset-backed securities "AAA" rated.

Restricted Assets

Bond covenants require resources be set aside to make future debt payments, these are reported as restricted cash in addition to unexpended bond proceeds.

Receivables

No allowance for accounts receivable has been established since management does not anticipate any material collection loss with respect the balances shown as accounts receivable.

Inventories and prepaid items

Proprietary fund inventories are valued at cost using the first-in/first-out (FIFO) method and consist of supplies and materials. Inventories of governmental funds in the fund financial statements consist of fuel and oil which are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an individual cost of more than \$5,000 for non-infrastructure assets and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10 to 100 years
Improvements other than buildings	8 to 100 years
Machinery, equipment and vehicles	3 to 50 years
Infrastructure	15 to 50 years

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. It is a pension related item reported on the government-wide financial statements. See footnote 10 for more information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental fund's balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and fuel tax. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is a pension related item reported on the government-wide financial statements. See footnote 10 for more information.

Pensions

For purposes of measuring the net pension assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the City's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined based on annual actuarial reports. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the City Council has provided otherwise in its commitment or assignment actions.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Manager is authorized to review and approve amounts assigned to specific purposes by the Director of Administrative Services and approved by the City Manager in accordance with the City's policy. Any funds assigned must be reported to the City Council at their next meeting. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Indirect costs

Expenses relating to the functional activities include allocated indirect expenses. The City allocates indirect costs of general and administrative departments to the Proprietary Funds, except the Airport Fund, based on five year averages of expenditures and time studies.

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

For governmental funds, amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. A liability for compensated absences is reported in the governmental funds, primarily the General Fund, only if they have matured as a result of employee resignations, terminations and retirements.

Vested or accumulated vacation and sick leave in the proprietary fund are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies, Continued

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

New pronouncements

For the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, as amended by GASB Statement No. 85, Omnibus 2017. GASB Statement No. 75 established standards for measuring and recognizing net assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to other postemployment benefits (OPEB) provided through defined benefit OPEB plans. In addition, Statement No. 75 requires disclosure of information related to OPEB. Implementation of these new Statements resulted in a restatement of beginning net position in the City's government-wide and proprietary fund financial statements (see Note 16).

For the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 82, Pension Issues- an Amendment of GASB Statements No. 67, No. 68, and No. 73. GASB Statement No. 82 improves consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Implementation of this new Statement resulted in a restatement of beginning net position in the City's government-wide and proprietary fund financial statements (see Note 16).

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 2. Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 21.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current financial resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 23.

NOTE 3. Stewardship, Compliance and Accountability

Budgets and budgetary accounting

The City of Elko adheres to the Local Government Budget and Finance Act (Act) incorporated within the statutes of the State of Nevada, in which annual budgets are legally adopted for all funds except Agency funds. The Act and City policy include the following procedures to establish the budgetary data, which is reflected in these financial statements:

1. On or before April 15, the City Council files a tentative budget for the fiscal year commencing the following July 1 with the Nevada Department of Taxation
2. Public hearings on the tentative budget are held no sooner than the third Tuesday in May and no later than the last day in May, to obtain taxpayer comments.
3. Prior to June 1, at a public hearing, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Council. The final budget must then be forwarded to the Nevada Department of Taxation for final approval.
4. The City may not amend the budget without approval by the City Council. Transfer appropriations between accounts within any function are authorized with the approval of the budget officer and/or the City Council. Any revisions that alter the total appropriations of a function or fund must be approved in advance by the City Council. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
5. Budgets for all fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Appropriations lapse at year end.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 3. Stewardship, Compliance and Accountability, Continued

6. In accordance with state statute, actual expenditures may not exceed budgeted appropriations of the various governmental functions of the General, Special Revenue, and Capital Project Funds. Per NRS 354.626, expenditures over budgeted appropriations are allowed for bond repayments, medium term obligation repayments, and other long-term contracts expressly authorized by law. The sum of operating and nonoperating expenses in Proprietary Funds also may not exceed combined total appropriations.
7. The above dates may be adjusted as necessary during legislative years.

The budget reflected in the financial statements has been amended from the original budget amounts.

Expenditures over Appropriations

The individual Schedule of Revenues, Expenditures/Expenses and Changes in Fund Balances/Net Position – Budget and Actual reports as listed in the table of contents present all of the funds which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2018, if any.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

Deficit Fund Balances

As of June 30, 2018 no funds had deficit fund balances

Property tax calendar

All real property within the city is assigned a parcel number by the County Assessor in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The property and its improvements are being assessed at 35% of "taxable value" as defined by statute.

The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. Article X, Section 2, of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the county, the county school district, the State, and any other city, town, or special district) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed. However, the 1979 Nevada Legislature enacted provisions whereby, commencing July 1, 1979, the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation (as thereafter annually adjusted) except in cases of severe financial emergency as defined by NRS 354.705. In 2005 the Nevada State Legislature passed Assembly Bill 489 which provides for a partial abatement of the ad valorem taxes levied on qualified property. For qualified property, the abatement will limit the increase of property taxes based on the previous year's assessed value.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 3. Stewardship, Compliance and Accountability, Continued

Real property taxes result in a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied. Taxes may be paid in four installments payable on the third Monday in August, and the first Mondays in October, January and March to the County Clerk/Treasurer of Elko County in which the City of Elko is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to Elko County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale. As such, real property taxes receivable reflect only those taxes receivable from the delinquent roll years, and current taxes collected within 60 days of year end and delinquent taxes from all roll years prior to 2012-2013 have been written off. No provision for uncollectible accounts has been established, as management does not anticipate any material collection losses with respect to the remaining balances.

Delinquent taxes receivable not collected within sixty days after year-end are normally recorded as unavailable revenue as they are not available to pay liabilities of the current period.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation at the tax rates described above.

NOTE 4. Cash and Investments

A reconciliation of cash deposits and investments to the government-wide statement of net position is as follows:

Cash and investments	\$ 43,078,647
Restricted cash and investments	<u>6,587,602</u>
	<u>\$ 49,666,249</u>

Deposits

Custodial credit risk

For deposits this is the risk that in the event of a bank failure, the City's deposit may not be returned. The City does not have a formal policy for custodial credit risk. At June 30, 2018 cash on hand was \$7,905 and the carrying amount of the City's deposits was \$14,923,901. None of the City's bank balance of \$15,856,097 was exposed to custodial credit risk since it was insured and collateralized.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 4. Cash and Investments, Continued

Investments

The Nevada State Treasurer's Office operates the Local Government Investment Pool (LGIP). The LGIP is available for investment of funds administered by any Nevada Public Treasurer.

The LGIP is not registered with the SEC as an investment company. Deposits in the LGIP are not insured or otherwise guaranteed by the State of Nevada, and participants share proportionally in any realized gain or losses on investments.

The provisions of State Law (NRS 355.170) govern the investment of public funds.

As of June 30, 2018 the City had the following investments, maturities and credit ratings:

Investment Type	Fair Value	Credit Rating (1)		Weighted Average Maturity (2)
		S&P	Moody's	
Money Market Fund	45,365	N/A	N/A	N/A
U.S. Agencies	3,809,365	AA+	Aaa	429
U.S. Treasuries	916,811	AA+	Aaa	640
Nevada Local Government Investment Pool	29,962,902	N/A	N/A	142
Total Fair Value	<u>\$ 34,734,443</u>			

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using the weighted average days to maturity.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2018:

- Money Market Funds are valued using significant other observable inputs (Level 2 inputs)
- U.S. Agencies investments are valued using quoted market prices (Level 1 inputs)
- U.S. Treasuries bills are valued using quoted market prices (Level 1 inputs)
- Nevada Local Government's Investment Pool (LGIP):

Level 1 inputs	\$ 8,245,791
Level 2 inputs	21,717,111
Total LGIP investment	<u>\$ 29,962,902</u>

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 4. Cash and Investments, Continued

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (NRS 355.170).

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with State law (NRS 355.170).

Concentration of Credit Risk

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Securities held by the City or by the City's custodians are diversified to eliminate risk of loss from overconcentration of assets in a specific maturity, a specific issuer, or a specific class of securities. At June 30, 2018, the City investment in U.S. Treasuries and U.S. Agencies exceed 5% of the City's total investments.

NOTE 5. Receivables

Accounts Receivable

No allowance for doubtful accounts receivable has been established since management does not anticipate any material collection loss with respect to the balances shown as accounts receivable.

Due from other governments

Due from other governments reported in the general fund and other governmental-type funds relate to consolidated tax and motor vehicle tax revenue receivable, grant revenue receivable, and other miscellaneous licenses and fees.

Due from other governments reported in the airport fund relates to various grant revenue receivable.

Other receivables

The receivables reported in the general fund include property tax revenues receivable that were measurable and available per GASB, along with other miscellaneous grant, fee, and tax revenue.

The other receivables reported in the Non-major governmental funds relate to miscellaneous court revenue receivable and transient lodging tax revenues receivable from various entities.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 6. Capital Assets

Governmental capital asset activity for the year ended June 30, 2018 was as follows:

Governmental Activities:	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Capital assets, not being depreciated:				
Land	\$ 432,912	\$ 237,546	\$ -	670,458
Construction in progress	674,966	1,864,126	(551,181)	1,987,911
Total capital assets, not being depreciated:	1,107,878	2,101,672	(551,181)	2,658,369
Capital assets, being depreciated:				
Buildings	11,687,523	19,476	-	11,706,999
Improvements	9,425,044	495,630	-	9,920,674
Machinery and equipment	13,003,025	1,146,991	-	14,150,016
Infrastructure	41,546,803	62,214	-	41,609,017
Total capital assets, being depreciated:	75,662,395	1,724,311	-	77,386,706
Less accumulated depreciation for:				
Buildings	(2,355,333)	(166,266)	-	(2,521,599)
Improvements	(2,901,315)	(297,938)	-	(3,199,253)
Machinery and equipment	(6,658,438)	(883,029)	-	(7,541,467)
Infrastructure	(18,177,680)	(1,395,916)	-	(19,573,596)
Total accumulated depreciation	(30,092,766)	(2,743,149)	-	(32,835,915)
Total capital assets, being depreciated, net	45,569,629	(1,018,838)	-	44,550,791
Governmental activities capital assets, net	\$ 46,677,507	\$ 1,082,834	\$ (551,181)	\$ 47,209,160

Depreciation expense was charged to the functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 145,546
Public safety	603,758
Public works	1,682,701
Culture and recreation	287,283
Health	23,861
Total depreciation expense - governmental activities	<u>\$ 2,743,149</u>

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 6. Capital Assets, Continued

Business-type capital asset activity for the year ended June 30, 2018 was as follows:

Business Type Activities:	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Capital assets not being depreciated:				
Land	\$ 1,677,189	\$ -	\$ -	\$ 1,677,189
Construction in progress	1,599,068	6,263,027	(1,697,451)	6,164,644
Total capital assets, not being depreciated	3,276,257	6,263,027	(1,697,451)	7,841,833
Capital assets being depreciated:				
Buildings	11,030,093	-	-	11,030,093
Improvements	71,564,266	1,137,324	-	72,701,590
Machinery and equipment	12,831,345	477,711	-	13,309,056
Infrastructure	49,255,430	286,722	-	49,542,152
Total capital assets, being depreciated	144,681,134	1,901,757	-	146,582,891
Less accumulated depreciation for:				
Buildings	(4,385,484)	(112,599)	-	(4,498,083)
Improvements	(32,058,557)	(1,597,658)	-	(33,656,215)
Machinery and equipment	(6,153,977)	(665,485)	-	(6,819,462)
Infrastructure	(19,784,355)	(2,164,844)	-	(21,949,199)
Total accumulated depreciation	(62,382,373)	(4,540,586)	-	(66,922,959)
Total capital assets, being depreciated, net	82,298,761	(2,638,829)	-	79,659,932
Business-type activities capital assets, net	\$ 85,575,018	\$ 3,624,198	\$ (1,697,451)	\$ 87,501,765

Depreciation expense was charged to the functions/programs of the City as follows:

Business-Type Activities:	
Water	\$ 575,643
Sewer	1,286,291
Airport	2,362,536
Landfill	224,474
Golf	91,642
Total depreciation expense - business-type activities	<u>\$ 4,540,586</u>

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 7. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

Governmental activities:	Balance 6/30/2017	Additions	Retirements	Balance 6/30/2018	Current Portion
General obligation bonds:					
2015 Limited Tax Recreation Facilities and Refunding Bonds	\$ 7,360,000	\$ -	\$ (365,000)	\$ 6,995,000	\$ 375,000
Bond Premium - 2015 Limited Tax Recreation Facilities and Refunding Bonds	495,879		(27,048)	468,831	27,048
2014 Limited Tax Medium-Term Public Safety Bonds	2,455,000	-	(285,000)	2,170,000	290,000
2010 Limited Tax Street Bonds	8,055,000	-	(445,000)	7,610,000	465,000
Bond Premium - 2010 Limited Tax Street Bonds	197,692	-	(14,827)	182,865	14,827
Total general obligation bonds	18,563,571	-	(1,136,875)	17,426,696	1,171,875
Net other post employment benefit obligations	2,121,564	943,010	(214,397)	2,850,177	-
Net pension liability	21,747,693	5,874	(1,409,056)	20,344,511	-
Accrued compensated absences	1,380,034	586,288	(517,170)	1,449,152	724,576
Total governmental activity long-term liabilities	<u>\$ 43,812,862</u>	<u>\$ 1,535,172</u>	<u>\$ (3,277,498)</u>	<u>\$ 42,070,536</u>	<u>\$ 1,896,451</u>
Business-type activities:					
General obligation bonds:					
Limited Tax Airport Refunding Bonds					
Series 2009A and Series 2009B	\$ 2,500,000	\$ -	\$ (205,000)	\$ 2,295,000	\$ 215,000
Bond premium	11,328	-	(1,225)	10,103	1,225
Total general obligation	2,511,328	-	(206,225)	2,305,103	216,225
Net other post employment benefit obligations	586,082	348,004	(65,348)	868,738	-
Net pension liability	5,587,953	-	(525,644)	5,062,309	-
Accrued compensated absences	258,603	130,009	(93,642)	294,970	147,485
Total business-type activity long-term liabilities	<u>\$ 8,943,966</u>	<u>\$ 478,013</u>	<u>\$ (890,859)</u>	<u>\$ 8,531,120</u>	<u>\$ 363,710</u>
Total long-term liabilities	<u>\$ 52,756,828</u>	<u>\$ 2,013,185</u>	<u>\$ (4,168,357)</u>	<u>\$ 50,601,656</u>	<u>\$ 2,260,161</u>

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 7. Long-Term Liabilities, Continued

The City has issued general obligation bonds for both governmental and business-type activities, to provide funds for the acquisition and construction of major capital facilities.

Bonds payable consist of the following at June 30, 2018:

General obligation:

General Obligation (Limited Tax) Recreation Facilities and Refunding Bonds, Series 2015, original issue \$8,000,000, secured by pledged revenues, due in semiannual principal and interest installments ranging from \$416,806 to \$538,856, bearing interest from 2.00% to 4.00%, maturing May 1, 2035. \$ 6,995,000

General Obligation (Limited Tax) Medium-Term Public Safety Bonds, Series 2014, original issue \$3,000,000, secured by pledged revenues, due in semiannual principal and interest installments ranging from \$333,613 to \$337,794, bearing interest at 2.25%, maturing on September 1, 2024. 2,170,000

General Obligation (Limited Tax) Street Bonds, Series 2010, original issue \$10,500,000, secured by pledged revenues, due in semiannual principal and interest installments ranging from \$741,700 to \$745,781, bearing interest at 3.70%, maturing on October 1, 2030. 7,610,000

Total bonds and notes payable - governmental activities 16,775,000

Airport general obligation bonds:

General Obligation (Limited Tax) Airport Improvement Bonds, Series 2009A and 2009B, original issue \$3,735,000, due in semiannual principal and interest installments ranging from \$309,400 to \$327,475, bearing interest from 2.00% to 5.80%, maturing October 1, 2026. \$ 2,295,000

Total bonds and notes payable - business-type activities 2,295,000

Total bonds and notes payable \$ 19,070,000

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 7. Long-Term Liabilities, Continued

Payments on the bonds payable that pertain to the City's governmental activities are made by the debt service fund. The compensated absence liability is paid from the fund responsible for the employee's compensation with significant liabilities payable from the general fund. The net pension liability and the net other postemployment benefit obligations of governmental activities are liquidated by the general fund.

*See Note 17 regarding the 2015 current refunding bond issuance

Estimated debt service requirements for bonds payable are as follows:

Period Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 1,130,000	\$ 558,306	\$ 215,000	\$ 112,475
2019	1,165,000	521,476	225,000	102,166
2020	1,215,000	479,524	225,000	91,290
2021	1,250,000	438,181	245,000	79,571
2022	1,295,000	397,449	250,000	66,980
2023-2027	5,665,000	1,369,099	1,135,000	125,623
2028-2032	4,150,000	463,362	-	-
2033-2035	905,000	44,362	-	-
	<u>\$ 16,775,000</u>	<u>\$ 4,271,759</u>	<u>\$ 2,295,000</u>	<u>\$ 578,105</u>

The combined total debt service for both governmental and business-type debt is as follows:

Period Ending June 30,	Combined Total	
	Principal	Interest
2018	\$ 1,345,000	\$ 670,781
2019	1,390,000	623,642
2020	1,440,000	570,814
2021	1,495,000	517,752
2022	1,545,000	464,429
2023-2027	6,800,000	1,494,722
2028-2032	4,150,000	463,362
2033-2035	905,000	44,362
	<u>\$ 19,070,000</u>	<u>\$ 4,849,864</u>

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 8. Postemployment Benefits Other than Pensions (OPEB)

Plan Description:

The City administers a self-insured healthcare plan with Anthem Blue Cross. Additionally, the City contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired City employees and beneficiaries.

Benefit provisions for PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. Benefit provisions for the City self-insured plan are established pursuant to NRS 287.023 and amended through negotiations between the City and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the board of trustees.

Benefit provisions for the City's self-insured plan are established pursuant to NRS 287.023 and can be amended between the City and the respective associations. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the City's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan.

Benefits provided:

Prior to July 1, 2012, City of Elko retirees were eligible to join PEBP following attainment of the later of age 50 and 5 years of State service. Retirees who previously declined PEBP coverage were given a chance to enroll by January 31st of each even-numbered year. Such enrollment took effect on April 1 of that year. Retirees joining PEBP were given a choice of a PPO and an HMO.

Premiums charged to the retiree are subsidized based on a monthly dollar amount that is changed each year by PEBP or through ad hoc legislative action. The subsidies vary by plan (PPO or HMO), tier, and years of service. The subsidy is charged to agencies (e.g., the City of Elko) in proportion to the period of service the retiree spent with each such agency during their working career. Medicare-eligible retirees are covered by the Medicare Exchange, and the subsidy is limited by law to \$220/month (reduced for less than 20 years of service), scheduled to increase to \$240/month in 2018. Our valuation reflects the change to \$240/month and assumes that this amount will remain unchanged for all future years.

Senate Bill 544, passed in 2007, created new participation limitations for PEBP. SB 544 does not allow non-State retirees to join PEBP after November 30, 2008. However, non-State retirees who were participants on November 30, 2008 were grandfathered in. They must have retired and joined PEBP by September 1, 2008 as there is a 60-day waiting period and coverage only begins on the first of the month. Because the City withdrew from PEBP effective July 1, 2012, all City retirees who retired and joined PEBP after September 1, 2008 also withdrew from PEBP as of July 1, 2012.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 8. Postemployment Benefits Other than Pensions (OPEB), Continued

There are two groups of retirees as follows:

(1) Those joining PEBP on or before September 1, 2008, on whose behalf the City must pay a monthly subsidy for as long as they continuously remain covered under PEBP; and

(2) Those who do not meet the criteria to remain in PEBP. As of the valuation date, this second group consists of 8 current retirees as well as any future retirees. This group will be permitted to continue coverage under the City's self-insured health plan by paying the self-funded rate applicable to active employees. For 2015-16, the City paid a subsidy for these retirees in the amount of \$66/month per retiree. While there is no guarantee that this subsidy will continue unchanged (if at all) in future years, we have assumed, for valuation purposes, that it will.

Plan Membership:

At July 1, 2016, membership consisted of the following:

	<u>Count</u>
Active employees	163
Retirees	65

Contributions:

The City currently finances benefits on a pay-as-you-go basis. In this PEBP program, the only benefit payments occur in the form of direct payments to PEBP on behalf of currently covered retirees.

For the City's self-insured plan, contribution requirements of the plan members and the City are established and may be amended through negotiations between the City and the associations. Retirees pay 100% of the premium. The City did not prefund any future benefits. The City's self-insured plan began July 1, 2012.

Contributions to the Plans from the City were \$279,745 for the year ended June 30, 2018.

Plan financial reports

The PEBP financial report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV 89701, or by calling (775) 684-7000, or by accessing the website at <https://pebp.state.nv.us/resources/fiscal-utilizationreports/>. The city self-insured plan does not issue a separate financial report.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 8. Postemployment Benefits Other than Pensions (OPEB), Continued

OPEB liability

Net OPEB liability

At June 30, 2018, the City reported a net OPEB liability of \$3,718,916. The net liability was measured as of June 30, 2018 and the total liability was determined by an actuarial valuation as of July 1, 2016. Standard actuarial update procedures were used to project/discount from the valuation to measurement dates. An OPEB trust has not been established so the total liability is equal to the net liability. There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits. The total OPEB liability as of June 30, 2018 reflects a change in the use of discount rates of 3.62% as of June 30, 2018.

OPEB liability discount rate sensitivity

The following presents the net OPEB liability calculated using the discount rate of 3.62%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Net OPEB liability	4,086,994	3,718,916	3,401,077

OPEB liability healthcare cost trend rates sensitivity

The following presents the net OPEB liability calculated using current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 4.00%)	Medical Trend (8.00% decreasing to 5.00%)	1% Increase (9.00% decreasing to 6.00%)
Net OPEB liability - PEBP	3,530,982	3,718,916	3,938,137

Actuarial assumptions:

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	3.00 Percent
Healthcare cost trend rate	8.00 percent for 2016; 7.00 percent for 2017; 6.00 percent for 2018; and 5.00 percent for 2019 and later years

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 8. Postemployment Benefits Other than Pensions (OPEB), Continued

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2016 valuation were based on a review of plan experience during the period July 1, 2014 to June 30, 2016.

The discount rate used to measure the total OPEB liability was 3.62% as of June 30, 2018. The City funds the PEBP OPEB liability on a pay-as-you-go basis. Therefore, the discount rate used in this valuation is based on the Fidelity Municipal Bond AA 20 Year Maturity Yield.

Changes in the net OPEB liability

	Increase (decrease)		
	Total OPEB liability	Plan fiduciary net position	Net OPEB (asset) liability (a) - (b)
	(a)	(b)	
Balances at June 30, 2017	\$ 3,775,827	\$ -	\$ 3,775,827
Changes during the period:			
Service cost	91,167		91,167
Interest cost	131,667		131,667
Expected investment income		-	-
Employer contributions		279,745	(279,745)
Changes of benefit terms	-		-
Benefit payments	(279,745)	(279,745)	-
Assumption changes	-		-
Plan experience	-		-
Investment experience		-	-
Net changes	(56,911)	-	(56,911)
Balances at June 30, 2018	\$ 3,718,916	\$ -	\$ 3,718,916

Plan fiduciary net position

Detailed information about PEBP's fiduciary net position is available in a separately issued PEBP financial report. The city's self-insured plan does not issue a separate financial report.

OPEB expense

For the year ended June 30, 2018, the City recognized OPEB expense of \$222,834

Deferred outflows/inflows of resources related to OPEB

At June 30, 2018, the City reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 9. Interfund Transactions and Balances

As of June 30, 2018, the City did not have any internal balances:

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are expected to be repaid within one year.

For the year ended June 30, 2018, the City made the following interfund transfers:

Transfers out	Transfers in					Total
	General Fund	Recreation Fund	Nonmajor Governmental	Airport	Golf	
General Fund	\$ 185,340	\$ 700,000	\$ 414,054	\$ 155,347	\$ -	\$ 1,454,741
Recreation Fund	306,289	-	666,052	327,055	26,939	1,326,335
Nonmajor governmental	-	-	50,000	-	-	50,000
Total	\$ 491,629	\$ 700,000	\$ 1,130,106	\$ 482,402	\$ 26,939	\$ 2,831,076

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10. Defined Benefit Pension Plan

Public Employees' Retirement System of Nevada (PERS)

Plan description

PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 10. Defined Benefit Pension Plan, Continued

Benefits provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years for service.

Police/Fire members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards the eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 10. Defined Benefit Pension Plan, Continued

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2016, 2017, and 2018, the Statutory Employer/employee matching rate was 14.50% for Regular and 20.75% for Police/Fire.

For the fiscal years ended June 30, 2016, 2017, and 2018, the Employer Pay Contribution (EPC) rate was 28% for Regular and 40.50% for Police/Fire.

The City's contributions for the current and two preceding fiscal years, all of which were equal to the required contributions, were as follows:

Year Ended June 30,	Regular Fund	Police/Fire Fund
2016	\$ 703,987	\$ 1,018,267
2017	700,891	1,013,788
2018	719,281	1,040,389

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 10. Defined Benefit Pension Plan, Continued

Investment policy

The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Board adopted policy target asset allocation as of June 30, 2017:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return*
Domestic equity	42%	5.50%
International equity	18%	5.75%
Domestic fixed income	30%	0.25%
Private markets	10%	6.80%

*As of June 30, 2017, PERS' long-term inflation assumption was 2.75%.

Pension liability

Net pension liability

At June 30, 2018, the City reported a liability of \$25,406,820 for its proportionate share of the PERS' net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2017. The City's proportion measured as of June 30, 2017, was .191030 percent, which was a decrease of 0.01210 percent from its proportion measured as of June 30, 2016.

Pension liability discount rate sensitivity

The following presents the net pension liability of the PERS as of June 30, 2018, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Proportionate share of			
Net pension (asset) / liability	\$ 38,408,018	\$ 25,406,820	\$ 14,609,121

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 10. Defined Benefit Pension Plan, Continued

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website www.nvpers.org.

Actuarial assumptions

The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 10. Defined Benefit Pension Plan, Continued

Pension expense and deferred outflows/inflows of resources related to pensions

For the year ended June 30, 2018, the City recognized pension benefit for PERS of \$135,505. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,667,201
Changes in assumptions	1,685,501	-
Net difference between projected and actual earnings on pension plan investments	164,962	-
Subtotal	1,850,463	1,667,201
Changes in proportion and differences between contributions and proportional share of contributions	185,278	1,692,433
Contributions subsequent to the measurement date	1,759,670	-
Total	<u>\$ 3,795,411</u>	<u>\$ 3,359,634</u>
Governmental activities	\$ 3,039,175	\$ 2,690,228
Business-type activities	756,236	669,406
	<u>\$ 3,795,411</u>	<u>\$ 3,359,634</u>
Average expected remaining service lives	6.39 years	

The \$1,759,670 reported as deferred outflows of resources related to PERS pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources, excluding the changes in proportion and differences between actual contributions and proportionate share of contributions, will be recognized in pension expense as follows:

Year Ending June 30	Deferred Outflows (Inflows) of Resources
2019	\$ 8,745,616
2020	(11,321,285)
2021	(2,923,742)
2022	7,971,765
2023	(4,122,034)
2024	(1,867,984)
Thereafter	-
	<u>\$ (3,517,664)</u>

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 11. Landfill Fund Closure and Postclosure Care Costs

State and federal laws and regulations require the City to place a final cover and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Each year the City reassesses the life of the landfill, in the current year an analysis was obtained based on the October 2017 Geo-logic Annual Site Life Analysis. This assessment resulted in an expected landfill closure in the year 2100, with the available soil being depleted by the year 2095. Based on this survey, an estimate of 1.04% of the landfill has been used. The City purchased insurance to cover the costs of closure and post-closure of the landfill. The City was obligated under the insurance policy to pay 15 annual installments of \$91,139; the last payment was paid in 2014. The City of Elko has no further payments to cover closure and post-closure costs as long as the City does not experience exponential growth or expansion in the landfill. At June 30, 2018, financial assurance relative to costs of closure and post-closure of the landfill was fulfilled through insurance coverage (NAC 444.6855).

NOTE 12. Risk Management

The City, like any governmental entity, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters.

The City has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The City pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$10,000,000 per event and a \$10,000,000 general aggregate per member. Property, crime and equipment breakdown is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown and money and securities.

The City carries an airport liability policy and a workers compensation policy through a third party carrier.

The City continues to carry commercial insurance for other risks of loss, including specific risks of loss not covered by the Pool, including bonding and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage for the past three years.

The City has chosen to establish a risk financing fund for risks associated with the employee's health insurance fund. The risk financing fund is accounted for as an internal service fund where assets are set aside for claim settlements. A premium is charged to each function which accounts for part-time and/or full time employees.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 12. Risk Management, Continued

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

Fiscal Year End	Unpaid Claims Beginning of Fiscal Year	Incurred Claims (Including IBNRs)	Claim Payments	Unpaid Claims End of Fiscal Year
June 30, 2018	\$ 109,671	\$ 1,678,177	\$ (1,638,231)	\$ 149,617
June 30, 2017	152,106	1,555,778	(1,598,213)	109,671
June 30, 2016	172,086	1,965,739	(1,985,719)	152,106

NOTE 13. Stabilization Arrangement

On May 14, 2002 the City Council adopted a Revenue Stabilization Fund Policy under NRS 354.6115. A fund was established to stabilize the operations of the City and mitigate the effects of natural disasters. The monies in the fund must be used only if the total actual revenues of the City fall short of the total anticipated revenue in the General Fund for the fiscal year in which the City uses the money, or to pay expenses incurred by the City to mitigate the effects of a natural disaster. Under GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Revenue Stabilization Fund no longer meets the definition of a Special Revenue Fund and it has been combined with the General Fund.

NOTE 14. Ad Valorem Capital Projects Fund

Pursuant to NRS 354.598155, the City is required to indicate in detail the projects that have been funded with the money from the Ad Valorem Capital Projects Fund, as well as, disclose any planned accumulations of the money. For June 30, 2018, \$0 was expended from the fund.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 15. Commitments and Contingencies

On January 9, 2002 the City of Carlin, the City of Elko and Elko County entered into a cooperative agreement to provide financial resources for the water-line extension for the University of Nevada-Reno Fire Academy located on the outskirts of the City of Carlin. The project was deemed beneficial to the economy of the three governmental entities. The water line was completed in fiscal year 2013 and is the property of the City of Carlin. The project was funded by a federal grant of up to \$1 million obtained by the City of Carlin. This grant required matching funds of 25%. Therefore, a loan of \$350,000 was obtained by the City of Carlin from the U.S. Department of Agriculture, Rural Development Agency. The cooperative agreement provides that the City of Elko and Elko County will each reimburse the City of Carlin one-third of the annual loan payment. The City of Elko and Elko County have each agreed to pay the City of Carlin the maximum sum of \$6,916 per year until the loan is paid in full or for a maximum of 40 years. A surcharge fee is charged by the City of Carlin for every water user who connects to the new water line within a period of 40 years. The proceeds collected from this fee will be used to equally reimburse the City of Elko and Elko County for any payments made by them. The surcharge fee collected by the City of Carlin for this fiscal year was insufficient to pay the City's portion of the loan; therefore, the City paid \$6,800 to the City of Carlin.

The City is involved in various matters of litigation. Although the outcome of the litigation is not presently determinable, it is the opinion of City officials that none of the cases will have a materially adverse effect on the City's financial condition.

The City is involved with several significant construction contracts that will continue from fiscal year 2018 through subsequent fiscal years. Details of some of the significant projects are as follows.

On May 9, 2017, the City approved a construction contract for the Effluent Reuse and Sanitary Sewer to the Elko Sports Complex Project in the amount of \$984,765. As of June 30, 2018, the City had spent \$411,927.48. This project will be paid for with funds available in the Sewer Department.

The City approved the construction project for the Elko Sports Complex in the amount of \$10.9 million. As of June 30, 2018, the City had spent \$779,943. This project will be paid for with funds from 2015 bond proceeds and donations.

CITY OF ELKO, NEVADA
Notes to the Financial Statements
June 30, 2018

NOTE 16. Restatement Adjustment

Net position as of July 1, 2017 has been restated for the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), as amended by GASB Statement No. 85, Omnibus 2017.

As mentioned in Note 1 to the financial statements, the City implemented the provisions of GASB Statement No. 82, Pension Issues- an Amendment of GASB Statements No. 67, No. 68, and No. 73. GASB Statement No. 82 improves consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

The results of the restatements of beginning net position are as follows:

	Governmental Activities	Business Activities	Total
Restatement adjustment:			
Implementation of GASB 82	\$ 1,757,698	\$ 451,631	\$ 2,209,329
Implementation of GASB 75	818,655	249,529	1,068,184
Total restatement adjustment	<u>\$ 2,576,353</u>	<u>\$ 701,160</u>	<u>\$ 3,277,513</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ELKO, NEVADA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2018

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability (asset)	0.191030%	2.031300%	0.207090%	0.204490%
Proportionate share of the net pension liability (asset)	\$ 25,406,820	\$ 27,335,646	\$ 23,731,868	\$ 21,311,585
Covered payroll	\$ 10,380,601	\$ 10,447,569	\$ 10,099,417	\$ 11,866,230
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	244.75%	261.65%	234.98%	179.60%
Plan fiduciary net position as a percentage of the total pension liability	74.4%	72.2%	75.1%	76.3%

Note: The City implemented GASB 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF ELKO, NEVADA
Schedule of Contributions
For the Year Ended June 30, 2018

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA

	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 1,759,670	\$ 1,714,679	\$ 1,722,254	\$ 1,598,300
Contributions in relation to the statutorily required contribution	\$ (1,759,670)	\$ (1,714,679)	\$ (1,722,254)	\$ (1,598,300)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,868,094	\$ 10,380,601	\$ 10,447,569	\$ 10,099,417
Contributions as a percentage of covered payroll	16.19%	16.52%	16.48%	15.83%

Note: The City implemented GASB 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Note: All contributions shown reflect employer-paid contributions only. Member contributions are excluded. All values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 68 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

CITY OF ELKO, NEVADA
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018
Last 10 Fiscal Years

	<u>Reporting Fiscal Year (Measurement Date)</u>
	<u>2018 (2017)</u>
Total OPEB liability	
Service cost	\$ 91,167
Interest cost	131,667
Changes of benefit terms	-
Benefit payments	(279,745)
Assumption changes	-
Plan experience	-
Net change in total OPEB liability	(56,911)
Total OPEB liability - beginning	3,775,827
Total OPEB liability - ending (a)	<u>\$ 3,718,916</u>
Plan fiduciary net position	
Employer contributions	\$ 279,745
Net investment income	-
Benefit payments	(279,745)
Investment experience	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 3,718,916
Plan fiduciary net position as a percentage of the total OPEB liability	0%
Covered payroll	\$ 11,907,284
Net OPEB liability as a percentage of covered	31.23%

Note: The City implemented GASB 75 in fiscal year 2018. Prior year information is not available.

CITY OF ELKO, NEVADA
Schedule of OPEB Contributions
For the Year Ended June 30, 2018
Last 10 Fiscal Years

	<u>Reporting Fiscal Year</u>
	<u>2018</u>
Contractually required contributions	\$ 279,745
Contributions in relation to the contractually required contribution	\$ (279,745)
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 11,907,284
Contributions as a percentage of covered payroll	2.35%

Note: The City implemented GASB 75 in fiscal year 2018. Prior year information is not available.

CITY OF ELKO, NEVADA
Major Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
June 30, 2018

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Budget and actual comparisons are presented for all funds of the City as required by Nevada Revised Statutes. Such budget comparisons are required to be presented using the budget as adopted, and approved by the State of Nevada Department of Taxation. However, guidance provided in governmental accounting standards specify that one of these internally reported funds of the City, does not meet the definition of a special revenue fund, and, therefore, does not qualify to be separately presented for external reporting purposes:

The **Revenue Stabilization Fund** for the City is combined with the General Fund for external financial reporting. It accounts for the collection and disbursement of funds solely for the purpose of stabilizing revenues in those years that anticipated revenues do not meet original projections. The revenues will be derived from excess fund balances of the General Fund as determined by the Sustained Service and Revenue Policy.

The **Recreation Fund** is special revenue fund used to account for room tax monies received for the purposes of providing recreation improvements.

CITY OF ELKO, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes:				
Ad valorem	\$ 3,106,742	\$ 3,106,742	\$ 3,022,103	\$ (84,639)
Total taxes	3,106,742	3,106,742	3,022,103	(84,639)
Licenses, permits, and fees:				
Business licenses	660,070	660,070	690,780	30,710
Other licenses	5,010	5,010	7,457	2,447
Franchise fees	781,015	781,015	926,172	145,157
Permits	150,000	150,000	302,112	152,112
Total licenses, permits, and fees	1,596,095	1,596,095	1,926,521	330,426
Intergovernmental:				
Grants	112,000	112,000	156,526	44,526
Fuel taxes	506,400	506,400	505,448	(952)
Consolidated revenues	11,679,579	11,679,579	13,298,573	1,618,994
County shared revenues	120,000	120,000	111,555	(8,445)
Other intergovernmental	353,900	353,900	356,918	3,018
Total intergovernmental	12,771,879	12,771,879	14,429,020	1,657,141
Charges for services:				
Community development	95,000	95,000	130,449	35,449
Public work fees	390,000	390,000	395,547	5,547
Public safety fees	73,200	73,200	117,371	44,171
Culture and recreation fees	121,100	121,100	160,947	39,847
Health fees	110,000	110,000	132,012	22,012
Total charges for services	789,300	789,300	936,326	147,026
Fines and forfeitures:				
Forensic service fees	2,000	2,000	2,150	150
Municipal court fees	150,000	150,000	74,762	(75,238)
Bail bond fees	2,500	2,500	1,400	(1,100)
Alcohol assessment fees	-	-	-	-
Total fines and forfeitures	154,500	154,500	78,312	(76,188)
Investment earnings:				
Interest earnings	12,000	12,000	32,757	20,757
Total investment earnings	12,000	12,000	32,757	20,757
Other revenues:				
Rent	-	-	212	212
Reimbursements	3,000	3,000	19,057	16,057
Private donations	25,000	25,000	206,612	181,612
Miscellaneous	79,500	79,500	72,839	(6,661)
Total other revenues	107,500	107,500	298,720	191,220
Total revenues	18,538,016	18,538,016	20,723,759	2,185,743

(continued)

CITY OF ELKO, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Budgetary Basis) and Actual (Continued)
For the Year Ended June 30, 2018

EXPENDITURES	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General government:				
City manager:				
Salaries and wages	\$ 321,650	\$ 330,150	\$ 329,898	\$ 252
Employee benefits	169,250	169,250	161,694	7,556
Services, supplies and other	226,664	226,664	158,569	68,095
	<u>717,564</u>	<u>726,064</u>	<u>650,161</u>	<u>75,903</u>
Clerk:				
Salaries and wages	150,575	153,575	153,389	186
Employee benefits	66,901	72,101	70,829	1,272
Services, supplies and other	29,310	27,310	17,706	9,604
	<u>246,786</u>	<u>252,986</u>	<u>241,924</u>	<u>11,062</u>
Personnel:				
Salaries and wages	55,000	55,000	54,353	647
Employee benefits	24,600	24,600	24,172	428
Services, supplies and other	55,587	55,587	48,590	6,997
	<u>135,187</u>	<u>135,187</u>	<u>127,115</u>	<u>8,072</u>
Information systems:				
Salaries and wages	92,710	98,210	97,848	362
Employee benefits	47,650	47,650	45,722	1,928
Services, supplies and other	158,263	173,263	157,309	15,954
	<u>298,623</u>	<u>319,123</u>	<u>300,879</u>	<u>18,244</u>
Finance:				
Salaries and wages	108,200	120,700	120,393	307
Employee benefits	62,601	63,601	63,023	578
Services, supplies and other	41,400	38,400	33,714	4,686
	<u>212,201</u>	<u>222,701</u>	<u>217,130</u>	<u>5,571</u>
Central services:				
Employee benefits	585,000	455,000	316,853	138,147
Services, supplies and other	160,305	45,305	135,659	(90,354)
	<u>745,305</u>	<u>500,305</u>	<u>452,512</u>	<u>47,793</u>
Planning and zoning:				
Salaries and wages	127,000	128,300	128,078	222
Employee benefits	53,100	66,100	64,510	1,590
Services, supplies and other	45,650	25,650	11,090	14,560
	<u>225,750</u>	<u>220,050</u>	<u>203,678</u>	<u>16,372</u>
Economic development:				
Services, supplies and other	28,300	29,800	29,751	49
	<u>28,300</u>	<u>29,800</u>	<u>29,751</u>	<u>49</u>
Total general government	<u>2,609,716</u>	<u>2,406,216</u>	<u>2,223,150</u>	<u>183,066</u>
Judicial:				
Municipal court:				
Services, supplies and other	468,000	483,000	275,370	207,630
Total judicial	<u>468,000</u>	<u>483,000</u>	<u>275,370</u>	<u>207,630</u>

(continued)

CITY OF ELKO, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Budgetary Basis) and Actual (Continued)
For the Year Ended June 30, 2018

Expenditures (continued)	Original Budget	Final Budget	Actual	Variance with Final Budget
Public safety:				
Police:				
Salaries and wages	\$ 3,761,500	\$ 3,691,500	\$ 3,616,872	\$ 74,628
Employee benefits	2,298,000	2,248,000	2,015,303	232,697
Services, supplies and other	987,150	1,037,150	1,033,795	3,355
	<u>7,046,650</u>	<u>6,976,650</u>	<u>6,665,970</u>	<u>310,680</u>
Fire- Main station / ARFF:				
Salaries and wages	1,924,900	1,983,900	1,978,032	5,868
Employee benefits	1,150,310	1,150,310	1,130,496	19,814
Services, supplies and other	458,825	469,825	440,580	29,245
	<u>3,534,035</u>	<u>3,604,035</u>	<u>3,549,108</u>	<u>54,927</u>
Fire - Southside station:				
Services, supplies and other	8,250	8,250	6,112	2,138
	<u>8,250</u>	<u>8,250</u>	<u>6,112</u>	<u>2,138</u>
Fire - Downtown station:				
Salaries and wages	19,000	19,000	12,555	6,445
Services, supplies and other	37,100	37,100	15,708	21,392
	<u>56,100</u>	<u>56,100</u>	<u>28,263</u>	<u>27,837</u>
Total public safety	<u>10,645,035</u>	<u>10,645,035</u>	<u>10,249,453</u>	<u>395,582</u>
Public works:				
Public works:				
Salaries and wages	655,875	671,875	671,389	486
Employee benefits	334,750	334,750	333,646	1,104
Services, supplies and other	1,299,100	1,295,100	1,122,572	172,528
Capital outlay	-	150,000	154,517	(4,517)
	<u>2,289,725</u>	<u>2,451,725</u>	<u>2,282,124</u>	<u>169,601</u>
Fleet maintenance:				
Salaries and wages	297,700	311,700	310,667	1,033
Employee benefits	147,200	157,200	151,218	5,982
Services, supplies and other	63,850	63,850	46,778	17,072
	<u>508,750</u>	<u>532,750</u>	<u>508,663</u>	<u>24,087</u>
Engineering:				
Salaries and wages	85,200	86,700	86,136	564
Employee benefits	41,050	42,050	41,629	421
Services, supplies and other	75,924	75,924	24,238	51,686
	<u>202,174</u>	<u>204,674</u>	<u>152,003</u>	<u>52,671</u>
Building inspection:				
Salaries and wages	327,625	327,625	264,325	63,300
Employee benefits	150,418	150,418	114,283	36,135
Services, supplies and other	97,176	97,176	75,630	21,546
	<u>575,219</u>	<u>575,219</u>	<u>454,238</u>	<u>120,981</u>

(continued)

CITY OF ELKO, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Budgetary Basis) and Actual (Continued)
For the Year Ended June 30, 2018

Expenditures (continued)	Original Budget	Final Budget	Actual	Variance with Final Budget
Facilities maintenance:				
Salaries and wages	\$ 228,295	\$ 228,295	\$ 223,755	\$ 4,540
Employee benefits	119,000	119,000	116,946	2,054
Services, supplies and other	369,400	369,400	333,977	35,423
	<u>716,695</u>	<u>716,695</u>	<u>674,678</u>	<u>42,017</u>
Community development:				
Salaries and wages	116,000	116,000	115,299	701
Employee benefits	52,275	52,775	52,646	129
Services, supplies and other	114,000	113,500	6,968	106,532
	<u>282,275</u>	<u>282,275</u>	<u>174,913</u>	<u>107,362</u>
Total public works	<u>4,574,838</u>	<u>4,763,338</u>	<u>4,246,619</u>	<u>516,719</u>
Health:				
Animal control:				
Salaries and wages	263,675	263,675	247,089	16,586
Employee benefits	138,225	138,225	130,178	8,047
Services, supplies and other	119,900	119,900	100,380	19,520
	<u>521,800</u>	<u>521,800</u>	<u>477,647</u>	<u>44,153</u>
Cemetery				
Salaries and wages	125,100	113,100	104,327	8,773
Employee benefits	60,210	72,210	67,492	4,718
Services, supplies and other	22,150	22,150	20,910	1,240
	<u>207,460</u>	<u>207,460</u>	<u>192,729</u>	<u>14,731</u>
Total health	<u>729,260</u>	<u>729,260</u>	<u>670,376</u>	<u>58,884</u>
Culture and recreation:				
Parks:				
Salaries and wages	485,850	485,850	450,955	34,895
Employee benefits	230,700	230,700	205,275	25,425
Services, supplies and other	144,910	144,910	143,667	1,243
	<u>861,460</u>	<u>861,460</u>	<u>799,897</u>	<u>61,563</u>
Swimming pool:				
Salaries and wages	257,325	257,325	243,701	13,624
Employee benefits	77,800	77,800	76,386	1,414
Services, supplies and other	164,700	164,700	136,105	28,595
	<u>499,825</u>	<u>499,825</u>	<u>456,192</u>	<u>43,633</u>
Total culture and recreation	<u>1,361,285</u>	<u>1,361,285</u>	<u>1,256,089</u>	<u>105,196</u>
Community support:				
Services, supplies and other	105,011	105,011	105,011	-
Total community support	<u>105,011</u>	<u>105,011</u>	<u>105,011</u>	<u>-</u>

(continued)

CITY OF ELKO, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Budgetary Basis) and Actual (Continued)
For the Year Ended June 30, 2018

Expenditures (continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Contingencies	<u>\$ 307,397</u>	<u>\$ 307,397</u>	<u>\$ -</u>	<u>\$ 307,397</u>
Total expenditures	<u>20,800,542</u>	<u>20,800,542</u>	<u>19,026,068</u>	<u>1,774,474</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,262,526)</u>	<u>(2,262,526)</u>	<u>1,697,691</u>	<u>3,960,217</u>
Other financing sources (uses):				
Transfer to other funds	<u>(747,372)</u>	<u>(1,447,372)</u>	<u>(1,407,419)</u>	<u>39,953</u>
Transfer in from other funds	<u>306,289</u>	<u>353,611</u>	<u>353,611</u>	<u>-</u>
Total other financing sources (uses)	<u>(441,083)</u>	<u>(1,093,761)</u>	<u>(1,053,808)</u>	<u>39,953</u>
Net change in fund balance	<u>(2,703,609)</u>	<u>(3,356,287)</u>	<u>643,883</u>	<u>4,000,170</u>
Fund balance, beginning of year	<u>4,500,225</u>	<u>4,500,225</u>	<u>4,500,225</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,796,616</u></u>	<u><u>\$ 1,143,938</u></u>	<u><u>\$ 5,144,108</u></u>	<u><u>\$ 4,000,170</u></u>

CITY OF ELKO, NEVADA
General Fund
Reconciliation of the General Fund (Budgetary Basis) to the
Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund (GAAP Basis)
For the Year Ended June 30, 2018

	General (Budgetary Basis)	Revenue Stabilization	General (GAAP Basis)
Revenues			
Taxes	\$ 3,022,103	\$ -	\$ 3,022,103
Licenses and permits	1,926,521	-	1,926,521
Intergovernmental	14,429,020	-	14,429,020
Charges for services	936,326	-	936,326
Fines and forfeitures	78,312	-	78,312
Other revenues	298,720	-	298,720
Interest earnings	32,757	16,719	49,476
Total revenues	<u>20,723,759</u>	<u>16,719</u>	<u>20,740,478</u>
Expenditures			
General government	2,223,150	-	2,223,150
Judicial	275,370	-	275,370
Public safety	10,249,453	-	10,249,453
Public works	4,246,619	-	4,246,619
Health	670,376	-	670,376
Culture and recreation	1,256,089	-	1,256,089
Community support	105,011	-	105,011
Total expenditures	<u>19,026,068</u>	<u>-</u>	<u>19,026,068</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,697,691</u>	<u>16,719</u>	<u>1,714,410</u>
Other financing sources (uses)			
Transfers out	(1,407,419)	(47,322)	(1,454,741)
Transfers in	353,611	138,018	491,629
Total other financing sources (uses)	<u>(1,053,808)</u>	<u>90,696</u>	<u>(963,112)</u>
Net change in fund balance	643,883	107,415	751,298
Fund balance, beginning of year	<u>4,500,225</u>	<u>1,785,220</u>	<u>6,285,445</u>
Fund balance, end of year	<u><u>\$ 5,144,108</u></u>	<u><u>\$ 1,892,635</u></u>	<u><u>\$ 7,036,743</u></u>

CITY OF ELKO, NEVADA
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes:				
Room taxes	\$ 3,700,000	\$ 3,700,000	\$ 3,831,732	\$ 131,732
Other revenues	-	-	648,830	648,830
Interest earnings	25,000	25,000	69,059	44,059
Total revenues	3,725,000	3,725,000	4,549,621	824,621
Expenditures				
Current:				
Culture and recreation:				
Parks and recreation:				
Services and supplies	5,000	5,000	5,000	-
Capital outlay	7,845,638	7,765,638	200,831	7,564,807
Other recreation:				
Elko Convention Center	1,291,684	1,346,684	1,352,845	(6,161)
Elko County Fairboard	132,142	132,142	137,135	(4,993)
Elko County Recreation Fairboard	156,250	156,250	171,418	(15,168)
Elko Snobowl Foundation	33,035	33,035	33,683	(648)
NV State Tourism	99,107	99,107	103,926	(4,819)
Western Folklife Center	66,071	66,071	68,567	(2,496)
Total expenditures	9,628,927	9,603,927	2,073,405	7,530,522
Excess (deficiency) of revenues over (under) expenditures	(5,903,927)	(5,878,927)	2,476,216	8,355,143
Other financing sources (uses)				
Transfers out	(1,301,335)	(1,326,335)	(1,326,335)	-
Transfers in	-	700,000	700,000	-
Total other financing sources (uses)	(1,301,335)	(626,335)	(626,335)	-
Net change in fund balance	(7,205,262)	(6,505,262)	1,849,881	8,355,143
Fund balance, beginning of year	7,291,046	7,291,046	7,291,046	-
Fund balance, end of year	\$ 85,784	\$ 785,784	\$ 9,140,927	\$ 8,355,143

CITY OF ELKO, NEVADA
Notes to Required Supplementary Information
June 30, 2018

NOTE 1. Budgetary Reconciliations

The accompanying Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) presents balances combined for external reporting purposes.

Budget to actual comparisons are presented for all funds of the City as required by Nevada Revised Statutes. Such budget comparisons are required to be presented using the budget as adopted, and approved by the State of Nevada Department of Taxation. However, guidance provided in governmental accounting standards specify that one of these internally reported funds of the City, does not meet the definition of special revenue funds, and therefore does not qualify to be separately presented for external reporting purposes.

The Revenue Stabilization Fund for the City is combined with the General Fund for external reporting purposes.

NOTE 2. OPEB – Factors that Affect Trends

There are no factors (e.g. changes in benefit terms, the use of different assumptions, changes in investment policies) that significantly affect trends in the amounts reported in the required schedules.

NOTE 3. OPEB – Plan Assets

There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits.

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SUPPLEMENTARY INFORMATION

CITY OF ELKO, NEVADA

**SUPPLEMENTARY INFORMATION
INTERNALLY REPORTED (BUDGETARY BASIS) FUND REPORTED AS A PART OF THE
GENERAL FUND FOR EXTERNAL REPORTING PURPOSES**

**COMBINING STATEMENTS
AND
BUDGET AND ACTUAL REPORTS**

The **Revenue Stabilization Fund** for the City is combined with the General Fund for external financial reporting. It accounts for the collection and disbursement of funds solely for the purpose of stabilizing revenues in those years that anticipated revenues do not meet original projections. The revenues will be derived from excess fund balances of the General Fund as determined by the Sustained Service and Revenue Policy.

CITY OF ELKO, NEVADA
Combining Balance Sheet
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)
June 30, 2018

	<u>General Fund Budgetary Basis)</u>	<u>Revenue Stabilization</u>	<u>General Fund (GAAP Basis)</u>
Assets			
Cash and investments	\$ 3,317,712	\$ 1,890,090	\$ 5,207,802
Receivables:			
Property taxes	43,652	-	43,652
Interest receivable	2,597	2,545	5,142
Other	208,673	-	208,673
Due from other governments	2,629,297	-	2,629,297
Due from other funds	-	-	-
Inventories and prepaids	33,223	-	33,223
Restricted cash and investments	-	-	-
Total assets	<u>\$ 6,235,154</u>	<u>\$ 1,892,635</u>	<u>\$ 8,127,789</u>
Liabilities			
Accounts payable	\$ 417,169	\$ -	\$ 417,169
Accrued liabilities	509,588	-	509,588
Due to other governments	1,452	-	1,452
Customer deposits	18,003	-	18,003
Unearned revenue	101,182	-	101,182
Total liabilities	<u>1,047,394</u>	<u>-</u>	<u>1,047,394</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	43,652	-	43,652
Total deferred inflows of resources	<u>43,652</u>	<u>-</u>	<u>43,652</u>
Fund balances			
Nonspendable:			
Inventories and prepaids	33,223	-	33,223
Committed:			
Revenue stabilization	-	1,892,635	1,892,635
Assigned to:			
Next year's budget appropriation	2,072,741	-	2,072,741
Unassigned	3,038,144	-	3,038,144
Total fund balances	<u>5,144,108</u>	<u>1,892,635</u>	<u>7,036,743</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,235,154</u>	<u>\$ 1,892,635</u>	<u>\$ 8,127,789</u>

CITY OF ELKO, NEVADA
Revenue Stabilization Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Interest earnings	\$ 10,000	\$ 16,719	\$ 6,719
Total revenues	<u>10,000</u>	<u>16,719</u>	<u>6,719</u>
Other Financing Sources			
Transfers out	(47,322)	(47,322)	-
Transfers in	<u>138,018</u>	<u>138,018</u>	<u>-</u>
Net change in fund balance	100,696	107,415	6,719
Fund balance, beginning of year	<u>1,785,220</u>	<u>1,785,220</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,885,916</u></u>	<u><u>\$ 1,892,635</u></u>	<u><u>\$ 6,719</u></u>

CITY OF ELKO, NEVADA
SUPPLEMENTARY INFORMATION
MAJOR CAPITAL PROJECT FUNDS
BUDGET AND ACTUAL REPORTS

The **Capital Construction Fund** is used to account for projects financed from property taxes, land sales, and operating transfers.

CITY OF ELKO, NEVADA
Capital Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes:			
Ad valorem	\$ 784,265	\$ 762,841	\$ (21,424)
Franchise fees	-	124,928	124,928
Other revenues	-	12,879	12,879
Interest earnings	<u>3,000</u>	<u>10,495</u>	<u>7,495</u>
Total revenues	<u>787,265</u>	<u>911,143</u>	<u>123,878</u>
Expenditures			
Capital outlay	<u>1,186,327</u>	<u>1,081,118</u>	<u>105,209</u>
Total expenditures	<u>1,186,327</u>	<u>1,081,118</u>	<u>105,209</u>
Excess (deficiency) of revenues over (under) expenditures	(399,062)	(169,975)	229,087
Fund balance, beginning of year	<u>498,511</u>	<u>498,511</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 99,449</u></u>	<u><u>\$ 328,536</u></u>	<u><u>\$ 229,087</u></u>

CITY OF ELKO, NEVADA
SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS
AND
BUDGET AND ACTUAL REPORTS

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditure for particular purposes.

The **Youth Recreation Fund** is used to account for state grants and charges for participation in the "latchkey" program with expenditures related to providing these after school services for youth.

The **Municipal Court Administrative Assessment Fund** is used to account for the revenues derived from additional ticketed fines and is to be used to improve the court premises and equipment.

The **Narcotics Tax Force Fund** accounts for proceeds from state grants and monies collected from other local governments to be used for narcotics enforcement.

The **Elko Redevelopment Agency Fund** accounts for revenues including ad valorem taxes to be used for improvements and/or new construction of facilities and infrastructure for all activities associated with the Elko Redevelopment Agency area.

Debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for the payment.

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **Ad Valorem Capital Projects Fund** is used to account for projects funded by capital projects ad valorem tax revenues.

The **Public Improvement Development Fund** is used to account for revenues collected from developers for costs relating to public capital improvements and development programs.

The **Capital Equipment Reserve Fund** is used to account for the collection and disbursement of funds solely for the purpose of purchasing capital equipment or replacement of existing capital equipment.

The **Facility Reserve Capital Projects Fund** is used to account for the collection and disbursement of funds solely for the purpose of improving existing facilities or constructing new facilities. The revenues will be derived from facility user fees, investment earnings and approved transfers.

CITY OF ELKO, NEVADA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue				
	Municipal				
	Court		Narcotics	Elko	Debt
	Youth Recreation	Administration Assessment	Task Force	Redevelopment Agency	
Assets					
Cash and investments	\$ 50,841	\$ 112,309	\$ 85,512	\$ 890,346	\$ 519,501
Receivables:					
Taxes, delinquent	-	-	-	9,517	4,973
Interest	64	-	-	1,201	1,462
Other	-	175	-	-	-
Due from other governments	-	-	13,918	3,413	232,743
Restricted cash	-	-	-	-	566,731
Total assets	<u>\$ 50,905</u>	<u>\$ 112,484</u>	<u>\$ 99,430</u>	<u>\$ 904,477</u>	<u>\$ 1,325,410</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 9,035	\$ -	\$ 460	\$ 44,238	\$ -
Accrued liabilities	7,707	-	-	-	-
Unearned revenue	-	-	97,837	-	-
Total liabilities	<u>16,742</u>	<u>-</u>	<u>98,297</u>	<u>44,238</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenues - fuel taxes	-	-	-	-	65,636
Unavailable revenues - property taxes	-	-	-	9,517	4,973
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,517</u>	<u>70,609</u>
Fund Balances:					
Restricted for:					
Debt service	-	-	-	-	566,731
Judicial	-	112,484	-	-	-
Capital projects	-	-	-	-	-
Public Safety	-	-	1,133	-	-
Culture and recreation	34,163	-	-	-	-
Redevelopment Agency	-	-	-	850,722	-
Committed:					
Debt service	-	-	-	-	688,070
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>34,163</u>	<u>112,484</u>	<u>1,133</u>	<u>850,722</u>	<u>1,254,801</u>
Total liabilities and fund balances	<u>\$ 50,905</u>	<u>\$ 112,484</u>	<u>\$ 99,430</u>	<u>\$ 904,477</u>	<u>\$ 1,325,410</u>

Capital Projects				
Ad Valorem Capital Projects	Public Improvement Development	Capital Equipment Reserve	Facility Reserve Fund	Total Nonmajor Governmental Funds
\$ 871,519	\$ 15,710	\$ 1,024,937	\$ 111,529	\$ 3,682,204
-	-	5,836	-	20,326
1,137	21	1,345	161	5,391
-	-	-	-	175
107,099	-	66,351	-	423,524
-	-	-	-	566,731
<u>\$ 979,755</u>	<u>\$ 15,731</u>	<u>\$ 1,098,469</u>	<u>\$ 111,690</u>	<u>\$ 4,698,351</u>
\$ -	\$ -	\$ 61,847	\$ -	\$ 115,580
-	-	-	-	7,707
-	-	-	-	97,837
-	-	61,847	-	221,124
-	-	-	-	65,636
-	-	5,836	-	20,326
-	-	5,836	-	85,962
-	-	-	-	566,731
-	-	-	-	112,484
979,755	15,731	-	-	995,486
-	-	-	-	1,133
-	-	-	-	34,163
-	-	-	-	850,722
-	-	-	-	688,070
-	-	1,030,786	111,690	1,142,476
-	-	-	-	-
<u>979,755</u>	<u>15,731</u>	<u>1,030,786</u>	<u>111,690</u>	<u>4,391,265</u>
<u>\$ 979,755</u>	<u>\$ 15,731</u>	<u>\$ 1,098,469</u>	<u>\$ 111,690</u>	<u>\$ 4,698,351</u>

CITY OF ELKO, NEVADA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue				
	Municipal				
	Youth Recreation	Court Administration Assessment	Narcotics Task Force	Elko Redevelopment Agency	Debt Service
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 292,342	\$ 402,221
Intergovernmental revenue	-	3,446	27,887	-	689,304
Charges for services	143,500	-	-	-	-
Other revenues	20,201	-	2,000	85,020	-
Investment earnings	516	-	-	7,751	7,843
Total revenues	164,217	3,446	29,887	385,113	1,099,368
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	31,893	-	-
Public works	-	-	-	55,162	-
Culture and recreation	235,840	-	-	-	-
Debt service:					
Principal	-	-	-	-	1,095,000
Interest	-	-	-	-	594,174
Capital outlay	-	-	-	460,543	-
Total expenditures	235,840	-	31,893	515,705	1,689,174
Excess (deficiency) of revenues over (under) expenditures	(71,623)	3,446	(2,006)	(130,592)	(589,806)
Other financing sources (uses)					
Transfers in	56,939	-	-	50,000	609,113
Transfers out	-	-	-	-	-
Total other financing sources and uses	56,939	-	-	50,000	609,113
Net change in in fund balances	(14,684)	3,446	(2,006)	(80,592)	19,307
Fund balances, beginning of year	48,847	109,038	3,139	931,314	1,235,494
Fund balances, end of year	\$ 34,163	\$ 112,484	\$ 1,133	\$ 850,722	\$ 1,254,801

Capital Projects				
Ad Valorem Capital Projects	Public Improvement Development	Capital Equipment Reserve	Facility Reserve Fund	Total Nonmajor Governmental Funds
\$ 341,394	\$ -	\$ 344,964	\$ -	\$ 1,380,921
-	-	412,471	-	1,133,108
-	-	-	-	143,500
-	-	6,000	-	113,221
6,481	136	9,025	2,009	33,761
347,875	136	772,460	2,009	2,804,511
-	-	25,346	-	25,346
-	-	-	-	31,893
-	-	-	-	55,162
-	-	-	-	235,840
-	-	-	-	1,095,000
-	-	-	-	594,174
-	-	1,107,711	318,988	1,887,242
-	-	1,133,057	318,988	3,924,657
347,875	136	(360,597)	(316,979)	(1,120,146)
-	-	207,027	207,027	1,130,106
-	-	(50,000)	-	(50,000)
-	-	157,027	207,027	1,080,106
347,875	136	(203,570)	(109,952)	(40,040)
631,880	15,595	1,234,356	221,642	4,431,305
\$ 979,755	\$ 15,731	\$ 1,030,786	\$ 111,690	\$ 4,391,265

CITY OF ELKO, NEVADA
Youth Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for services	\$ 143,000	\$ 143,500	\$ 500
Other revenues	16,000	20,201	4,201
Investment earnings	250	516	266
Total revenues	<u>159,250</u>	<u>164,217</u>	<u>4,967</u>
Expenditures			
Culture and recreation:			
Salaries and wages	117,775	114,880	2,895
Employee benefits	42,360	46,482	(4,122)
Service, supplies and other	76,450	74,478	1,972
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>236,585</u>	<u>235,840</u>	<u>745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,335)</u>	<u>(71,623)</u>	<u>5,712</u>
Other financing sources (uses)			
Transfers in from other funds	<u>56,939</u>	<u>56,939</u>	<u>-</u>
Total other financing sources (uses)	<u>56,939</u>	<u>56,939</u>	<u>-</u>
Net change in fund balance	(20,396)	(14,684)	5,712
Fund balance, beginning of year	<u>48,847</u>	<u>48,847</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 28,451</u></u>	<u><u>\$ 34,163</u></u>	<u><u>\$ 5,712</u></u>

CITY OF ELKO, NEVADA
Municipal Court Administrative Assessments Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Intergovernmental revenue	\$ 6,000	\$ 3,446	\$ (2,554)
Total revenues	<u>6,000</u>	<u>3,446</u>	<u>(2,554)</u>
Expenditures			
Judicial:			
Municipal court:			
Capital outlay	<u>117,473</u>	<u>-</u>	<u>117,473</u>
Total expenditures	<u>117,473</u>	<u>-</u>	<u>117,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111,473)</u>	<u>3,446</u>	<u>114,919</u>
Fund balance, beginning of year	<u>109,038</u>	<u>109,038</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (2,435)</u></u>	<u><u>\$ 112,484</u></u>	<u><u>\$ 114,919</u></u>

CITY OF ELKO, NEVADA
Narcotics Task Force Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental revenue	\$ 34,000	\$ 27,887	\$ (6,113)
Other revenues	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total revenues	<u>34,000</u>	<u>29,887</u>	<u>(4,113)</u>
Expenditures			
Public safety:			
Services, supplies and other	<u>34,000</u>	<u>31,893</u>	<u>2,107</u>
Total expenditures	<u>34,000</u>	<u>31,893</u>	<u>2,107</u>
Excess (deficiency) of revenues over (under) expenditures	-	(2,006)	(2,006)
Fund balance, beginning of year	<u>3,139</u>	<u>3,139</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 3,139</u></u>	<u><u>\$ 1,133</u></u>	<u><u>\$ (2,006)</u></u>

CITY OF ELKO, NEVADA
Elko Redevelopment Agency Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes:			
Ad valorem	\$ 277,650	\$ 292,342	\$ 14,692
Other revenues	-	85,020	85,020
Interest earnings	4,000	7,751	3,751
	<u>281,650</u>	<u>385,113</u>	<u>103,463</u>
Total revenues			
Expenditures			
Public works:			
Highways/streets:			
Services, supplies and other	25,100	55,162	(30,062)
Capital outlay	1,143,639	460,543	683,096
	<u>1,168,739</u>	<u>515,705</u>	<u>653,034</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(887,089)	(130,592)	756,497
Other financing sources (uses)			
Operating transfers in:			
From Capital Equipment Reserve Fund	50,000	50,000	-
	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	(837,089)	(80,592)	756,497
Fund balance, beginning of year	931,314	931,314	-
Fund balance, end of year	<u>\$ 94,225</u>	<u>\$ 850,722</u>	<u>\$ 756,497</u>

CITY OF ELKO, NEVADA
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes:			
Ad valorem	\$ 404,261	\$ 402,221	\$ (2,040)
Intergovernmental revenue	699,750	689,304	(10,446)
Interest earnings	4,200	7,843	3,643
Total revenues	<u>1,108,211</u>	<u>1,099,368</u>	<u>(8,843)</u>
Expenditures			
Debt service:			
Principal			
General obligation street bonds	445,000	445,000	-
General obligation medium-term public safety bonds	285,000	285,000	-
General obligation recreation facility bonds	365,000	365,000	-
Interest			
General obligation street bonds	298,781	298,031	750
General obligation medium-term public safety bonds	52,031	52,031	-
General obligation recreation facility bonds	244,113	244,112	1
Total debt service	<u>1,689,925</u>	<u>1,689,174</u>	<u>751</u>
Total expenditures	<u>1,689,925</u>	<u>1,689,174</u>	<u>751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(581,714)</u>	<u>(589,806)</u>	<u>(8,092)</u>
Other financing sources (uses)			
Transfers in	609,113	609,113	-
Total other financing sources (uses)	<u>609,113</u>	<u>609,113</u>	<u>-</u>
Net change in fund balance	27,399	19,307	(8,092)
Fund balance, beginning of year	<u>1,235,494</u>	<u>1,235,494</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,262,893</u>	<u>\$ 1,254,801</u>	<u>\$ (16,184)</u>

CITY OF ELKO, NEVADA
Ad Valorem Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes:			
Ad valorem	\$ 311,535	\$ 341,394	\$ 29,859
Interest earnings	<u>3,000</u>	<u>6,481</u>	<u>3,481</u>
Total revenues	<u>314,535</u>	<u>347,875</u>	<u>33,340</u>
Expenditures			
Public works:			
Highways/streets:			
Capital outlay	<u>520,746</u>	<u>-</u>	<u>520,746</u>
Total expenditures	<u>520,746</u>	<u>-</u>	<u>520,746</u>
Excess (deficiency) of revenues over (under) expenditures	(206,211)	347,875	554,086
Fund balance, beginning of year	<u>631,880</u>	<u>631,880</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 425,669</u></u>	<u><u>\$ 979,755</u></u>	<u><u>\$ 554,086</u></u>

CITY OF ELKO, NEVADA
Public Improvement Development Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues			
Interest earnings	\$ 50	\$ 136	\$ 86
Total revenues	50	136	86
Expenditures			
Public works:			
Capital outlay	15,604	-	15,604
Total expenditures	15,604	-	15,604
Excess (deficiency) of revenues over (under) expenditures	(15,554)	136	15,690
Fund balance, beginning of year	15,554	15,595	41
Fund balance, end of year	<u>\$ -</u>	<u>\$ 15,731</u>	<u>\$ 15,731</u>

CITY OF ELKO, NEVADA
Capital Equipment Reserve Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes:			
Ad valorem	\$ 353,728	\$ 344,964	\$ (8,764)
Intergovernmental revenue	415,000	412,471	(2,529)
Other revenues	6,000	6,000	-
Interest earnings	5,250	9,025	3,775
	<u>779,978</u>	<u>772,460</u>	<u>(7,518)</u>
Total revenues			
Expenditures			
General government:			
Services, supplies and other	34,500	25,346	9,154
Capital outlay	30,500	30,322	178
	<u>65,000</u>	<u>55,668</u>	<u>9,332</u>
Public safety:			
Capital outlay	985,850	809,004	176,846
	<u>985,850</u>	<u>809,004</u>	<u>176,846</u>
Public works:			
Capital outlay	324,100	268,385	55,715
	<u>324,100</u>	<u>268,385</u>	<u>55,715</u>
Total expenditures	<u>1,374,950</u>	<u>1,133,057</u>	<u>241,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(594,972)</u>	<u>(360,597)</u>	<u>234,375</u>
Other financing sources (uses)			
Transfers out	(50,000)	(50,000)	-
Transfers in	207,027	207,027	-
	<u>157,027</u>	<u>157,027</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	(437,945)	(203,570)	234,375
Fund balance, beginning of year	1,234,356	1,234,356	-
Fund balance, end of year	<u>\$ 796,411</u>	<u>\$ 1,030,786</u>	<u>\$ 234,375</u>

CITY OF ELKO, NEVADA
Facility Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Interest earnings	\$ 2,300	\$ 2,009	\$ (291)
Total revenues	<u>2,300</u>	<u>2,009</u>	<u>(291)</u>
Expenditures			
Capital outlay	<u>351,000</u>	<u>318,988</u>	<u>32,012</u>
Total expenditures	<u>351,000</u>	<u>318,988</u>	<u>32,012</u>
Excess (deficiency) of revenues over (under) expenditures	(348,700)	(316,979)	31,721
Other financing sources			
Transfers in	<u>207,027</u>	<u>207,027</u>	<u>-</u>
Net change in fund balance	(141,673)	(109,952)	31,721
Fund balance, beginning of year	<u>221,642</u>	<u>221,642</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 79,969</u></u>	<u><u>\$ 111,690</u></u>	<u><u>\$ 31,721</u></u>

CITY OF ELKO, NEVADA
SUPPLEMENTARY INFORMATION
ENTERPRISE FUNDS
COMBINING STATEMENTS
AND
BUDGET AND ACTUAL REPORTS

Enterprise funds are used to account for operations which are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The Enterprise Funds consist of the following:

Major Enterprise Funds

The **Water Utility Fund** is used to account for the provision of water services to the residents of the City. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

The **Sewer Utility Fund** is used to account for sewer service and improvements to sewer facilities for the residents of the City. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

The **Airport Fund** is used to account for the Elko Regional Airport and associated costs. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

The **Landfill Fund** is used to account for the regional landfill and associated costs. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

Nonmajor Enterprise Funds

The **Golf Fund** is used to account for the Elko Municipal Golf Course and associated costs. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

CITY OF ELKO, NEVADA
Water Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 3,300,000	\$ 3,271,847	\$ (28,153)
Other revenues	114,000	131,043	17,043
Total operating revenues	3,414,000	3,402,890	(11,110)
Operating expenses			
Administration			
Salaries	139,850	126,754	13,096
Employee benefits	72,600	63,739	8,861
Service, supplies and other	162,359	143,202	19,157
	374,809	333,695	41,114
Operations			
Salaries	546,700	546,161	539
Employee benefits	343,000	367,873	(24,873)
Service, supplies and other	910,393	927,543	(17,150)
	1,800,093	1,841,577	(41,484)
Plant and facilities			
Salaries	150,000	145,375	4,625
Employee benefits	45,100	46,596	(1,496)
Service, supplies and other	721,400	682,415	38,985
	916,500	874,386	42,114
Depreciation and amortization	580,000	575,643	4,357
Total operating expenses	3,671,402	3,625,301	46,101
Operating income (loss)	(257,402)	(222,411)	34,991
Nonoperating revenues (expenses)			
Interest income	40,000	72,772	32,772
Total nonoperating revenues (expenses)	40,000	72,772	32,772
Income (loss) before contributions and transfers	(217,402)	(149,639)	67,763
Connection fees	200,000	404,190	204,190
Change in net position	(17,402)	254,551	271,953
Net position, beginning of year	23,466,699	23,466,699	-
Restatement adjustment	-	(210,404)	(210,404)
Net position, end of year	\$ 23,449,297	\$ 23,510,846	\$ 61,549

CITY OF ELKO, NEVADA
Sewer Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 2,892,050	\$ 2,928,992	\$ 36,942
Other revenues	17,500	18,155	655
Total operating revenues	2,909,550	2,947,147	37,597
Operating expenses			
Administration			
Salaries	173,750	171,594	2,156
Employee benefits	93,700	82,938	10,762
Service, supplies and other	182,041	178,110	3,931
	449,491	432,642	16,849
Operations			
Salaries	61,500	30,049	31,451
Employee benefits	25,705	9,373	16,332
Service, supplies and other	245,900	182,977	62,923
	333,105	222,399	110,706
Plant and facilities			
Salaries	509,500	496,961	12,539
Employee benefits	259,200	239,434	19,766
Service, supplies and other	1,440,563	1,292,461	148,102
	2,209,263	2,028,856	180,407
Laboratory			
Salaries	75,000	71,729	3,271
Employee benefits	40,400	37,710	2,690
Service, supplies and other	82,600	56,370	26,230
	198,000	165,809	32,191
Depreciation and amortization	1,738,235	1,286,291	451,944
Total operating expenses	4,928,094	4,135,997	792,097
Operating income (loss)	(2,018,544)	(1,188,850)	829,694
Nonoperating revenues (expenses)			
Sewer improvement fees	2,967,022	2,935,103	(31,919)
Interest income	60,000	140,449	80,449
Total nonoperating revenues (expenses)	3,027,022	3,075,552	48,530
Income (loss) before contributions and transfers	1,008,478	1,886,702	878,224
Connections fees	200,000	431,282	231,282
Change in net position	1,208,478	2,317,984	1,109,506
Net position, beginning of year	40,985,132	40,985,132	-
Restatement adjustment	-	(204,244)	(204,244)
Net position, end of year	\$ 42,193,610	\$ 43,098,872	\$ 905,262

CITY OF ELKO, NEVADA
Airport Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Intergovernmental	\$ 21,220	\$ 21,653	\$ 433
Charges for services	258,000	273,231	15,231
Other revenues	690,943	696,424	5,481
Total operating revenues	970,163	991,308	21,145
Operating expenses			
Airport administration			
Salaries	73,900	65,663	8,237
Employee benefits	39,050	31,080	7,970
	112,950	96,743	16,207
Public Safety			
Salaries	50,000	37,224	12,776
Employee benefits	34,850	20,246	14,604
	84,850	57,470	27,380
Airport operations			
Salaries	304,400	220,003	84,397
Employee benefits	152,470	33,594	118,876
Service, supplies and other	311,100	172,815	138,285
	767,970	426,412	341,558
Airport terminal operations			
Service, supplies and other	146,700	93,130	53,570
Depreciation and amortization			
City funded	263,828	283,504	(19,676)
Federal unfunded	2,221,339	2,079,032	142,307
	2,485,167	2,362,536	122,631
Total operating expenses	3,597,637	3,036,291	561,346
Operating income (loss)	(2,627,474)	(2,044,983)	582,491
Nonoperating revenues (expenses)			
Interest income	5,000	10,418	5,418
Interest expense	(122,055)	(118,517)	3,538
Total nonoperating revenues (expenses)	(117,055)	(108,099)	8,956
Income (loss) before contributions and transfers	(2,744,529)	(2,153,082)	591,447
Grant revenue	3,237,500	2,681,667	(555,833)
Transfers in	522,355	482,402	(39,953)
Change in net position	1,015,326	1,010,987	(4,339)
Net position, beginning of year	32,952,196	32,952,196	-
Restatement adjustment	-	(97,088)	(97,088)
Net position, end of year	\$ 33,967,522	\$ 33,866,095	\$ (101,427)

CITY OF ELKO, NEVADA
Landfill Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 1,745,000	\$ 1,930,617	\$ 185,617
Other revenues	68,500	50,948	(17,552)
Total operating revenues	1,813,500	1,981,565	168,065
Operating expenses			
Administration			
Salaries	65,500	59,951	5,549
Employee benefits	35,309	31,609	3,700
Service, supplies and other	37,776	27,071	10,705
	138,585	118,631	19,954
Operations			
Salaries	501,575	500,855	720
Employee benefits	257,250	275,072	(17,822)
Service, supplies and other	740,000	689,695	50,305
	1,498,825	1,465,622	33,203
Depreciation and amortization	229,027	224,474	4,553
Total operating expenses	1,866,437	1,808,727	57,710
Operating income (loss)	(52,937)	172,838	225,775
Nonoperating revenues (expenses)			
Interest income	8,000	12,779	4,779
Total nonoperating revenues (expenses)	8,000	12,779	4,779
Change in net position	(44,937)	185,617	230,554
Net position, beginning of year	3,130,696	3,130,696	-
Restatement adjustment	-	(141,882)	(141,882)
Net position, end of year	\$ 3,085,759	\$ 3,174,431	\$ 88,672

CITY OF ELKO, NEVADA
Golf Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 700,800	\$ 619,061	\$ (81,739)
Other revenues	23,200	49,822	26,622
Total operating revenues	724,000	668,883	(55,117)
Operating expenses			
Administration			
Salaries	23,500	23,264	236
Employee benefits	11,350	7,169	4,181
	34,850	30,433	4,417
Operations			
Salaries	219,450	156,059	63,391
Employee benefits	98,500	52,716	45,784
Service, supplies and other	409,150	263,283	145,867
	727,100	472,058	255,042
Depreciation and amortization	90,000	91,642	(1,642)
Total operating expenses	851,950	594,133	257,817
Operating income (loss)	(127,950)	74,750	202,700
Nonoperating revenues (expenses)			
Interest income	2,000	5,270	3,270
Total nonoperating revenues (expenses)	2,000	5,270	3,270
Income (loss) before contributions and transfers	(125,950)	80,020	205,970
Capital contributions	-	59,129	59,129
Transfers in from other funds	26,939	26,939	-
Change in net position	(99,011)	166,088	265,099
Net position, beginning of year	3,876,290	3,876,290	-
Restatement adjustment	-	(47,542)	(47,542)
Net position, end of year	<u>\$ 3,777,279</u>	<u>\$ 3,994,836</u>	<u>\$ 217,557</u>

CITY OF ELKO, NEVADA
SUPPLEMENTARY INFORMATION
INTERNAL SERVICE FUND
BUDGET AND ACTUAL REPORT

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

The **Health Insurance Fund** is a partially self-insured health insurance program for City employees, dependents and retirees. Revenues include City contributions, employee/retiree contributions, and individual stop loss recovery.

CITY OF ELKO, NEVADA
Health Insurance Internal Service Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 2,670,000	\$ 2,160,147	\$ (509,853)
Total operating revenues	2,670,000	2,160,147	(509,853)
Operating expenses			
Employee benefits	2,652,500	1,678,177	974,323
Total operating expenses	2,652,500	1,678,177	974,323
Operating income (loss)	17,500	481,970	464,470
Nonoperating revenues (expenses)			
Interest income	3,000	11,071	8,071
Total nonoperating revenues (expenses)	3,000	11,071	8,071
Change in net position	20,500	493,041	472,541
Net position, beginning of year	957,729	957,729	-
Net position, end of year	\$ 978,229	\$ 1,450,770	\$ 472,541

STATISTICAL SECTION

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CITY OF ELKO, NEVADA
Schedule of Revenue and Related
Capital Expenditures – Cash Basis
For the Year Ended June 30, 2018

Capital Construction Fund:	
Beginning Balance July 1, 2017	\$ 1,167,155
Additions:	
Revenue from Ad Valorem Taxes	762,841
Deletions:	
Cedar Street Reconstruction	(1,081,118)
	<u> </u>
Funds remaining to be spent on Street Projects based on Monies Collected from Ad Valorem Taxes	<u>\$ 848,878</u>
Water Fund:	
Beginning Balance July 1, 2017	\$ 201,546
Additions:	
Revenue from Connection Fees	404,190
Deletions:	
Capital Expenses for Projects relating to Growth: Water Line Agreement - Exit 298	(182,637)
	<u> </u>
Funds remaining to be spent on Growth based on Monies Collected from Connection Fees	<u>\$ 423,099</u>
Sewer Fund:	
Beginning Balance July 1, 2017	\$ 14,353,866
Additions:	
Revenue from Sewer Improvement Fees	2,935,103
Deletions:	
Capital Expenses for Projects or Replacement	
Equipment Replacement	(310,691)
Rib Scarification	(411,927)
Reuse Extension to Sports Complex	(197,396)
Primary Digester	(367,852)
Potable Water Airgap	(210,233)
2018 Slip Lining	(15,305)
Yard Drain	(124,179)
Shop Design	(777,541)
Third Secondary Clarifier	(182,214)
Fill Station	(128,237)
Generator Project	(47,779)
Total Deletions	<u>(2,773,355)</u>
Funds remaining to be spent on Capital Projects Monies Collected from Improvement Fees	<u>\$ 14,515,614</u>
Sewer Fund:	
Beginning Balance July 1, 2017	\$ 4,014,754
Additions:	
Revenue from Connection Fees	431,282
Deletions:	
Capital Expenses for Projects Relating to Growth Reuse Pipeline and River Crossing	(47,779)
	<u> </u>
Funds remaining to be spent on Growth based on Monies Collected from Connection Fees	<u>\$ 4,398,257</u>

**CITY OF ELKO, NEVADA – General Fund
Summary Schedule of Revenues, Expenditures
And Changes in Fund Balance – Budgetary Basis
For the Years Ended June 30**

	2009 (Actual)	2010 (Actual)	2011 (Actual)	2012 (Actual)
REVENUES				
Taxes	\$ 2,138,384	\$ 2,239,938	\$ 2,253,941	\$ 2,373,842
Licenses and Permits	1,555,808	1,491,501	1,765,089	1,913,770
Intergovernmental Revenue	10,483,689	9,868,372	11,543,028	13,399,230
Charges for Services	577,488	575,032	769,662	876,366
Fines and Forfeits	250,115	199,207	209,940	185,480
Miscellaneous	171,484	86,388	105,473	101,462
Total Revenues	15,176,968	14,460,438	16,647,133	18,850,150
EXPENDITURES				
General Government	2,108,515	2,111,813	2,099,734	1,895,752
Judicial	386,154	387,548	364,974	335,305
Public Safety	8,116,542	8,339,502	8,294,482	8,423,606
Public Works	3,362,015	3,307,233	3,059,259	3,008,660
Health	525,658	525,384	526,608	518,702
Culture and Recreation	1,028,101	1,027,251	977,659	900,388
Community Support	36,000	32,000	21,000	29,500
Contingency	-	-	-	-
Intergovernmental	-	-	-	-
Total Expenditures	15,562,985	15,730,731	15,343,716	15,111,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(386,017)	(1,270,293)	1,303,417	3,738,237
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	246,256	406,136	1,021,168	223,508
Transfers to other funds	(397,690)	(398,715)	(1,061,631)	(2,081,554)
Total Other Financing Sources (Uses)	(151,434)	7,421	(40,463)	(1,858,046)
Net Change in Fund Balance	(537,451)	(1,262,872)	1,262,954	1,880,191
Fund Balance - July 1	3,548,933	3,011,482	1,748,609	3,011,563
Fund Balance - June 30	\$ 3,011,482	\$ 1,748,609	\$ 3,011,563	\$ 4,891,754

2013 (Actual)	2014 (Actual)	2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Budget)
\$ 2,473,737	\$ 2,509,838	\$ 2,666,813	\$ 2,926,547	\$ 2,990,916	\$ 3,022,103	\$ 3,150,498
2,048,308	2,022,603	2,087,384	1,805,306	1,626,787	1,926,521	1,824,015
13,791,267	12,334,542	12,633,948	13,461,108	13,352,210	14,429,020	13,128,073
870,660	883,422	943,598	818,959	865,232	936,326	829,100
199,833	171,437	169,913	155,581	114,464	78,312	104,500
161,538	110,615	122,543	245,931	217,824	331,477	289,500
19,545,343	18,032,457	18,624,199	19,413,432	19,167,433	20,723,759	19,325,686
2,131,446	2,147,213	2,110,308	2,087,961	2,255,979	2,223,150	2,568,163
339,637	306,058	271,025	321,366	321,273	275,370	468,000
9,226,056	9,365,562	9,388,271	10,005,524	10,150,217	10,249,453	11,275,600
4,031,364	3,914,165	3,854,165	3,983,563	4,235,632	4,246,619	4,579,393
615,350	674,668	664,070	668,458	693,333	670,376	754,125
1,026,925	1,074,605	1,131,856	1,157,473	1,225,183	1,256,089	1,350,235
45,000	57,000	53,827	98,964	99,362	105,011	70,511
-	-	-	-	-	-	315,990
17,415,778	17,539,271	17,473,522	18,323,309	18,980,979	19,026,068	21,382,017
2,129,565	493,186	1,150,677	1,090,123	186,454	1,697,691	(2,056,331)
239,464	243,582	375,431	304,109	284,267	353,611	303,803
(1,272,049)	(3,481,257)	(1,187,606)	(671,390)	(276,085)	(1,407,419)	(320,213)
(1,032,585)	(3,237,675)	(812,175)	(367,281)	8,182	(1,053,808)	(16,410)
1,096,980	(2,744,489)	338,502	722,842	194,636	643,883	(2,072,741)
4,891,754	5,988,734	3,244,245	3,582,747	4,305,589	4,500,225	4,178,142
\$ 5,988,734	\$ 3,244,245	\$ 3,582,747	\$ 4,305,589	\$ 4,500,225	\$ 5,144,108	\$ 2,105,401

CITY OF ELKO, NEVADA**Assessed Valuation – Secured and Unsecured Property
For the Years Ended June 30**

Fiscal Year	Assessed Valuation	Percent Change
1995	\$ 202,479,335	2.74%
1996	218,662,312	7.99%
1997	231,485,367	5.86%
1998	247,881,803	7.08%
1999	263,888,126	6.46%
2000	272,263,390	3.17%
2001	291,389,822	7.02%
2002	295,123,546	1.28%
2003	288,766,550	-2.15%
2004	297,619,553	3.07%
2005	296,187,696	-0.48%
2006	296,750,239	0.19%
2007	312,805,735	5.41%
2008	337,353,408	7.85%
2009	363,571,663	7.77%
2010	389,109,714	7.02%
2011	390,921,792	0.47%
2012	386,309,054	-1.18%
2013	404,635,915	4.74%
2014	427,797,045	5.72%
2015	465,656,772	8.85%
2016	482,389,245	3.59%
2017	495,031,866	2.62%
2018	513,337,800	3.70%
2019	519,385,463	1.18%

CITY OF ELKO, NEVADA
Countywide Secured Tax Levies, Collection and Delinquencies
For the Years Ended June 30

<u>Fiscal Year</u>	<u>Net Levy Roll</u>	<u>Total Taxes Collected</u>	<u>Collected as a % of Taxes Levied</u>
1995	\$ 5,046,187	\$ 5,000,696	99.1%
1996	5,653,208	5,430,161	96.1%
1997	5,848,794	5,777,337	98.8%
1998	6,184,268	6,091,667	98.5%
1999	6,557,417	6,422,643	97.9%
2000	6,916,989	6,769,209	97.9%
2001	7,223,108	7,145,453	98.9%
2002	7,515,678	7,352,732	97.8%
2003	7,913,598	7,773,886	98.2%
2004	8,168,939	8,089,734	99.0%
2005	8,450,691	8,391,493	99.3%
2006	8,806,052	8,764,671	99.5%
2007	9,414,388	9,357,982	99.4%
2008	9,416,173	9,285,228	98.6%
2009	10,572,851	10,270,543	97.1%
2010	10,983,383	10,580,559	96.3%
2011	11,155,991	10,850,072	97.3%
2012	11,210,243	11,077,462	98.8%
2013	11,899,450	11,747,688	98.7%
2014	12,816,924	12,681,650	98.9%
2015	13,488,972	13,400,822	99.3%
2016	13,944,505	13,858,661	99.4%
2017	14,663,343	14,583,800	99.5%
2018	14,975,707	14,833,259	99.0%

CITY OF ELKO, NEVADA
Ten Largest Property Owners
For the Year Ended June 30, 2018

Taxpayer	Type of Business	Total Value	% of Value
1. Elko Acquisitions LLC	Gaming	\$ 12,276,956	2.4%
2. PHC-Elko Inc.	Community Healthcare	9,313,967	1.8%
3. MP Elko LLC	Real Estate/Commercial	7,910,241	1.5%
4. KLO Global LLC	Real Estate/Residential	7,772,538	1.5%
5. Ruby Vista Apartments LLC	Real Estate/Residential	5,554,303	1.1%
6. Treadway Investment Co LLC	Mining	5,416,453	1.0%
7. Wal-Mart Real Estate Business	Grocery Retail	5,179,986	1.0%
8. Sonora LLC	Real Estate/Residential	4,940,171	1.0%
9. Reality Income Properties 6 LLC	Real Estate/Commercial	4,139,442	0.8%
10. Riverside Villas Nevada LLC	Real Estate/Commercial	3,900,799	0.8%
		<u>\$ 66,404,856</u>	

Total Assessed Valuation of Elko City \$ 519,385,463

Notes

- * The valuations for Mining are values provided by the Department of Taxation, Centrally Assessed Division
- * These assessed values do not account for any abatement applied
- * These are Assessed Values as of November 21, 2018
- * These values are from the Secured AND Unsecured Roll (Combined)
- * Prepared by the Elko County Assessor's Office

CITY OF ELKO, NEVADA
Statewide Average and Overlapping Tax Rates
For the Years Ended June 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019 Budget
Average Statewide Rate	3.132	3.1171	3.1304	3.1212	3.136	3.1360	3.1500	3.1500	3.1615
City of Elko	0.9200	0.9200	0.9200	0.9200	0.9200	0.9200	0.9200	0.9200	0.9200
Elko County	0.8386	0.8386	0.8386	0.8386	0.8386	0.8386	0.8386	0.8386	0.8386
Elko County School District	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Special Districts	0.0681	0.0537	0.0537	0.0537	0.0537	0.0537	0.0537	0.0537	0.0537
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Total	3.4967	3.4823	3.4823	3.4823	3.4823	3.4823	3.4823	3.4823	3.4823

CITY OF ELKO, NEVADA
Statutory Debt Limitation
For the Years Ended June 30

Fiscal Year	Assessed Valuation	Debt Limit	Outstanding General Obligation Debt^{1/}	Additional Statutory Debt Capacity
1995	\$ 202,479,335	\$ 60,743,801	\$ 5,088,990	\$ 55,654,811
1996	218,662,312	65,598,694	5,035,966	60,562,728
1997	231,485,367	69,445,610	6,106,422	63,339,188
1998	247,881,803	74,364,541	5,854,044	68,510,497
1999	263,888,126	79,166,438	9,356,291	69,810,147
2000	272,263,390	81,679,017	12,009,569	69,669,448
2001	291,416,822	87,425,047	11,679,464	75,745,583
2002	295,138,546	88,541,564	11,055,964	77,485,600
2003	288,780,550	86,634,165	10,616,125	76,018,040
2004	297,631,533	89,289,460	10,080,917	79,208,543
2005	296,207,696	88,862,309	9,681,808	79,180,501
2006	296,770,239	89,031,072	10,882,881	78,148,191
2007	312,816,735	93,845,021	10,204,260	83,640,761
2008	337,353,408	101,206,022	9,508,686	91,697,336
2009	363,571,663	109,071,499	8,775,724	100,295,775
2010	389,109,714	116,732,914	7,383,511	109,349,403
2011	390,921,792	117,276,538	17,427,471	99,849,067
2012	386,309,054	115,892,716	15,035,000	100,857,716
2013	404,635,925	121,390,778	14,385,000	107,005,778
2014	427,797,045	128,339,114	13,710,000	114,629,114
2015	465,656,772	139,697,032	16,025,000	123,672,032
2016	482,389,245	144,716,774	21,620,000	123,096,774
2017	495,031,866	148,509,560	20,370,000	128,139,560
2018	513,337,800	154,001,340	19,070,000	134,931,340
2019	519,385,463	155,815,639	N/A	N/A

Note: Legal debt limit per NRS 266.600.

CITY OF ELKO, NEVADA
Outstanding Bonded Indebtedness
June 30, 2018

	<u>Date of Issue</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding June 30, 2018</u>
<u>Bonds Payable</u>			
General Obligation Bonds:			
General Government			
2010 Limited Tax Street Bonds	10/5/2010	\$ 10,500,000	\$ 7,610,000
2015 Limited Tax Recreational Facilities and Refunding Bonds	11/12/2015	8,000,000	6,995,000
General Obligation (Limited Tax) Bonds:			
General Government			
Medium-Term Public Safety Bond Series 2014	7/30/2014	3,000,000	2,170,000
Enterprise Fund			
Airport Improvement Bonds Series 2009A and Series 2009B	12/1/2009	3,735,000	2,295,000
Total Bonds Payable		<u>\$ 25,235,000</u>	<u>\$ 19,070,000</u>

CITY OF ELKO, NEVADA
Annual General Obligation Debt Service Requirements
June 30, 2018

Fiscal Year	2010 Street Bonds Limited Tax		2009 Airport Improvement Limited Tax Bond	
	Principal	Interest	Principal	Interest
2019	465,000	279,581	215,000	112,475
2020	485,000	260,581	225,000	102,166
2021	505,000	240,781	225,000	91,290
2022	520,000	222,556	245,000	79,571
2023	540,000	205,656	250,000	66,980
2024	555,000	187,516	270,000	53,578
2025	575,000	168,375	270,000	39,400
2026	595,000	146,700	290,000	24,380
2027	620,000	122,400	305,000	8,265
2028	645,000	97,100	-	-
2029	675,000	70,700	-	-
2030	700,000	43,200	-	-
2031	730,000	14,600	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
TOTAL	7,610,000	2,059,746	\$ 2,295,000	\$ 578,105

2015 Recreational Facilities Limited Tax Bonds		2014 Public Safety Bond Limited Tax Bond		Total
Principal	Interest	Principal	Interest	
375,000	233,162	290,000	45,563	2,015,781
385,000	221,914	295,000	38,981	2,013,642
405,000	206,512	305,000	32,231	2,010,814
420,000	190,312	310,000	25,313	2,012,752
440,000	173,512	315,000	18,281	2,009,429
455,000	155,914	325,000	11,081	2,013,089
470,000	137,712	330,000	3,713	1,994,200
355,000	123,612	-	-	1,534,692
365,000	112,962	-	-	1,533,627
375,000	102,014	-	-	1,219,114
385,000	90,762	-	-	1,221,462
395,000	79,212	-	-	1,217,412
410,000	67,362	-	-	1,221,962
420,000	55,064	-	-	475,064
435,000	42,462	-	-	477,462
445,000	29,412	-	-	474,412
460,000	14,950	-	-	474,950
\$ 6,995,000	\$ 2,036,850	\$ 2,170,000	\$ 175,163	\$ 23,919,864

CITY OF ELKO, NEVADA
Total and Unfunded Accrued Liabilities
Years Ended June 30

	All Members	
	2018	2017
Total Actuarial Accrued Liability	51,986,097.492	48,459,200,000
Net Assests at Actuarial Value	38,686,253.408	35,896,200,000
Unfunded Actuarial Accrued Liability	13,299,844.084	12,563,000,000
Assets as % of Total Accrued Laibility	74.42%	74.08%

Source: June 30, 2017 Public Employees' Retirement System of Nevada Comprehensive Annual Financial Report

COMPLIANCE SECTION

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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and City Council
City of Elko, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elko, Nevada, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
October 24, 2018



**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by the Uniform Guidance and the
Passenger Facility Charge Audit Guide for Public Agencies**

The Honorable Mayor and
City Council
City of Elko, Nevada

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program

We have audited the City of Elko, Nevada's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on each of the City of Elko, Nevada's major federal programs and on its passenger facility charge program for the year ended June 30, 2018. The City of Elko, Nevada's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its programs and its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Elko, Nevada's major federal programs and passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of the Guide. Those standards, the Uniform Guidance and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City of Elko, Nevada's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of the City of Elko, Nevada's compliance.

Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, the City of Elko, Nevada, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and on its passenger facility charge program for the year ended June 30, 2018.

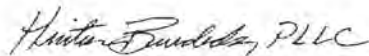
Report on Internal Control over Compliance

Management of the City of Elko, Nevada is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Elko, Nevada's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and on its passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and passenger facility charge program to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Elko, Nevada's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.



HintonBurdick, PLLC

St. George, Utah

October 12, 2018

CITY OF ELKO, NEVADA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified
Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ no

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal Control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? ☐ yes ☒ no

Identification of major programs.

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

CITY OF ELKO, NEVADA
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2018

Section II - Financial Statement Findings

Material Weaknesses:

None noted.

Significant Deficiencies:

None noted.

Section III - Federal Award Findings and Questioned Costs

No significant matters were noted.

Section IV – Passenger Facility Program Findings and Questioned Costs

No significant matters were noted.

Section V - Summary Schedule of Prior Audit Findings

No significant matters were noted.

CITY OF ELKO, NEVADA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/pass-through Grantor/program Title	Federal CDFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Justice:</u>			
Passed through Nevada Department of Public Safety:			
Edward Byrne Memorial Justice Assistance Grant Program:			
Office of Narcotic Control Assistance	16.738	17 - JAG - 08	\$ 27,029
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	HW-2015-10-SB	7,866
Total Department of Justice			34,895
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	3-32-0005-046-2016	87,816
Airport Improvement Program	20.106	3-32-0005-048-2017	2,541,435
Airport Improvement Program	20.106	3-32-0005-049-2018	52,416
			<u>2,681,667</u>
Total Department of Transportation			2,681,667
<u>The Department of Homeland Security</u>			
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	75,170
Nevada Department of Public Safety			
Division of Emergency Management & Homeland Security	97.036	97036-18	<u>22,906</u>
Total Department of Homeland Security			98,076
Total Expenditures of Federal Awards			\$ 2,814,638

CITY OF ELKO, NEVADA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Note 1. Basis of Presentation

Reporting Entity:

The accompanying schedule of expenditures of federal awards presents the activity or expenditure of all federal awards programs of the City of Elko, Nevada (the City) for the year ended June 30, 2018. The City's reporting entity is defined in Note 1 of the basic financial statements. All expenditure of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Basis of Accounting:

This accompanying schedule of expenditures of federal awards has been prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Relationship to Basic Financial Statements:

Expenditures of federal awards have been reported in the following funds:

Governmental-Type Activities:	
General fund	\$ 105,942
Non-major funds:	
Narcotics Task Force fund	27,029
	<u>132,971</u>
Business-Type Activities:	
Airport Fund	2,681,667
Total	<u><u>\$ 2,814,638</u></u>

Indirect Cost Rate:

The City did not elect to use the 10% de minimis indirect cost rate for fiscal year 2018.

Federal Loans:

The City did not have any federal loans for fiscal year 2018.

Subrecipients:

There were no subrecipients for fiscal year 2018.

CITY OF ELKO, NEVADA
Schedule of Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2018

	<u>September 30</u>	<u>December 31</u>	<u>March 31</u>	<u>June 30</u>	<u>Total</u>
00-02-C-01-EKO	\$ 21,584	\$ 18,734	\$ 15,237	\$ 17,670	\$ 73,225
Total	<u>\$ 21,584</u>	<u>\$ 18,734</u>	<u>\$ 15,237</u>	<u>\$ 17,670</u>	<u>\$ 73,225</u>

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**Independent Auditors' Report on
State Legal Compliance**

The Honorable Mayor and City Council
City of Elko, Nevada

We have audited the financial statements of the City of Elko, Nevada for the year ended June 30, 2018 and have issued our report thereon dated October 24, 2018. Our audit also included test work on the City's compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

Management of the City is responsible for the City's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit and make specific statements regarding funds established and the status of prior year findings and recommendations; accordingly, we make the following statements:

For the year ended June 30, 2018, the City of Elko has taken steps to act upon recommendations made in prior years.

We noted no new instances of noncompliance during fiscal year 2018.

The City has established a number of funds in accordance with NRS 354.624 as follows:

Enterprise Funds:

- Water Utility Fund
- Sewer Utility Fund
- Airport Fund
- Landfill Fund
- Golf Fund

Funds whose balance is required to be used only for a specific purpose or carried forward to the succeeding fiscal year in any designated amount:

Special Revenue Funds:

- Recreation Fund
- Youth Recreation Fund
- Municipal Court Administration Assessment Fund
- Narcotics Task Force Fund
- Elko Redevelopment Agency Fund

Debt Service Fund

Capital Projects Funds:

- Ad Valorem Capital Projects Fund
- Public Improvement Development Fund
- Capital Equipment Reserve Fund
- Capital Construction Fund
- Facility Reserve Fund

The City appears to be using the above listed funds expressly for the purposes for which they were created and in accordance with NRS 354.624. The funds are being administered in accordance with Generally Accepted Accounting Principles and the reserves, as applicable, appear reasonable and necessary to carry out the purposes of the funds. Sources of revenues available and fund balances and net position are reflected in the individual fund financial statements.

The statutory and regulatory requirements of the funds are as follows:

Water Fund	City Resolution 12-96
Sewer Fund	City Resolution 12-96
Airport Fund	City Resolution 13-02
Landfill Fund	City Resolution 12-96
Golf Fund	City Resolution 14-02
Recreation Fund	City Resolution 12-96
Youth Recreation Fund	City Resolution 21-98
Municipal Court Administration Assessment Fund	NRS 268.4085
Narcotics Task Force Fund	City Resolution 18-01
Elko Redevelopment Agency Fund	Component unit: NRS 279.382 through 279.685
Debt Service Fund	City Resolution 12-96
Ad Valorem Capital Projects Fund	NRS 354.598155
Public Improvement Development Fund	City Resolution 12-96
Capital Equipment Reserve Fund	City Resolution 19-01
Capital Construction Fund	City Resolution 37-99
Facility Reserve Fund	City Resolution 11-02

NRS 354.624 requires a schedule of all fees imposed by the City that were subject to the provisions of NRS 354.5989. See the following page for the schedule.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Elko complied, in all material respects, with the requirements identified above for the year ended June 30, 2018.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Nevada Revised Statutes (NRS) and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
October 24, 2018

CITY OF ELKO, NEVADA

**Schedule of Fees Imposed Subject to the Provisions of NRS
354.5989 – Limitation of Fees for Business Licenses
For the Year ended June 30, 2018**

Flat fixed fees:

Business license revenue for the year ended June 30, 2017	491,720
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Adjustment to base:

Base year:

1. Percentage change in population of the local government (June 30, 2018 data unavailable) 1.73%
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated 2.9%

Adjusted base at June 30, 2018	4.63%	514,487
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Actual revenue for the year ended June 30, 2017	<u>512,526</u>
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Actual amount over (under) allowable amount	<u>\$ (1,961)</u>
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October 24, 2018

To the Honorable Mayor and City Council
City of Elko
Elko, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Elko for the year ended June 30, 2018, and have issued our report thereon dated October 24, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 7, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

As described in Note 1, the City changed accounting policies related to the application of postemployment benefits other than pensions (OPEB) and pension accounting and financial reporting requirements by adopting GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and GASB Statement No. 82, Pension Issues, in fiscal year 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities and the statement of revenues, expenses, and changes in net position – proprietary funds as a restatement adjustment to beginning net position.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation expense is based on the assigned depreciation lives. We evaluated the key factors and assumptions used to develop the depreciation lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital contributed by developers is based on the estimated value of the developers' construction costs. We evaluated the key factors and assumptions used to develop the amount of contributed capital in determining that it is reasonable in relation to the financial statements taken as a whole. While the procedures used by management to estimate these costs appear reasonable, there may be differences between the City's estimates and actual costs paid by developers, and these differences may be material.

Management's estimate of the compensated absences accrual is based on current pay rates and accrued vacation and sick pay hours. We evaluated the key factors and assumptions used to develop the compensated absences accrual in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of other postemployment benefit obligations payable is based on an independent actuarial valuation as of June 30, 2018. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, management's estimates have been determined on the same basis as they are reported by the Nevada Public Employee Retirement System (PERS). The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Allocations between governmental and business-type activities are based on the pro-rata share of pension contributions. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has been provided a list of adjustments and has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (MD&A), Budgetary Comparison Schedules, pension-related schedules and the Schedule of Funding Progress for other postemployment benefit which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information including the combining statements, individual nonmajor fund and enterprise fund budgetary comparison schedules, statistical section, and schedule of fees imposed subject to the provision of NRS 354.5989, as listed in the table of contents, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Statistical Information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of City Council and management of City of Elko and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



HintonBurdick, PLLC

**Elko City Council
Agenda Action Sheet**

1. Title: **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**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **UNFINISHED BUSINESS**
4. Time Required: **15 Minutes**
5. Background Information: **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. CL**
6. Budget Information:
 - Appropriation Required: **N/A**
 - Budget amount available: **N/A**
 - Fund name: **N/A**
7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **Maps, P.C. action report, Staff reports and related correspondence.**
9. Recommended Motion: **Conditionally approve Final Plat No. 11-18 for the Great Basin Estates, Phase 3 subdivision subject to the conditions as recommended by the Planning Commission OR table item if Cease and Desist Order issued by NDEP is still in effect.**
10. Prepared By: **Cathy Laughlin, City Planner**
11. Committee/Other Agency Review: **Planning Commission**
12. Council Action:
13. Agenda Distribution: **Parrado Partners, LP
Robert Capps – robertcapps@cappshomes.com
12257 Business Park Drive #1
Truckee, CA 96161**



CITY OF ELKO

Planning Department

Website: www.elkocity.com
Email: planning@elkocitynv.gov

1751 College Avenue • Elko, Nevada 89801 • (775) 777-7160 • Fax (775) 777-7219

CITY OF ELKO

PLANNING COMMISSION ACTION REPORT

Special Meeting of September 6, 2018

WHEREAS, the following item was reviewed and considered by the Elko City Planning Commission on September 6, 2018 pursuant to City Code Sections 3-3-6 (B)1 and (C) 2:

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 9.65 acres divided into 38 lots for residential development within the R (Single Family and Multiple Family Residential) Zoning District, and matters related thereto.

The subject property is located generally at the extension of Village Parkway and Opal Drive, (001-633-030).

NOW THEREFORE, upon review and consideration of the application, supporting data, public input and testimony, the Planning Commission forwards a recommendation to City Council to conditionally approve Final Plat No. 11-18 subject to the conditions in the City of Elko Staff Report dated August 23, 2018 listed as follows:

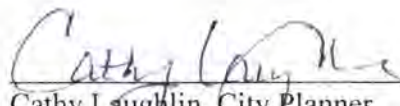
1. **The Developer shall execute a Performance Agreement in accordance with Section 3-3-44 of city code. The Performance Agreement shall be secured in accordance with Section 3-3-45 of city code. In conformance with Section 3-3-44 of city code, the public improvements shall be completed within a time of no later than two (2) years of the date of Final Plat approval by the City Council unless extended as stipulated in city code.**
2. **The Performance Agreement shall be approved by the City Council.**
3. **The Developer shall enter into the Performance Agreement within 30 days of approval of the Final Plat by the City Council.**
4. **The Final Plat is approved for 38 single family residential lots.**
5. **The Utility Department will issue a Will Serve Letter for the subdivision.**
6. **State approval of the subdivision is required.**
7. **Conformance with Preliminary Plat conditions is required.**
8. **Civil improvements are to comply with Chapter 3-3 of City code.**
9. **The Owner/Developer is to provide the appropriate contact information for the qualified engineer and engineering firm contracted to oversee the project along with the required inspection and testing necessary to produce an As-Built for submittal to the City of Elko. The Engineer of Record is to ensure all materials meet the latest**

edition Standard Specifications for Public Works. All Right-of-Way and utility improvements are to be certified by the Engineer of Record for the project.

10. An engineer's estimate for the public improvements shall be provided prior to the final plat being presented to the City Council to allow for finalization of the required Performance Agreement.

11. Modify Planning Commission approval jurat to the 3rd day of May, 2016 prior to City Council approval.

The Planning Commission's findings to support its recommendation are the Final Plat for Great Basin Estates Phase 3 has been presented before expiration of the subdivision proceedings in accordance with NRS 278.360(1)(a)(2) and City Code. The Final Plat is in conformance with the Preliminary Plat. The proposed subdivision is in conformance with the Land Use Component of the Master Plat. Based on the modification of standards for lot dimensions granted under the preliminary plat application, the proposed development conforms with Sections 3-3-20 through 3-3-27 (inclusive). The Subdivider shall be responsible for all required improvements in conformance with Section 3-3-40 of City Code. The Subdivider has submitted civil improvement plans in conformance with Section 3-3-41 of City Code. The plans have been approved by City Staff. The Subdivider has submitted plans to the City and State agencies for review to receive all required permits in accordance with the requirements of Section 3-3-42 of City Code. The Subdivider has submitted civil improvement plans which are in conformance with Section 3-3-43 of City Code. The Subdivider will be required to enter into a Performance Agreement to conform to Section 3-3-44 of City Code. The Subdivider will be required to provide a Performance Guarantee as stipulated in the Performance Agreement in conformance with Section 3-3-45 of City Code. Based on the modification of standards for lot dimensions granted under the preliminary plat application, the proposed development conforms to Sections 3-2-3, 3-2-4, 3-2-5(E), 3-2-5(G) and 3-2-17 of City Code. The proposed development is in conformance with Section 3-8 of City Code. The subdivision is in conformance with 3-8 Floodplain Management.


Cathy Laughlin, City Planner

Attest:


Shelby Archuleta, Planning Technician

CC: Applicant
Kelly Wooldridge, City Clerk



City of Elko
1751 College Avenue
Elko, NV 89801
(775) 777-7160
FAX (775) 777-7119

CITY OF ELKO STAFF REPORT

DATE:	August 23, 2018
PLANNING COMMISSION DATE:	September 6, 2018
AGENDA ITEM NUMBER:	I.B.2
APPLICATION NUMBER:	Final Plat 11-18
APPLICANT:	Parrado Partners, LP
PROJECT DESCRIPTION:	Great Basin Estates, Phase 3

A Final Map for the division of approximately 9.650 acres into 38 lots for single family residential development within an R (Single Family and Multiple Family Residential) Zoning District and one remaining lot.



STAFF RECOMMENDATION:

RECOMMEND to APPROVE this item subject to findings of fact and conditions.

PROJECT INFORMATION

PARCEL NUMBERS: 001-633-030

PARCEL SIZE: 9.650 acres Phase 3, final phase of the subdivision

EXISTING ZONING: (R) Single Family and Multiple Family Residential

MASTER PLAN DESIGNATION: (RES-MD) Residential Medium Density

EXISTING LAND USE: Vacant

NEIGHBORHOOD CHARACTERISTICS:

The property is surrounded by:

- Northwest: River corridor / Undeveloped
- Northeast: RMH- Residential Mobile Home / Developed
- Southwest: Single Family Residential (R) / Developed
- Southeast: Single Family Residential (R) and (RMH) / Developed

PROPERTY CHARACTERISTICS:

- The property is an undeveloped residential parcel.
- The area abuts the second phase the Great Basin Estates Subdivision.
- The parcel is generally flat.

MASTER PLAN, COORDINATING PLANS, and CITY CODE SECTIONS:

Applicable Master Plan Sections, Coordinating Plans, and City Code Sections are:

- City of Elko Master Plan – Land Use Component
- City of Elko Master Plan – Transportation Component
- City of Elko Redevelopment Plan
- City of Elko Wellhead Protection Plan
- City of Elko Zoning – Chapter 3 Subdivisions
- City of Elko Zoning – Section 3-2-3 General Provisions
- City of Elko Zoning – Section 3-2-4 Zoning Districts
- City of Elko Zoning – Section 3-2-5(E) Single-Family Residential District
- City of Elko Zoning – Section 3-2-5(G) Residential Zoning Districts Area, Setback And Height Schedule For Principal Buildings
- City of Elko Zoning – Section 3-2-17 Traffic, Access, Parking and Loading Regulations
- City of Elko Zoning – Section 3-8 Flood Plain Management

BACKGROUND INFORMATION

1. The Final Plat for Great Basin Estates Phase 1B was recorded on June 29, 2017.
2. The Final Plat for Great Basin Estates Phase 2 was approved by City Council on August 14, 2018.
3. The Final Plat for Great Basin Estates Phase 3 has been presented before expiration of the subdivision proceedings in accordance with NRS 278.360(1)(a)(2) and City code.
4. The Planning Commission reviewed and recommended a conditional approval to the City Council on the Preliminary Plat on May 3, 2016.

5. The City Council conditionally approved the Preliminary Plat at its meeting on May 24, 2016.
6. Phasing was shown on the preliminary plat.
7. Under the conditional approval for the preliminary plat, a modification of standards was granted for all lot dimensions.
8. The subdivision is located on APN 001-633-030, shown as parcel E on Final Plat for Phase 2.
9. The proposed subdivision consists of 38 lots with no additional phases.
10. The total subdivided area is approximately 9.650 acres in size.
11. The proposed density is 5.09 units per acre.
12. Approximately 2.187 acres are offered for dedication for street development.
13. The area proposed for subdivision has been removed from the FEMA Special Flood Hazard Area by a Letter of Map Revision submitted to and approved by FEMA as Case No. 16-09-0367P with an effective date of April 3, 2017.
14. The property is located off Opal Drive and Clarkson Drive.

MASTER PLAN:

Land Use

1. Conformance with the Land Use component of the Master Plan was evaluated with review and approval of the Preliminary Plat. The Final Plat is in conformance with the Preliminary Plat and the Master Plan.

The proposed subdivision is in conformance with the Land Use Component of the Master Plan.

Transportation

2. Conformance with the Transportation component of the Master Plan was evaluated with review and approval of the Preliminary Plat. The Final Plat is in conformance with the Preliminary Plat.

The proposed subdivision is in conformance with Transportation Component of the Master Plan.

ELKO REDEVELOPMENT PLAN:

1. The property is not located within the Redevelopment Area.

ELKO WELLHEAD PROTECTION PLAN:

1. The property lies within the 20 year capture zone for the City of Elko.

The proposed subdivision is in conformance with the Wellhead Protection Program. The sanitary sewer will be connected to a programmed sewer system and all street drainage will report to a storm sewer system.

SECTION 3-3-6 FINAL PLAT STAGE (STAGE III)

Pre-submission Requirements (A)(1) – The Final Plat is in conformance with the zone requirements. A modification of standards for the lot dimensions was granted with the conditional approval of the Preliminary Plat.

Pre-submission Requirements (A)(2) – The proposed final plat conforms to the preliminary plat.

Pre-submission Requirements (A)(3) – The Title Sheet includes an affidavit for public utilities and no objections were received from public utilities upon notification for the Preliminary Plat.

SECTION 3-3-8 INFORMATION REQUIRED FOR FINAL PLAT SUBMITTAL

- A. Form and Content-The final plat conforms to the required size specifications and provides the appropriate affidavits and certifications.
- B. Identification Data
 - 1. The subdivision map identified the subdivision, and provides its location by section, township, range and county.
 - 2. The subdivision map was prepared by a properly licensed surveyor.
 - 3. The subdivision map provides a scale, north point, and date of preparation.
- C. Survey Data
 - 1. The boundaries of the tract are fully balanced and closed.
 - 2. All exceptions are noted on the plat.
 - 3. The location and description of cardinal points are tied to a section corner.
 - 4. The location and description of any physical encroachments upon the boundary of the tract are noted on the plat.
- D. Descriptive Data
 - 1. The name, right of way lines, courses, lengths and widths of all streets and easements are noted on the plat.
 - 2. All drainage ways are noted on the plan.
 - 3. All utility and public service easements are noted on the plat.
 - 4. The location and dimensions of all lots, parcels and exceptions are shown on the plat.
 - 5. All residential lots are numbered consecutively on the plat.
 - 6. There are no sites dedicated to the public shown on the plat.
 - 7. The location of adjoining subdivisions are noted on the plat with required information.
 - 8. There are no deed restrictions proposed.
- E. Dedication and Acknowledgment
 - 1. The owner's certificate has the required dedication information for all easements and right of ways.
 - 2. The execution of dedication is acknowledged and certified by a notary public.
- F. Additional Information
 - 1. All centerline monuments for streets are noted as being set on the plat.
 - 2. The centerline and width of each right of way is noted on the plat.
 - 3. The plat indicates the location of monuments that will be set to determine the boundaries of the subdivision.
 - 4. The length and bearing of each lot line is identified on the plat.
 - 5. The city boundary adjoining the subdivision is not identified on the plat, as the plat is not adjoining a boundary.
 - 6. The plat identifies the location of the section lines, and 1/16th section line adjoining the subdivision boundaries.
- G. City Engineer to Check
 - 1. The Engineer shall check the final map for accuracy of dimensions, placement of monuments, the establishment of survey records, and conformance with the preliminary map.
 - a) Closure calculations have been provided.

- b) Civil improvement plans have been provided, previous civil improvement plans have been approved for this subdivision.
- c) Civil improvement plans for drainage have been submitted.
- d) An engineer's estimate has **not** been provided.
- 2. It appears the lot closures are within the required tolerances.
- H. Required certifications
 - 1. The Owner's Certificate is shown on the final plat.
 - 2. The Owner's Certificate offers for dedication all right of ways shown on the plat.
 - 3. A Clerk Certificate is shown on the final plat, certifying the signature of the City Council.
 - 4. The Owner's Certificate offers for dedication all easements shown on the plat.
 - 5. A Surveyor's Certificate is shown on the plat and provides the required language.
 - 6. The City Engineer's Certificate is listed on the plat.
 - 7. A certificate from the Nevada Division of Environmental Protection is provided with the required language.
 - 8. A copy of review by the state engineer is not available at this time.
 - 9. A certificate from the Division of Water Resources is provided on the plat with the required language.
 - 10. The civil improvement plans identify the required water meters for the subdivision.

SECTIONS 3-3-20 through 3-3-27 (inclusive)

- 1. The proposed subdivision was evaluated for conformance to the referenced sections of code during the preliminary plat process. A modification of standards for lot dimensions was approved during that process.

Based on the modification of standards for lot dimensions granted under the preliminary plat application, the proposed development conforms Sections 3-3-20 through 3-3-27 (inclusive).

SECTION 3-3-40-RESPONSIBILITY FOR IMPROVEMENTS

The Subdivider shall be responsible for all required improvements in conformance with Section 3-3-40 of city code.

SECTION 3-3-41-ENGINEERING PLANS

The Subdivider has submitted civil improvement plans in conformance with section 3-3-41 of City code. The plans have been approved by city staff.

SECTION 3-3-42-CONSTRUCTION AND INSPECTION

The Subdivider has submitted plans to the city and state agencies for review to receive all required permits in accordance with the requirements of Section 3-3-42 of city code.

SECTION 3-3-43-REQUIRED IMPROVEMENTS

The Subdivider has submitted civil improvement plans which are in conformance with Section 3-3-43 of city code.

Civil improvements include curb, gutter and sidewalk, paving and utilities within the Village Parkway, Village Green Circle, Nicole Court and Opal Drive right of ways.

SECTION 3-3-44-AGREEMENT TO INSTALL IMPROVEMENTS

The Subdivider will be required to enter into a Performance Agreement to address to conform to Section 3-3-44 of city code.

SECTION 3-3-45-PERFORMANCE GUARANTEE

The Subdivider will be required to provide a Performance Guarantee as stipulated in the Performance Agreement in conformance with Section 3-3-45 of city code.

SECTIONS 3-2-3, 3-2-4, 3-2-5(E), 3-2-5(G) and 3-2-17

1. The proposed subdivision was evaluated for conformance to the referenced sections of code during the preliminary plat process. A modification of standards for lot dimensions was approved during that process.

Based on the modification of standards for lot dimensions granted under the preliminary plat application, the proposed development conforms to Sections 3-2-3, 3-2-4, 3-2-5(E), 3-2-5(G) and 3-2-17 of city code.

SECTION 3-8-FLOODPLAIN MANAGEMENT

1. The proposed subdivision has been removed from the FEMA Special Flood Hazard Area by a Letter of Map Revision submitted to and approved by FEMA as Case No. 16-09-0367P with an effective date of April 3, 2017.

The proposed development is in conformance with Section 3-8 of city code.

FINDINGS

1. The Final Plat for Great Basin Estates Phase 3 has been presented before expiration of the subdivision proceedings in accordance with NRS 278.360(1)(a)(2) and City code.
2. The Final Plat is in conformance with the Preliminary Plat.
3. The proposed subdivision is in conformance with the Land Use Component of the Master Plan.
4. The proposed subdivision is in conformance with Transportation Component of the Master Plan.
5. Based on the modification of standards for lot dimensions granted under the preliminary plat application, the proposed development conforms Sections 3-3-20 through 3-3-27 (inclusive).
6. The Subdivider shall be responsible for all required improvements in conformance with Section 3-3-40 of city code.
7. The Subdivider has submitted civil improvement plans in conformance with section 3-3-41 of City code. The plans have been approved by city staff.

8. The Subdivider has submitted plans to the city and state agencies for review to receive all required permits in accordance with the requirements of Section 3-3-42 of city code.
9. The Subdivider has submitted civil improvement plans which are in conformance with Section 3-3-43 of city code.
10. The Subdivider will be required to enter into a Performance Agreement to conform to Section 3-3-44 of city code.
11. The Subdivider will be required to provide a Performance Guarantee as stipulated in the Performance Agreement in conformance with Section 3-3-45 of city code.
12. Based on the modification of standards for lot dimensions granted under the preliminary plat application, the proposed development conforms to Sections 3-2-3, 3-2-4, 3-2-5(E), 3-2-5(G) and 3-2-17 of city code.
13. The proposed development is in conformance with Section 3-8 of city code.
14. The subdivision is in conformance with 3-8 Floodplain Management.

RECOMMENDATION

Staff recommends **approval** of the subdivision based on the following conditions:

1. The Developer shall execute a Performance Agreement in accordance with Section 3-3-44 of city code. The Performance Agreement shall be secured in accordance with Section 3-3-45 of city code. In conformance with Section 3-3-44 of city code, the public improvements shall be completed within a time of no later than two (2) years of the date of Final Plat approval by the City Council unless extended as stipulated in city code.
2. The Performance Agreement shall be approved by the City Council.
3. The Developer shall enter into the Performance Agreement within 30 days of approval of the Final Plat by the City Council.
4. The Final Plat is approved for 38 single family residential lots.
5. The Utility Department will issue a Will Serve Letter for the subdivision.
6. State approval of the subdivision is required.
7. Conformance with Preliminary Plat conditions is required.
8. Civil improvements are to comply with Chapter 3-3 of City code.
9. The Owner/Developer is to provide the appropriate contact information for the qualified engineer and engineering firm contracted to oversee the project along with the required inspection and testing necessary to produce an As-Built for submittal to the City of Elko. The Engineer of Record is to ensure all materials meet the latest edition Standard Specifications for Public Works. All Right-of-Way and utility improvements are to be certified by the Engineer of Record for the project.

10. An engineer's estimate for the public improvements shall be provided prior to the final plat being presented to the City Council to allow for finalization of the required Performance Agreement.
11. Modify Planning Commission approval jurat to the 3rd day of May, 2016 prior to City Council approval.

STAFF COMMENT FLOW SHEET
PLANNING COMMISSION AGENDA DATE: 9/6

Do not use pencil or red pen, they do not reproduce

Title: Final Plat 11-18 Great Basin Estates Phase 3
Applicant(s): Parrado Partners, LP
Site Location: Extension of Village Parkway + Opal Drive
Current Zoning: R Date Received: 8/15/18 Date Public Notice: N/A
COMMENT: This is to subdivide 9.65 acres into 38 lots.

If additional space is needed please provide a separate memorandum

Assistant City Manager: Date: 8/24/18
- Recommend approval as presented by
Staff

SAW

Initial

City Manager: Date: 8/24/18
Recommend approval based upon conditions listed in Staff Report.

cc

Initial



CITY OF ELKO PLANNING DEPARTMENT

1751 College Avenue * Elko * Nevada * 89801

(775) 777-7160 * (775) 777-7219 fax

APPLICATION FOR FINAL PLAT APPROVAL

APPLICANT(s):	Parrado Partners, LP		
MAILING ADDRESS:	12257 Business Park Drive #8, Truckee, CA 96161		
PHONE NO (Home):		(Business)	(530) 587-0740
NAME OF PROPERTY OWNER (If different):			
(Property owner consent in writing must be provided)			
MAILING ADDRESS:			
LEGAL DESCRIPTION AND LOCATION OF PROPERTY INVOLVED (Attach if necessary):			
ASSESSOR'S PARCEL NO.:	001-633-030	Address	Flagstone Dr/Granite Dr
Lot(s), Block(s), & Subdivision	Lot E, Great Basin Estates Subdivision, Phase 2		
Or Parcel(s) & File No.			
PROJECT DESCRIPTION OR PURPOSE:			
APPLICANT'S REPRESENTATIVE OR ENGINEER:	High Desert Engineering, LLC		

FILING REQUIREMENTS:

Complete Application Form: In order to begin processing the application, an application form must be complete and signed. *Complete* applications are due at least 21 days prior to the next scheduled meeting of the Elko City Planning Commission (meetings are the 1st Tuesday of every month), and must include the following:

1. One .pdf of the entire application, and ten (10) 24" x 36" copies of the final plat folded to a size not to exceed 9"x12" provided by a properly licensed surveyor, as well as one (1) set of reproducible plans 8 1/2" x 11" in size and any required supporting data, prepared in accordance with Section 3-3-8 of Elko City Code (see attached checklist).
2. Pre-Submission Requirements:
 - a. The final plat shall meet all requirements of the zoning district in which located, and any necessary zoning amendment shall have been adopted by the Elko City Council prior to filing of the final plat.
 - b. The final plat shall conform closely to the approved preliminary plat and be prepared in accordance with the provisions of the City Subdivision Ordinance.
 - c. The final plat submittal shall include a letter signifying approval of utility easements by all public utilities involved, and shall be so indicated by an affidavit on the map.
 - d. A complete set of construction plans for all public improvements associated with the final plat shall have been approved or substantially approved by the City Engineer.

Fee: \$750.00 + \$25.00 per lot including remainder parcels; non-refundable.

Other Information: The applicant is encouraged to submit other information and documentation to support the request.

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Final Plat Checklist as per Elko City Code 3-3-8

Identification Data	
	Subdivision Name
	Location and Section, Township and Range
	Name, address and phone number of subdivider
	Name, address and phone number of engineer/surveyor
	Scale, North Point and Date of Preparation
	Location maps
Survey Data (Required)	
	Boundaries of the Tract fully balanced and closed
	Any exception within the plat boundaries
	The subdivision is to be tied to a section corner
	Location and description of all physical encroachments
Descriptive Data	
	Street Layout, location, widths, easements
	All drainageways, designated as such
	All utility and public service easements
	Location and dimensions of all lots, parcels
	Residential Lots shall be numbered consecutively
	All sites to be dedicated to the public and proposed use
	Location of all adjoining subdivisions with name date, book and page
	Any private deed restrictions to be imposed upon the plat
Dedication and Acknowledgment	
	Statement of dedication for items to be dedicated
	Execution of dedication acknowledged by a notary public
Additional Information	
	Street CL, and Monuments identified
	Street CL and width shown on map
	Location of mounuments used to determine boudaries
	Each city boundary line crossing or adjoining the subdivision
	Section lines crossing the subdivision boundaries
City Engineer to Check	
	Closure report for each of the lots
	Civil Improvement plans
	Estimate of quantities required to complete the improvements
Required Certifications	
	All parties having record title in the land to be subdivided
	Offering for dedication
	Clerk of each approving governing body
	Easements
	Surveyor's Certificate
	City Engineer
	State Health division
	State Engineer
	Division of Water Resources
	City Council

By My Signature below:

☒ I consent to having the City of Elko Staff enter on my property for the sole purpose of inspection of said property as part of this application process.

☐ I object to having the City of Elko Staff enter onto my property as a part of their review of this application. (Your objection will not affect the recommendation made by the staff or the final determination made by the City Planning Commission or the City Council.)

☒ I acknowledge that submission of this application does not imply approval of this request by the City Planning Department, the City Planning Commission and the City Council, nor does it in and of itself guarantee issuance of any other required permits and/or licenses.

☒ I acknowledge that this application may be tabled until a later meeting if either I or my designated representative or agent is not present at the meeting for which this application is scheduled.

☒ I acknowledge that, if approved, I must provide an AutoCAD file containing the final subdivision layout on NAD 83 NV East Zone Coordinate System to the City Engineering Department when requesting final map signatures for recording.

☒ I have carefully read and completed all questions contained within this application to the best of my ability.

Applicant / Agent

Robert E. Morley, P.L.S.

(Please print or type)

Mailing Address

640 Idaho Street

Street Address or P.O. Box

Elko, Nevada 89801

City, State, Zip Code

Phone Number:

775-738-4053

Email address:

remorley@frontiernet.net

SIGNATURE:

Robert E. Morley

FOR OFFICE USE ONLY

38 Lots x 25 = 950 + 750 = 1700
\$ 1700

File No.: 11-18 **Date Filed:** 8/15/18 **Fee Paid:** \$ 1700 or # 1504

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AUG 15 2018

Phase 3.txt

Parcel name: Lot 44

North: 28473550.8913 East : 612360.1426
Line Course: S 48-15-09 E Length: 59.00
North: 28473511.6062 East : 612404.1617
Line Course: S 41-44-51 W Length: 100.00
North: 28473436.9976 East : 612337.5768
Line Course: N 48-15-09 W Length: 74.00
North: 28473486.2704 East : 612282.3664
Line Course: N 41-44-51 E Length: 9.55
North: 28473493.3955 East : 612288.7253
Line Course: N 41-44-51 E Length: 75.45
North: 28473549.6878 East : 612338.9636
Curve Length: 23.56 Radius: 15.00
Delta: 90-00-00 Tangent: 15.00
Chord: 21.21 Course: N 86-44-51 E
Course In: S 48-15-09 E Course Out: N 41-44-51 E
RP North: 28473539.7000 East : 612350.1549
End North: 28473550.8913 East : 612360.1426

Perimeter: 341.56 Area: 7,352 S.F. 0.169 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 341,560,000.00

Parcel name: Lot 45

North: 28473511.6062 East : 612404.1617
Line Course: S 48-15-09 E Length: 60.00
North: 28473471.6552 East : 612448.9269
Line Course: S 41-44-51 W Length: 100.00
North: 28473397.0466 East : 612382.3420
Line Course: N 48-15-09 W Length: 60.00
North: 28473436.9975 East : 612337.5768
Line Course: N 41-44-51 E Length: 100.00
North: 28473511.6062 East : 612404.1617
Line Course: S 21-04-39 W Length: 0.00
North: 28473511.6062 East : 612404.1617

Perimeter: 320.00 Area: 6,000 S.F. 0.138 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000

Precision 1: 320,000,000.00

Parcel name: Lot 46

North:	28473471.6552	East :	612448.9268
Line Course:	S 48-15-09 E	Length:	60.00
North:	28473431.7042	East :	612493.6920
Line Course:	S 41-44-51 W	Length:	100.00
North:	28473357.0956	East :	612427.1071
Line Course:	N 48-15-09 W	Length:	60.00
North:	28473397.0465	East :	612382.3419
Line Course:	N 41-44-51 E	Length:	100.00
North:	28473471.6552	East :	612448.9268
Line Course:	S 31-08-20 W	Length:	0.00
North:	28473471.6552	East :	612448.9268

Perimeter: 320.00 Area: 6,000 S.F. 0.138 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 320,000,000.00

Parcel name: Lot 47

North:	28473431.7042	East :	612493.6920
Line Course:	S 48-15-09 E	Length:	60.00
North:	28473391.7532	East :	612538.4571
Line Course:	S 41-44-51 W	Length:	100.00
North:	28473317.1446	East :	612471.8722
Line Course:	N 48-15-09 W	Length:	60.00
North:	28473357.0955	East :	612427.1070
Line Course:	N 41-44-51 E	Length:	100.00
North:	28473431.7042	East :	612493.6920
Line Course:	S 44-32-56 W	Length:	0.00
North:	28473431.7042	East :	612493.6920

Perimeter: 320.00 Area: 6,000 S.F. 0.138 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 320,000,000.00

Phase 3.txt

Parcel name: Lot 48

North: 28473391.7532 East : 612538.4571
Line Course: S 48-15-09 E Length: 60.00
North: 28473351.8022 East : 612583.2223
Line Course: S 41-44-51 W Length: 100.00
North: 28473277.1936 East : 612516.6374
Line Course: N 48-15-09 W Length: 60.00
North: 28473317.1445 East : 612471.8722
Line Course: N 41-44-51 E Length: 100.00
North: 28473391.7532 East : 612538.4571
Line Course: S 46-10-09 W Length: 0.00
North: 28473391.7532 East : 612538.4571

Perimeter: 320.00 Area: 6,000 S.F. 0.138 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 320,000,000.00

Parcel name: Lot 49

North: 28473311.8512 East : 612627.9874
Line Course: N 48-15-09 W Length: 60.00
North: 28473351.8021 East : 612583.2222
Line Course: S 41-44-51 W Length: 100.00
North: 28473277.1935 East : 612516.6373
Line Course: S 48-15-09 E Length: 60.00
North: 28473237.2425 East : 612561.4025
Line Course: N 41-44-51 E Length: 100.00
North: 28473311.8512 East : 612627.9874
Line Course: S 36-17-33 W Length: 0.00
North: 28473311.8512 East : 612627.9874

Perimeter: 320.00 Area: 6,000 S.F. 0.138 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 320,000,000.00

Parcel name: Lot 50

North: 28473307.5780 East : 612632.7754
Line Course: N 48-15-09 W Length: 6.42
North: 28473311.8528 East : 612627.9855

Phase 3.txt

Line Course: S 41-44-51 W Length: 100.00
 North: 28473237.2442 East : 612561.4006
 Line Course: S 48-15-09 E Length: 25.06
 North: 28473220.5580 East : 612580.0975
 Line Course: S 37-41-16 E Length: 43.58
 North: 28473186.0708 East : 612606.7405
 Line Course: N 41-45-12 E Length: 105.55
 North: 28473264.8130 East : 612677.0289
 Curve Length: 61.56 Radius: 775.00
 Delta: 4-33-04 Tangent: 30.80
 Chord: 61.54 Course: N 45-58-37 W
 Course In: S 46-17-55 W Course Out: N 41-44-51 E
 RP North: 28472729.3656 East : 612116.7424
 End North: 28473307.5826 East : 612632.7754
 Line Course: S 01-47-24 E Length: 0.00
 North: 28473307.5826 East : 612632.7754

Perimeter: 342.16 Area: 6,912 S.F. 0.159 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0045 Course: N 00-20-13 E
 Error North: 0.00452 East : 0.00003
 Precision 1: 76,037.78

Parcel name: Lot 51

North: 28473264.8082 East : 612677.0290
 Curve Length: 74.85 Radius: 775.00
 Delta: 5-32-02 Tangent: 37.45
 Chord: 74.82 Course: S 40-56-04 E
 Course In: S 46-17-55 W Course Out: N 51-49-57 E
 RP North: 28472729.3608 East : 612116.7425
 End North: 28473208.2818 East : 612726.0533
 Line Course: S 48-00-44 W Length: 108.30
 North: 28473135.8321 East : 612645.5553
 Line Course: N 37-41-16 W Length: 63.48
 North: 28473186.0672 East : 612606.7463
 Line Course: N 41-45-12 E Length: 105.55
 North: 28473264.8095 East : 612677.0347

Perimeter: 352.18 Area: 7,389 S.F. 0.170 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0058 Course: N 77-25-02 E
 Error North: 0.00125 East : 0.00562
 Precision 1: 60,720.69

Phase 3.txt

Parcel name: Lot 52

North: 28473208.2841 East : 612726.0514
 Curve Length: 74.85 Radius: 775.00
 Delta: 5-32-01 Tangent: 37.45
 Chord: 74.82 Course: S 35-24-03 E
 Course In: S 51-49-57 W Course Out: N 57-21-58 E
 RP North: 28472729.3631 East : 612116.7405
 End North: 28473147.2966 East : 612769.3940
 Line Course: S 50-43-33 W Length: 111.20
 North: 28473076.9034 East : 612683.3113
 Line Course: N 32-39-03 W Length: 69.99
 North: 28473135.8332 East : 612645.5504
 Line Course: N 48-00-44 E Length: 108.30
 North: 28473208.2829 East : 612726.0484

Perimeter: 364.34 Area: 7,935 S.F. 0.182 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0032 Course: S 67-29-22 W
 Error North: -0.00121 East : -0.00293
 Precision 1: 113,856.25

Parcel name: Lot 53

North: 28473147.2961 East : 612769.3946
 Curve Length: 74.85 Radius: 775.00
 Delta: 5-32-01 Tangent: 37.45
 Chord: 74.82 Course: S 29-52-02 E
 Course In: S 57-21-58 W Course Out: N 62-53-59 E
 RP North: 28472729.3626 East : 612116.7410
 End North: 28473082.4133 East : 612806.6542
 Line Course: S 53-39-25 W Length: 107.04
 North: 28473018.9794 East : 612720.4353
 Line Course: N 32-39-03 W Length: 68.80
 North: 28473076.9072 East : 612683.3165
 Line Course: N 50-43-33 E Length: 111.20
 North: 28473147.3003 East : 612769.3993
 Line Course: S 90-00-00 E Length: 0.00
 North: 28473147.3003 East : 612769.3993

Perimeter: 361.89 Area: 7,824 S.F. 0.180 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0063 Course: N 47-53-33 E
 Error North: 0.00425 East : 0.00471
 Precision 1: 57,442.86

Phase 3.txt

Parcel name: Lot 54

North:	28473069.3312	East :	612868.4368
Curve Length:	63.52	Radius:	825.00
Delta:	4-24-42	Tangent:	31.78
Chord:	63.51	Course:	N 26-32-30 W
Course In:	S 65-39-51 W	Course Out:	N 61-15-09 E
RP North:	28472729.3617	East :	612116.7416
End North:	28473126.1459	East :	612840.0585
Line Course:	N 63-48-49 E	Length:	103.71
North:	28473171.9123	East :	612933.1240
Line Course:	S 33-34-46 E	Length:	76.31
North:	28473108.3370	East :	612975.3305
Line Course:	S 68-46-47 W	Length:	108.63
North:	28473069.0179	East :	612874.0661
Line Course:	S 65-39-51 W	Length:	5.00
North:	28473066.9574	East :	612869.5104
Line Course:	N 24-20-09 W	Length:	2.61
North:	28473069.3355	East :	612868.4349

Perimeter: 359.77 Area: 7,621 S.F. 0.175 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0047 Course: N 24-54-01 W
 Error North: 0.00429 East : -0.00199
 Precision 1: 76,548.94

Parcel name: Lot 55

North:	28473126.1460	East :	612840.0584
Curve Length:	58.26	Radius:	825.00
Delta:	4-02-46	Tangent:	29.14
Chord:	58.25	Course:	N 30-46-14 W
Course In:	S 61-15-09 W	Course Out:	N 57-12-23 E
RP North:	28472729.3618	East :	612116.7416
End North:	28473176.1938	East :	612810.2588
Line Course:	N 57-29-16 E	Length:	100.01
North:	28473229.9471	East :	612894.5949
Line Course:	S 33-34-46 E	Length:	69.66
North:	28473171.9120	East :	612933.1234
Line Course:	S 63-48-49 W	Length:	103.71
North:	28473126.1455	East :	612840.0578

Perimeter: 331.63 Area: 6,473 S.F. 0.149 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0008 Course: S 50-47-13 W
 Error North: -0.00049 East : -0.00060
 Precision 1: 414,550.00

Phase 3.txt

Parcel name: Lot 56

North:	28473176.1939	East :	612810.2587
Curve Length:	70.23	Radius:	825.00
Delta:	4-52-39	Tangent:	35.14
Chord:	70.21	Course:	N 35-13-56 W
Course In:	S 57-12-23 W	Course Out:	N 52-19-44 E
RP North:	28472729.3620	East :	612116.7414
End North:	28473233.5426	East :	612769.7552
Curve Length:	22.40	Radius:	15.00
Delta:	85-33-39	Tangent:	13.88
Chord:	20.38	Course:	N 05-06-33 E
Course In:	N 52-19-44 E	Course Out:	N 42-06-37 W
RP North:	28473242.7095	East :	612781.6281
End North:	28473253.8373	East :	612771.5697
Line Course:	N 47-53-23 E	Length:	75.24
North:	28473304.2903	East :	612827.3869
Line Course:	S 42-06-44 E	Length:	100.22
North:	28473229.9438	East :	612894.5930
Line Course:	S 57-29-16 W	Length:	100.01
North:	28473176.1904	East :	612810.2569
Line Course:	N 90-00-00 W	Length:	0.00
North:	28473176.1904	East :	612810.2569

Perimeter: 368.09 Area: 8,568 S.F. 0.197 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0039 Course: S 28-20-56 W

Error North: -0.00347 East : -0.00187

Precision 1: 94,384.62

Parcel name: Lot 57

North:	28473304.2895	East :	612827.3875
Line Course:	N 47-53-23 E	Length:	60.35
North:	28473344.7578	East :	612872.1584
Curve Length:	21.47	Radius:	15.00
Delta:	82-00-04	Tangent:	13.04
Chord:	19.68	Course:	N 88-53-25 E
Course In:	S 42-06-37 E	Course Out:	N 39-53-27 E
RP North:	28473333.6300	East :	612882.2168
End North:	28473345.1390	East :	612891.8367
Line Course:	S 50-06-33 E	Length:	84.57
North:	28473290.9020	East :	612956.7246
Curve Length:	17.45	Radius:	20.00
Delta:	49-59-41	Tangent:	9.33

Phase 3.txt
Chord: 16.90 Course: S 25-06-43 E
Course In: S 39-53-27 W Course Out: N 89-53-08 E
RP North: 28473275.5566 East : 612943.8980
End North: 28473275.5965 East : 612963.8980
Line Course: S 56-37-37 W Length: 82.99
North: 28473229.9447 East : 612894.5925
Line Course: N 42-06-44 W Length: 100.22
North: 28473304.2912 East : 612827.3865
Line Course: N 90-00-00 W Length: 0.00
North: 28473304.2912 East : 612827.3865

Perimeter: 367.04 Area: 8,586 S.F. 0.197 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0020 Course: N 29-41-16 W
Error North: 0.00171 East : -0.00098
Precision 1: 183,525.00

Parcel name: Lot 58

North: 28473275.5971 East : 612963.8968
Curve Length: 81.11 Radius: 50.00
Delta: 92-56-48 Tangent: 52.64
Chord: 72.51 Course: S 46-35-16 E
Course In: N 89-53-08 E Course Out: S 03-03-40 E
RP North: 28473275.6970 East : 613013.8967
End North: 28473225.7683 East : 613016.5668
Line Course: S 03-03-40 E Length: 99.50
North: 28473126.4103 East : 613021.8802
Line Course: S 68-46-47 W Length: 49.94
North: 28473108.3343 East : 612975.3263
Line Course: N 33-34-46 W Length: 76.31
North: 28473171.9097 East : 612933.1198
Line Course: N 33-34-46 W Length: 69.66
North: 28473229.9448 East : 612894.5914
Line Course: N 56-37-37 E Length: 82.99
North: 28473275.5966 East : 612963.8969
Line Course: S 90-00-00 E Length: 0.00
North: 28473275.5966 East : 612963.8969

Perimeter: 459.51 Area: 11,758 S.F. 0.270 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0005 Course: S 06-41-40 E
Error North: -0.00053 East : 0.00006
Precision 1: 919,020.00

Phase 3.txt

Parcel name: Lot 59

North: 28473225.7683 East : 613016.5668
 Curve Length: 62.48 Radius: 50.00
 Delta: 71-36-03 Tangent: 36.06
 Chord: 58.50 Course: N 51-08-19 E
 Course In: N 03-03-40 W Course Out: S 74-39-43 E
 RP North: 28473275.6970 East : 613013.8968
 End North: 28473262.4713 East : 613062.1159
 Line Course: S 74-39-43 E Length: 262.30
 North: 28473193.0894 East : 613315.0733
 Line Course: S 80-27-31 W Length: 217.18
 North: 28473157.0896 East : 613100.8977
 Line Course: S 68-46-47 W Length: 84.76
 North: 28473126.4104 East : 613021.8848
 Line Course: N 03-03-40 W Length: 99.50
 North: 28473225.7684 East : 613016.5714

Perimeter: 726.22 Area: 18,725 S.F. 0.430 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0046 Course: N 89-24-51 E
 Error North: 0.00005 East : 0.00455
 Precision 1: 157,873.91

Parcel name: Lot 60

North: 28473316.4906 East : 613042.8083
 Curve Length: 61.10 Radius: 50.00
 Delta: 70-00-42 Tangent: 35.02
 Chord: 57.37 Course: S 19-40-04 E
 Course In: S 35-19-35 W Course Out: S 74-39-43 E
 RP North: 28473275.6970 East : 613013.8967
 End North: 28473262.4714 East: 613062.1157
 Line Course: S 74-39-43 E Length: 262.30
 North: 28473193.0894 East : 613315.0731
 Line Course: N 46-55-41 W Length: 204.73
 North: 28473332.9029 East : 613165.5185
 Line Course: N 54-33-09 W Length: 90.62
 North: 28473385.4585 East : 613091.6952
 Line Course: S 35-19-35 W Length: 84.54
 North: 28473316.4848 East : 613042.8113

Perimeter: 703.28 Area: 19,445 S.F. 0.446 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0066 Course: S 27-18-00 E
 Error North: -0.00584 East : 0.00301
 Precision 1: 106,559.09

Phase 3.txt

Parcel name: Lot 61

North: 28473329.2660 East : 612988.7897
Line Course: N 50-06-33 W Length: 34.90
North: 28473351.6483 East : 612962.0121
Line Course: N 37-00-20 E Length: 102.79
North: 28473433.7340 East : 613023.8806
Line Course: S 54-33-09 E Length: 83.24
North: 28473385.4584 East : 613091.6918
Line Course: S 35-19-35 W Length: 84.54
North: 28473316.4847 East : 613042.8080
Curve Length: 39.65 Radius: 50.00
Delta: 45-25-49 Tangent: 20.93
Chord: 38.61 Course: N 77-23-20 W
Course In: S 35-19-35 W Course Out: N 10-06-14 W
RP North: 28473275.6911 East : 613013.8963
End North: 28473324.9157 East : 613005.1246
Curve Length: 17.45 Radius: 20.00
Delta: 49-59-41 Tangent: 9.33
Chord: 16.90 Course: N 75-06-24 W
Course In: N 10-06-14 W Course Out: S 39-53-27 W
RP North: 28473344.6055 East : 613001.6159
End North: 28473329.2601 East : 612988.7894

Perimeter: 362.57 Area: 8,289 S.F. 0.190 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0059 Course: S 02-53-31 W
Error North: -0.00584 East : -0.00030
Precision 1: 61,452.54

Parcel name: Lot 62

North: 28473407.8278 East : 612910.4311
Line Course: N 37-00-20 E Length: 86.93
North: 28473477.2481 East : 612962.7536
Line Course: S 54-33-09 E Length: 75.03
North: 28473433.7339 East : 613023.8766
Line Course: S 37-00-20 W Length: 102.79
North: 28473351.6482 East : 612962.0081
Line Course: N 50-06-33 W Length: 35.20
North: 28473374.2229 East : 612935.0002
Curve Length: 10.93 Radius: 20.00
Delta: 31-18-01 Tangent: 5.60
Chord: 10.79 Course: N 34-27-33 W
Course In: N 39-53-27 E Course Out: S 71-11-28 W
RP North: 28473389.5683 East : 612947.8268

Phase 3.txt

End North: 28473383.1200 East : 612928.8948
 Curve Length: 31.36 Radius: 50.00
 Delta: 35-56-09 Tangent: 16.22
 Chord: 30.85 Course: N 36-46-36 W
 Course In: S 71-11-28 W Course Out: N 35-15-19 E
 RP North: 28473366.9994 East : 612881.5648
 End North: 28473407.8288 East : 612910.4259
 Line Course: N 08-52-50 E Length: 0.00
 North: 28473407.8288 East : 612910.4259

Perimeter: 342.23 Area: 7,239 S.F. 0.166 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0053 Course: N 79-03-06 W
 Error North: 0.00101 East : -0.00524
 Precision 1: 64,573.58

Parcel name: Lot 63

North: 28473414.6415 East : 612866.4001
 Line Course: N 07-35-56 W Length: 146.26
 North: 28473559.6171 East : 612847.0591
 Line Course: S 54-33-09 E Length: 142.02
 North: 28473477.2516 East : 612962.7553
 Line Course: S 37-00-20 W Length: 86.93
 North: 28473407.8313 East : 612910.4328
 Curve Length: 46.18 Radius: 50.00
 Delta: 52-55-02 Tangent: 24.88
 Chord: 44.56 Course: N 81-12-12 W
 Course In: S 35-15-19 W Course Out: N 17-39-43 W
 RP North: 28473367.0019 East : 612881.5718
 End North: 28473414.6450 East : 612866.4018

Perimeter: 421.39 Area: 9,139 S.F. 0.210 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0039 Course: N 25-04-50 E
 Error North: 0.00353 East : 0.00165
 Precision 1: 108,048.72

Parcel name: Lot 64

North: 28473458.0698 East : 612756.4434
 Line Course: N 41-44-40 E Length: 136.10
 North: 28473559.6170 East : 612847.0601
 Line Course: S 07-35-56 E Length: 146.26
 North: 28473414.6414 East : 612866.4011

Phase 3.txt
 Curve Length: 48.65 Radius: 50.00
 Delta: 55-44-56 Tangent: 26.45
 Chord: 46.75 Course: S 44-27-49 W
 Course In: S 17-39-43 E Course Out: N 73-24-39 W
 RP North: 28473366.9983 East : 612881.5711
 End North: 28473381.2736 East : 612833.6522
 Line Course: N 45-09-12 W Length: 108.90
 North: 28473458.0712 East : 612756.4425
 Line Course: S 08-52-50 E Length: 0.00
 North: 28473458.0712 East : 612756.4425

Perimeter: 439.91 Area: 9,913 S.F. 0.228 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0017 Course: N 32-10-58 W
 Error North: 0.00141 East : -0.00089
 Precision 1: 258,770.59

 Parcel name: Lot 65

North: 28473398.3800 East : 612703.1787
 Line Course: N 41-44-40 E Length: 80.00
 North: 28473458.0697 East : 612756.4435
 Line Course: S 45-09-12 E Length: 108.90
 North: 28473381.2722 East : 612833.6532
 Curve Length: 10.93 Radius: 20.00
 Delta: 31-18-02 Tangent: 5.60
 Chord: 10.79 Course: S 32-14-22 W
 Course In: N 73-24-39 W Course Out: S 42-06-37 E
 RP North: 28473386.9823 East : 612814.4856
 End North: 28473372.1452 East : 612827.8968
 Line Course: S 47-53-23 W Length: 63.83
 North: 28473329.3434 East : 612780.5442
 Line Course: N 48-15-17 W Length: 103.69
 North: 28473398.3823 East : 612703.1798
 Line Course: N 90-00-00 W Length: 0.00
 North: 28473398.3823 East : 612703.1798

Perimeter: 367.34 Area: 8,290 S.F. 0.190 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0025 Course: N 26-06-30 E
 Error North: 0.00228 East : 0.00112
 Precision 1: 146,940.00

 Parcel name: Lot 66

Phase 3.txt

North: 28473398.3800 East : 612703.1787
 Line Course: S 48-15-17 E Length: 103.69
 North: 28473329.3411 East : 612780.5431
 Line Course: S 47-53-23 W Length: 54.90
 North: 28473292.5274 East : 612739.8152
 Curve Length: 23.29 Radius: 15.00
 Delta: 88-58-41 Tangent: 14.73
 Chord: 21.02 Course: N 87-37-17 W
 Course In: N 42-06-37 W Course Out: S 46-52-04 W
 RP North: 28473303.6552 East : 612729.7568
 End North: 28473293.3999 East : 612718.8102
 Curve Length: 73.73 Radius: 825.00
 Delta: 5-07-13 Tangent: 36.89
 Chord: 73.70 Course: N 45-41-33 W
 Course In: S 46-52-04 W Course Out: N 41-44-51 E
 RP North: 28472729.3604 East : 612116.7434
 End North: 28473344.8817 East : 612666.0689
 Line Course: N 48-15-09 W Length: 7.93
 North: 28473350.1619 East : 612660.1524
 Line Course: N 41-44-40 E Length: 64.62
 North: 28473398.3763 East : 612703.1770
 Line Course: S 90-00-00 E Length: 0.00
 North: 28473398.3763 East : 612703.1770

Perimeter: 328.16 Area: 6,570 S.F. 0.151 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0041 Course: S 24-14-30 W
 Error North: -0.00371 East : -0.00167
 Precision 1: 80,039.02

 Parcel name: Lot 67

North: 28473350.1625 East : 612660.1514
 Line Course: N 48-15-09 W Length: 88.68
 North: 28473409.2100 East : 612593.9885
 Curve Length: 23.56 Radius: 15.00
 Delta: 90-00-00 Tangent: 15.00
 Chord: 21.21 Course: N 03-15-09 W
 Course In: N 41-44-51 E Course Out: N 48-15-09 W
 RP North: 28473420.4013 East : 612603.9762
 End North: 28473430.3890 East : 612592.7849
 Line Course: N 41-44-51 E Length: 49.62
 North: 28473467.4099 East : 612625.8244
 Line Course: S 48-15-17 E Length: 103.67
 North: 28473398.3843 East : 612703.1738
 Line Course: S 41-44-40 W Length: 64.62
 North: 28473350.1699 East : 612660.1492
 Line Course: N 30-41-59 E Length: 0.00
 North: 28473350.1699 East : 612660.1492

Phase 3.txt

Perimeter: 330.16 Area: 6,651 S.F. 0.153 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0077 Course: N 16-43-22 W

Error North: 0.00736 East : -0.00221

Precision 1: 42,876.62

Parcel name: Lot 68

North: 28473467.4083 East : 612625.8264

Line Course: S 48-15-17 E Length: 103.67

North: 28473398.3827 East : 612703.1758

Line Course: N 41-44-40 E Length: 80.00

North: 28473458.0724 East : 612756.4406

Line Course: N 48-15-19 W Length: 80.37

North: 28473511.5838 East : 612696.4750

Curve Length: 56.70 Radius: 50.00

Delta: 64-58-12 Tangent: 31.84

Chord: 53.71 Course: S 59-15-27 W

Course In: N 63-13-39 W Course Out: S 01-44-33 W

RP North: 28473534.1063 East : 612651.8349

End North: 28473484.1294 East: 612650.3145

Curve Length: 17.45 Radius: 20.00

Delta: 49-59-42 Tangent: 9.33

Chord: 16.90 Course: S 66-44-42 W

Course In: S 01-44-33 W Course Out: N 48-15-09 W

RP North: 28473464.1386 East : 612649.7064

End North: 28473477.4556 East : 612634.7846

Line Course: S 41-44-51 W Length: 13.46

North: 28473467.4133 East : 612625.8223

Line Course: S 90-00-00 E Length: 0.00

North: 28473467.4133 East : 612625.8223

Perimeter: 351.65 Area: 7,196 S.F. 0.165 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0065 Course: N 38-48-39 W

Error North: 0.00505 East : -0.00406

Precision 1: 54,100.00

Parcel name: Lot 69

North: 28473511.5796 East : 612696.4796

Curve Length: 64.43 Radius: 50.00

Delta: 73-50-06 Tangent: 37.56

Chord: 60.07 Course: N 10-08-42 W

Phase 3.txt

Course In: N 63-13-39 W Course Out: N 42-56-15 E
 RP North: 28473534.1020 East : 612651.8395
 End North: 28473570.7069 East : 612685.8995
 Line Course: N 42-56-15 E Length: 85.16
 North: 28473633.0523 East : 612743.9105
 Line Course: S 54-33-09 E Length: 126.62
 North: 28473559.6182 East : 612847.0611
 Line Course: S 41-44-40 W Length: 136.10
 North: 28473458.0710 East : 612756.4445
 Line Course: N 48-15-19 W Length: 80.37
 North: 28473511.5824 East : 612696.4789
 Line Course: N 03-34-35 W Length: 0.00
 North: 28473511.5824 East : 612696.4789

Perimeter: 492.68 Area: 15,110 S.F. 0.347 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0029 Course: N 13-24-13 W
 Error North: 0.00278 East : -0.00066
 Precision 1: 169,889.66

 Parcel name: Lot 70

North: 28473581.5078 East : 612635.9433
 Line Course: N 48-15-19 W Length: 88.98
 North: 28473640.7518 East : 612569.5537
 Line Course: N 46-08-47 E Length: 96.52
 North: 28473707.6226 East : 612639.1554
 Line Course: S 54-33-09 E Length: 128.59
 North: 28473633.0460 East : 612743.9109
 Line Course: S 42-56-15 W Length: 85.16
 North: 28473570.7006 East : 612685.8999
 Curve Length: 53.65 Radius: 50.00
 Delta: 61-28-29 Tangent: 29.73
 Chord: 51.11 Course: N 77-48-00 W
 Course In: S 42-56-15 W Course Out: N 18-32-14 W
 RP North: 28473534.0957 East : 612651.8399
 End North: 28473581.5016 East : 612635.9439
 Line Course: S 43-37-31 E Length: 0.00
 North: 28473581.5016 East : 612635.9439

Perimeter: 452.90 Area: 12,635 S.F. 0.290 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0062 Course: S 05-10-00 E
 Error North: -0.00618 East : 0.00056
 Precision 1: 73,048.39

Phase 3.txt

Parcel name: Lot 71

North: 28473581.8964 East : 612517.0211
Line Course: S 48-30-52 E Length: 107.41
North: 28473510.7447 East : 612597.4844
Curve Length: 17.45 Radius: 20.00
Delta: 49-59-41 Tangent: 9.33
Chord: 16.90 Course: N 16-45-01 E
Course In: N 48-15-09 W Course Out: N 81-45-10 E
RP North: 28473524.0617 East : 612582.5626
End North: 28473526.9306 East : 612602.3558
Curve Length: 69.56 Radius: 50.00
Delta: 79-42-36 Tangent: 41.74
Chord: 64.08 Course: N 31-36-28 E
Course In: N 81-45-10 E Course Out: N 18-32-14 W
RP North: 28473534.1028 East : 612651.8387
End North: 28473581.5087 East : 612635.9427
Line Course: N 48-15-19 W Length: 88.98
North: 28473640.7527 East : 612569.5531
Line Course: S 41-44-51 W Length: 78.89
North: 28473581.8940 East : 612517.0242

Perimeter: 362.30 Area: 7,099 S.F. 0.163 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0040 Course: S 51-25-09 E
Error North: -0.00249 East : 0.00312
Precision 1: 90,572.50

Parcel name: Lot 72

North: 28473581.8964 East : 612517.0211
Line Course: S 48-30-52 E Length: 107.41
North: 28473510.7447 East : 612597.4844
Line Course: S 41-44-51 W Length: 63.08
North: 28473463.6816 East : 612555.4826
Curve Length: 23.56 Radius: 15.00
Delta: 90-00-00 Tangent: 15.00
Chord: 21.21 Course: S 86-44-51 W
Course In: N 48-15-09 W Course Out: S 41-44-51 W
RP North: 28473473.6693 East : 612544.2913
End North: 28473462.4780 East : 612534.3036
Line Course: N 48-15-09 W Length: 92.41
North: 28473524.0091 East : 612465.3577
Line Course: N 41-44-51 E Length: 77.59
North: 28473581.8980 East : 612517.0210

Perimeter: 364.05 Area: 8,312 S.F. 0.191 ACRES

Phase 3.txt

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0015 Course: N 05-02-22 W
 Error North: 0.00153 East : -0.00014
 Precision 1: 242,700.00

Parcel name: Lot 73

North: 28473588.1956 East : 612393.4351
 Line Course: S 48-15-09 E Length: 96.40
 North: 28473524.0077 East : 612465.3579
 Line Course: N 41-44-51 E Length: 77.59
 North: 28473581.8966 East : 612517.0211
 Line Course: N 48-15-09 W Length: 111.40
 North: 28473656.0722 East : 612433.9071
 Line Course: S 41-44-51 W Length: 62.59
 North: 28473609.3746 East : 612392.2316
 Curve Length: 23.56 Radius: 15.00
 Delta: 90-00-00 Tangent: 15.00
 Chord: 21.21 Course: S 03-15-09 E
 Course In: S 48-15-09 E Course Out: S 41-44-51 W
 RP North: 28473599.3869 East : 612403.4229
 End North: 28473588.1956 East : 612393.4351

Perimeter: 371.54 Area: 8,595 S.F. 0.197 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0000 Course: N 00-00-00 E
 Error North: 0.00000 East : 0.00000
 Precision 1: 371,540,000.00

Parcel name: Lot 74

North: 28473656.0721 East : 612433.9072
 Line Course: N 41-44-51 E Length: 78.89
 North: 28473714.9309 East : 612486.4360
 Line Course: S 48-15-09 E Length: 111.40
 North: 28473640.7553 East : 612569.5500
 Line Course: S 41-44-51 W Length: 78.89
 North: 28473581.8965 East : 612517.0212
 Line Course: N 48-15-09 W Length: 111.40
 North: 28473656.0721 East : 612433.9072
 Line Course: N 42-11-04 W Length: 0.00
 North: 28473656.0721 East : 612433.9072

Perimeter: 380.58 Area: 8,788 S.F. 0.202 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Page 17

Phase 3.txt
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 380,580,000.00

Parcel name: Lot 75

North: 28473714.9308 East : 612486.4361
Line Course: S 48-15-09 E Length: 111.40
North: 28473640.7552 East : 612569.5501
Line Course: N 46-08-47 E Length: 96.52
North: 28473707.6260 East : 612639.1519
Line Course: N 54-33-09 W Length: 105.44
North: 28473768.7767 East : 612553.2554
Line Course: N 48-15-09 W Length: 14.00
North: 28473778.0986 East : 612542.8102
Line Course: S 41-44-51 W Length: 84.67
North: 28473714.9274 East : 612486.4328
Line Course: S 43-28-06 E Length: 0.00
North: 28473714.9274 East : 612486.4328

Perimeter: 412.03 Area: 10,309 S.F. 0.237 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0047 Course: S 44-02-34 W
Error North: -0.00339 East : -0.00328
Precision 1: 87,665.96

Parcel name: Lot 76

North: 28473875.3134 East : 612433.8827
Line Course: N 48-15-09 W Length: 25.00
North: 28473891.9596 East : 612415.2306
Line Course: S 41-44-51 W Length: 63.60
North: 28473844.5085 East : 612372.8826
Line Course: S 48-15-09 E Length: 111.00
North: 28473770.5992 East : 612455.6982
Line Course: N 41-44-51 E Length: 63.60
North: 28473818.0503 East : 612498.0462
Line Course: N 48-15-09 W Length: 86.00
North: 28473875.3134 East : 612433.8827

Perimeter: 349.20 Area: 7,060 S.F. 0.162 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 349,200,000.00

Phase 3.txt

Parcel name: Lot 77

North: 28473844.5086 East : 612372.8825
Line Course: S 48-15-09 E Length: 111.00
North: 28473770.5993 East : 612455.6981
Line Course: S 41-44-51 W Length: 63.60
North: 28473723.1482 East : 612413.3501
Line Course: N 48-15-09 W Length: 111.00
North: 28473797.0575 East : 612330.5345
Line Course: N 41-44-51 E Length: 63.60
North: 28473844.5086 East : 612372.8825
Line Course: N 32-00-19 W Length: 0.00
North: 28473844.5086 East : 612372.8825

Perimeter: 349.20 Area: 7,060 S.F. 0.162 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 349,200,000.00

Parcel name: Lot 78

North: 28473797.0575 East : 612330.5345
Line Course: S 48-15-09 E Length: 111.00
North: 28473723.1483 East : 612413.3501
Line Course: S 41-44-51 W Length: 63.60
North: 28473675.6972 East : 612371.0021
Line Course: N 48-15-09 W Length: 111.00
North: 28473749.6064 East : 612288.1865
Line Course: N 41-44-51 E Length: 63.60
North: 28473797.0575 East : 612330.5345
Line Course: N 01-47-24 W Length: 0.00
North: 28473797.0575 East : 612330.5345

Perimeter: 349.20 Area: 7,060 S.F. 0.162 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 349,200,000.00

Parcel name: Lot 79

Phase 3.txt

North: 28473749.6065 East : 612288.1864
Line Course: S 48-15-09 E Length: 111.00
North: 28473675.6972 East : 612371.0020
Line Course: S 41-44-51 W Length: 63.60
North: 28473628.2461 East : 612328.6540
Line Course: N 48-15-09 W Length: 111.00
North: 28473702.1554 East : 612245.8384
Line Course: N 41-44-51 E Length: 63.60
North: 28473749.6065 East : 612288.1864
Line Course: N 90-00-00 W Length: 0.00
North: 28473749.6065 East : 612288.1864

Perimeter: 349.20 Area: 7,060 S.F. 0.162 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 349,200,000.00

Parcel name: Lot 80

North: 28473702.1554 East : 612245.8384
Line Course: S 48-15-09 E Length: 111.00
North: 28473628.2462 East : 612328.6539
Line Course: S 41-44-51 W Length: 63.60
North: 28473580.7951 East : 612286.3059
Line Course: N 48-15-09 W Length: 111.00
North: 28473654.7043 East : 612203.4903
Line Course: N 41-44-51 E Length: 63.60
North: 28473702.1554 East : 612245.8384
Line Course: N 29-21-28 E Length: 0.00
North: 28473702.1554 East : 612245.8384

Perimeter: 349.20 Area: 7,060 S.F. 0.162 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 349,200,000.00

Parcel name: Lot 81

North: 28473654.7044 East : 612203.4903
Line Course: S 41-44-51 W Length: 63.60
North: 28473607.2533 East : 612161.1423
Line Course: S 48-15-09 E Length: 111.00

Phase 3.txt

North: 28473533.3440 East : 612243.9579
 Line Course: N 41-44-51 E Length: 63.60
 North: 28473580.7951 East : 612286.3059
 Line Course: N 48-15-09 W Length: 111.00
 North: 28473654.7044 East : 612203.4903
 Line Course: N 48-21-59 W Length: 0.00
 North: 28473654.7044 East : 612203.4903

Perimeter: 349.20 Area: 7,060 S.F. 0.162 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0000 Course: S 90-00-00 E
 Error North: 0.00000 East: 0.00000
 Precision 1: 349,200,000.00

Parcel name: Street Dedication

North: 28472369.4166 East : 613949.2330
 Line Course: S 48-15-09 E Length: 60.00
 North: 28472329.4656 East : 613993.9982
 Line Course: S 41-44-51 W Length: 226.15
 North: 28472160.7382 East : 613843.4164
 Curve Length: 23.56 Radius: 15.00
 Delta: 90-00-00 Tangent: 15.00
 Chord: 21.21 Course: S 03-15-09 E
 Course In: S 48-15-09 E Course Out: S 41-44-51 W
 RP North: 28472150.7504 East : 613854.6077
 End North: 28472139.5592 East : 613844.6200
 Line Course: S 48-15-09 E Length: 188.81
 North: 28472013.8402 East : 613985.4886
 Curve Length: 23.56 Radius: 15.00
 Delta: 90-00-00 Tangent: 15.00
 Chord: 21.21 Course: N 86-44-51 E
 Course In: N 41-44-51 E Course Out: S 48-15-09 E
 RP North: 28472025.0315 East : 613995.4763
 End North: 28472015.0437 East : 614006.6676
 Line Course: N 41-44-51 E Length: 63.08
 North: 28472062.1069 East : 614048.6694
 Curve Length: 17.45 Radius: 20.00
 Delta: 49-59-41 Tangent: 9.33
 Chord: 16.90 Course: N 16-45-01 E
 Course In: N 48-15-09 W Course Out: N 81-45-10 E
 RP North: 28472075.4239 East : 614033.7476
 End North: 28472078.2927 East : 614053.5408
 Curve Length: 244.34 Radius: 50.00
 Delta: 279-59-23 Tangent: 41.96
 Chord: 64.29 Course: S 48-15-09 E
 Course In: N 81-45-10 E Course Out: S 01-44-33 W
 RP North: 28472085.4650 East : 614103.0237
 End North: 28472035.4881 East : 614101.5033

Phase 3.txt

Curve Length: 17.45 Radius: 20.00
Delta: 49-59-42 Tangent: 9.33
Chord: 16.90 Course: S 66-44-42 W
Course In: S 01-44-33 W Course Out: N 48-15-09 W
RP North: 28472015.4973 East : 614100.8952
End North: 28472028.8143 East : 614085.9734

Line Course: S 41-44-51 W Length: 63.08
North: 28471981.7512 East : 614043.9717

Curve Length: 23.56 Radius: 15.00
Delta: 90-00-00 Tangent: 15.00
Chord: 21.21 Course: S 03-15-09 E
Course In: S 48-15-09 E Course Out: S 41-44-51 W
RP North: 28471971.7635 East : 614055.1630
End North: 28471960.5722 East : 614045.1752

Line Course: S 48-15-09 E Length: 96.61
North: 28471896.2445 East : 614117.2547

Curve Length: 73.73 Radius: 825.00
Delta: 5-07-13 Tangent: 36.89
Chord: 73.70 Course: S 45-41-33 E
Course In: S 41-44-51 W Course Out: N 46-52-04 E
RP North: 28471280.7232 East : 613567.9291
End North: 28471844.7627 East : 614169.9959

Curve Length: 23.29 Radius: 15.00
Delta: 88-58-41 Tangent: 14.73
Chord: 21.02 Course: S 87-37-17 E
Course In: N 46-52-04 E Course Out: S 42-06-37 E
RP North: 28471855.0180 East : 614180.9426
End North: 28471843.8902 East : 614191.0010

Line Course: N 47-53-23 E Length: 118.73
North: 28471923.5057 East : 614279.0815

Curve Length: 10.93 Radius: 20.00
Delta: 31-18-02 Tangent: 5.60
Chord: 10.79 Course: N 32-14-22 E
Course In: N 42-06-37 W Course Out: S 73-24-39 E
RP North: 28471938.3428 East : 614265.6703
End North: 28471932.6327 East : 614284.8378

Curve Length: 126.19 Radius: 50.00
Delta: 144-36-07 Tangent: 156.68
Chord: 95.27 Course: N 88-53-25 E
Course In: S 73-24-39 E Course Out: N 71-11-28 E
RP North: 28471918.3573 East : 614332.7566
End North: 28471934.4779 East : 614380.0866

Curve Length: 10.93 Radius: 20.00
Delta: 31-18-01 Tangent: 5.60
Chord: 10.79 Course: S 34-27-33 E
Course In: N 71-11-28 E Course Out: S 39-53-27 W
RP North: 28471940.9262 East : 614399.0186
End North: 28471925.5808 East : 614386.1921

Line Course: S 50-06-33 E Length: 70.10
North: 28471880.6238 East : 614439.9775

Curve Length: 17.45 Radius: 20.00
Delta: 49-59-41 Tangent: 9.33
Chord: 16.90 Course: S 75-06-24 E

Phase 3.txt

Course In: N 39-53-27 E	Course Out: S 10-06-14 E
RP North: 28471895.9692	East : 614452.8041
End North: 28471876.2794	East : 614456.3127
Curve Length: 244.34	Radius: 50.00
Delta: 279-59-22	Tangent: 41.96
Chord: 64.29	Course: S 39-53-27 W
Course In: S 10-06-14 E	Course Out: S 89-53-08 W
RP North: 28471827.0548	East : 614465.0844
End North: 28471826.9549	East : 614415.0845
Curve Length: 17.45	Radius: 20.00
Delta: 49-59-41	Tangent: 9.33
Chord: 16.90	Course: N 25-06-43 W
Course In: S 89-53-08 W	Course Out: N 39-53-27 E
RP North: 28471826.9150	East : 614395.0845
End North: 28471842.2603	East : 614407.9111
Line Course: N 50-06-33 W Length: 84.57	
North: 28471896.4973	East : 614343.0233
Curve Length: 21.47	Radius: 15.00
Delta: 82-00-04	Tangent: 13.04
Chord: 19.68	Course: S 88-53-25 W
Course In: S 39-53-27 W	Course Out: N 42-06-37 W
RP North: 28471884.9883	East : 614333.4033
End North: 28471896.1162	East : 614323.3450
Line Course: S 47-53-23 W Length: 135.59	
North: 28471805.1950	East : 614222.7568
Curve Length: 22.40	Radius: 15.00
Delta: 85-33-39	Tangent: 13.88
Chord: 20.38	Course: S 05-06-33 W
Course In: S 42-06-37 E	Course Out: S 52-19-44 W
RP North: 28471794.0671	East : 614232.8152
End North: 28471784.9002	East : 614220.9422
Curve Length: 192.01	Radius: 825.00
Delta: 13-20-07	Tangent: 96.44
Chord: 191.58	Course: S 31-00-12 E
Course In: S 52-19-44 W	Course Out: N 65-39-51 E
RP North: 28471280.7196	East : 613567.9285
End North: 28471620.6891	East : 614319.6237
Line Course: S 24-20-09 E Length: 2.61	
North: 28471618.3110	East : 614320.6992
Line Course: S 65-39-51 W Length: 50.00	
North: 28471597.7068	East : 614275.1420
Line Course: N 24-20-09 W Length: 2.61	
North: 28471600.0849	East : 614274.0664
Curve Length: 323.50	Radius: 775.00
Delta: 23-55-00	Tangent: 164.14
Chord: 321.16	Course: N 36-17-39 W
Course In: S 65-39-51 W	Course Out: N 41-44-51 E
RP North: 28471280.7196	East : 613567.9285
End North: 28471858.9366	East : 614083.9615
Line Course: N 48-15-09 W Length: 365.42	
North: 28472102.2512	East : 613811.3266
Curve Length: 23.56	Radius: 15.00
Delta: 90-00-00	Tangent: 15.00

Phase 3.txt

Chord: 21.21 Course: S 86-44-51 W
 Course In: S 41-44-51 W Course Out: N 48-15-09 W
 RP North: 28472091.0599 East : 613801.3389
 End North: 28472101.0476 East : 613790.1476
 Line Course: S 41-44-51 W Length: 75.45
 North: 28472044.7554 East : 613739.9093
 Line Course: N 48-15-09 W Length: 60.00
 North: 28472084.7063 East : 613695.1441
 Line Course: N 41-44-51 E Length: 381.60
 North: 28472369.4129 East : 613949.2321
 Line Course: S 32-00-19 E Length: 0.00
 North: 28472369.4129 East : 613949.2321

Perimeter: 3501.57 Area: 95,280 S.F. 2.187 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)
 Error Closure: 0.0038 Course: S 13-46-59 W
 Error North: -0.00367 East : -0.00090
 Precision 1: 921,468.42

 Parcel name: Total Area

North: 28472443.3259 East : 613866.4175
 Line Course: S 48-15-09 E Length: 185.00
 North: 28472320.1438 East : 614004.4435
 Line Course: S 54-33-09 E Length: 751.56
 North: 28471884.2716 East : 614616.6998
 Line Course: S 46-55-41 E Length: 204.73
 North: 28471744.4581 East : 614766.2544
 Line Course: S 80-27-31 W Length: 217.18
 North: 28471708.4584 East : 614552.0789
 Line Course: S 68-46-47 W Length: 243.33
 North: 28471620.3840 East : 614325.2477
 Line Course: S 65-39-51 W Length: 55.00
 North: 28471597.7193 East : 614275.1346
 Line Course: N 24-20-09 W Length: 2.61
 North: 28471600.0974 East : 614274.0591
 Curve Length: 37.39 Radius: 775.00
 Delta: 2-45-52 Tangent: 18.70
 Chord: 37.39 Course: N 25-43-05 W
 Course In: S 65-39-51 W Course Out: N 62-53-59 E
 RP North: 28471280.7321 East : 613567.9212
 End North: 28471633.7828 East : 614257.8344
 Line Course: S 53-39-25 W Length: 107.04
 North: 28471570.3489 East : 614171.6155
 Line Course: N 32-39-03 W Length: 138.79
 North: 28471687.2064 East : 614096.7357
 Line Course: N 37-41-16 W Length: 107.06
 North: 28471771.9288 East : 614031.2837
 Line Course: N 48-15-09 W Length: 399.06

Phase 3.txt

North: 28472037.6426 East : 613733.5505
Line Course: N 41-44-51 E Length: 9.55
North: 28472044.7677 East : 613739.9093
Line Course: N 48-15-09 W Length: 171.00
North: 28472158.6279 East : 613612.3286
Line Course: N 41-44-51 E Length: 381.60
North: 28472443.3345 East : 613866.4166

Perimeter: 3010.90 Area: 420,362 S.F. 9.650 ACRES

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0086 Course: N 06-12-57 W

Error North: 0.00852 East : -0.00093

Precision 1: 350,104.65

GREAT BASIN ESTATES SUBDIVISION - PHASE 3 CITY OF ELKO, NEVADA

APPROVAL - NEVADA DIVISION OF WATER RESOURCES

THIS FINAL PLAN IS APPROVED BY THE DIVISION OF WATER RESOURCES OF THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, DIVISION OF WATER RESOURCES, SUBJECT TO RECORD OF APPROVAL, AND FILED IN THIS OFFICE.

APPROVED: _____ DATE: _____

APPROVAL - NEVADA DIVISION OF ENVIRONMENTAL PROTECTION

THIS FINAL PLAN IS APPROVED BY THE DIVISION OF ENVIRONMENTAL PROTECTION OF THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, DIVISION OF ENVIRONMENTAL PROTECTION, SUBJECT TO RECORD OF APPROVAL, AND FILED IN THIS OFFICE.

APPROVED: _____ DATE: _____

FOIA NOTE

THE LOTS WITHIN GREAT BASIN ESTATES SUBDIVISION PHASE 3 ARE NOT BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, NOR ARE THEY BEING OFFERED FOR SALE OR LEASE BY ANY OTHER ENTITY. THE LOTS ARE BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, AS A RESULT OF THE CITY'S ACQUISITION OF THE LOTS BY THE CITY OF ELKO, NEVADA, IN 1988.

APPROVAL - PUBLIC UTILITIES

THE PUBLIC UTILITY COMPANIES ARE REQUESTED TO REVIEW AND APPROVE THE PROPOSED UTILITY LAYOUTS SHOWN ON THIS PLAN.

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

NOTES

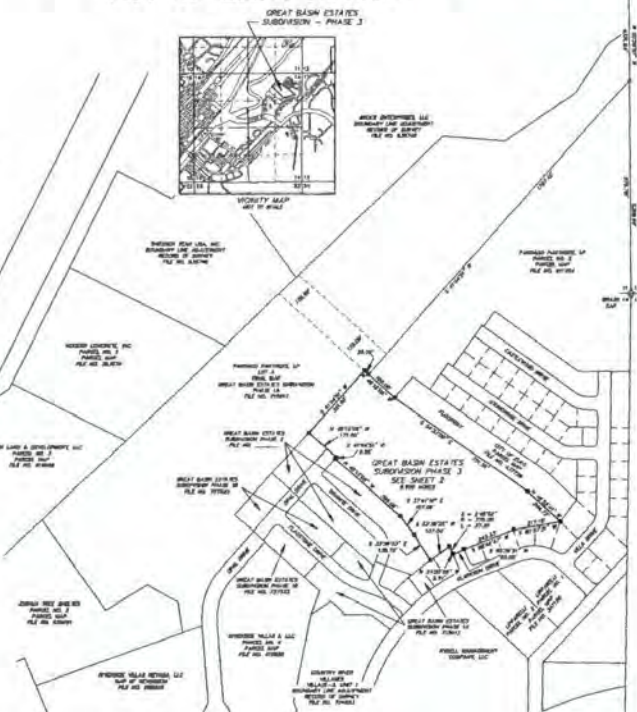
1. THE TOTAL SUBDIVISION AREA OF THIS SHEET IS 100 ACRES.

2. THE LOTS WITHIN GREAT BASIN ESTATES SUBDIVISION PHASE 3 ARE NOT BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, NOR ARE THEY BEING OFFERED FOR SALE OR LEASE BY ANY OTHER ENTITY. THE LOTS ARE BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, AS A RESULT OF THE CITY'S ACQUISITION OF THE LOTS BY THE CITY OF ELKO, NEVADA, IN 1988.

3. A PUBLIC UTILITY COMPANY IS REQUESTED TO REVIEW AND APPROVE THE PROPOSED UTILITY LAYOUTS SHOWN ON THIS PLAN.

4. THE LOTS WITHIN GREAT BASIN ESTATES SUBDIVISION PHASE 3 ARE NOT BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, NOR ARE THEY BEING OFFERED FOR SALE OR LEASE BY ANY OTHER ENTITY. THE LOTS ARE BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, AS A RESULT OF THE CITY'S ACQUISITION OF THE LOTS BY THE CITY OF ELKO, NEVADA, IN 1988.

5. THE LOTS WITHIN GREAT BASIN ESTATES SUBDIVISION PHASE 3 ARE NOT BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, NOR ARE THEY BEING OFFERED FOR SALE OR LEASE BY ANY OTHER ENTITY. THE LOTS ARE BEING OFFERED FOR SALE OR LEASE BY THE CITY OF ELKO, NEVADA, AS A RESULT OF THE CITY'S ACQUISITION OF THE LOTS BY THE CITY OF ELKO, NEVADA, IN 1988.



LEGEND

○ - SECTION CORNER OR CENTER

■ - PLAIN SURFACE WITH NO SURFACE FILL

□ - CALCULATED SURFACE ONLY, NOT ON PLAIN

COUNTY ASSESSOR'S CERTIFICATE

I, ROBERT L. HENLEY, COUNTY ASSESSOR, CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE RECORDS OF THE COUNTY OF ELKO, NEVADA.

APPROVED: _____ DATE: _____

COUNTY TREASURER'S CERTIFICATE

I, ROBERT L. HENLEY, COUNTY TREASURER, CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE RECORDS OF THE COUNTY OF ELKO, NEVADA.

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

OWNER'S CERTIFICATE

I, ROBERT L. HENLEY, OWNER, CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE RECORDS OF THE COUNTY OF ELKO, NEVADA.

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

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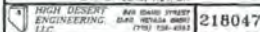
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APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____

APPROVED: _____ DATE: _____



Elko City Council
Agenda Action Sheet

1. Title: **Review, consideration, and possible approval of an Agreement to Install Improvements and Performance/Maintenance Guarantees for subdivision improvements associated with the Great Basin Estates Phase 3 subdivision, and matters related thereto. FOR POSSIBLE ACTION**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **NEW BUSINESS**
4. Time Required: **10 Minutes**
5. Background Information: **Elko City Code 3-3-44 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 3-3-45. The Planning Commission recommended as one of the conditions for approval of the final plat, that the agreement shall 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. CL

6. Budget Information:
 Appropriation Required: **N/A**
 Budget amount available: **N/A**
 Fund name: **N/A**
7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **Copy of Agreement to Install Improvements and Performance/Maintenance Guarantees**
9. Recommended Motion: **Approve the Agreement to Install Improvements and Performance/Maintenance Guarantees for subdivision improvements associated with the Great Basin Estates Phase 3 subdivision. The subdivider shall enter into the agreement within 30 days.**
10. Prepared By: **Scott A. Wilkinson, Assistant City Manager**
11. Committee/Other Agency Review: **Dave Stanton, City Attorney**
12. Council Action:
13. Council Agenda Distribution: **Robert Capps**
 robertcapps@cappshomes.com

AGREEMENT TO INSTALL IMPROVEMENTS
AND PERFORMANCE/MAINTENANCE GUARANTEES

THIS AGREEMENT made and entered into this ____ day of _____, 2018, by and between the **CITY OF ELKO**, a municipal corporation organized and existing under the laws of the State of Nevada, hereinafter referred to as the "**City**," and **Parrado Partners LP**, a California Limited Partnership, hereinafter referred to as "**Developer**."

RECITALS

- A. **WHEREAS**, **Developer** is subdividing certain property within the **City**, the subdivision being generally known as **Great Basin Estates, Phase 3**, into thirty-eight (38) separate parcels by means of a subdivision map, identified by the **City** as Subdivision Map No. 11-18;
- B. **WHEREAS**, Elko City Code, Title 3, Chapter 3, requires that a developer of a subdivision (as that term is used in NRS 278.320, as amended) enter into an Agreement to Install Improvements and file with the City Clerk of the **City** a financial guaranty of performance to complete the required public improvements (hereinafter referred to as the "Performance Guaranty") prior to certification of the final plat;
- C. **WHEREAS**, the Performance Guaranty is to be in an amount deemed sufficient by the City of Elko to cover the full cost of required site improvements and public improvements, engineering inspections, incidental expenses and replacement or repair of any existing streets and utilities or other improvements required by the Elko City Code, which are to be completed within a period of twenty-four (24) months from the date of the approval of the Final Plat by the **City**;
- D. **WHEREAS**, the **City** has determined from the Engineer's Cost Estimate for the required site and public improvements (set forth in **Exhibit A** and made a part hereof) that the cost of the required public improvements are expected to be in the amount of **Seven Hundred Seventy-Six Thousand, Three Hundred Sixty-Nine Dollars and Twenty-Five Cents (\$776,329.25)**, which amount provides the basis for calculating the amount of the Performance Guaranty;
- E. **WHEREAS**, the Performance Guaranty shall be in the form of a deposit of cash in accordance with Elko City Code Subsection 3-3-45(A)(2) and shall be used to ensure the completion of all required subdivision improvements, to include public improvements and correction of defects of the required public improvements discovered after certification of the Final Plat.
- F. **WHEREAS**, the **City** approved the Final Plat on _____;
- G. **WHEREAS**, pursuant to Elko City Code Section 3-3-45(C), in addition to the Performance Guaranty, the **Developer** shall file with the Clerk of the City a financial Guaranty for a one (1) year maintenance bond in the amount of **Seventy-Seven Thousand, Six Hundred Thirty-Six Dollars and Ninety-Two Cents (\$77,636.92)** (hereinafter referred to as the "Maintenance Guaranty");
- H. **WHEREAS**, in the event the **Developer** fails to complete all the required public improvements and site improvements in accordance with the terms of this Agreement, the **Developer** shall be

in default of this Agreement and the **City** shall be entitled to pursue all available legal remedies, including, without limitation, access to and use of the Performance Guaranty; and

- I. **WHEREAS**, the **Developer** has agreed to complete the required public improvements within a period of twenty-four (24) months from the date of the Final Plat being approved and in accordance with the latest edition of the Standard Specifications for Public Works Construction as published by the Regional Transportation Commission of Washoe County, Carson City, Churchill County, City of Reno, City of Sparks, City of Yerington and Washoe County, hereinafter referred to as the "Orange Book."

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions on the part of the respective parties to be performed, the parties hereby agree as follows:

1) **REQUIRED IMPROVEMENTS, GUARANTEES AND APPROVALS**

A. COMPLETION OF WORK; PERFORMANCE AND MAINTENANCE GUARANTEES. **Developer** agrees to complete the improvements described in the Site Improvement and Public Improvement Plans attached as **Exhibit B** hereto in the manner set forth in this Agreement and in conformity with Elko City Code 3-3-43 (hereinafter the "**Work**") within twenty-four (24) months of the Effective Date, unless otherwise extended in accordance herewith, and **Developer** shall pay or cause to be paid all claims for labor and materials used to perform the **Work** and, further, **Developer** has provided a Performance Guaranty in the form of a cash deposit in the amount of XXXXXXXX (xxxxxx), representing the full cost of required improvements, engineering, inspections, incidental expenses, and replacement and repair of any existing streets and utilities, or other improvements which may be damaged during construction of required improvements in the amount of **Seven Hundred Seventy-Six Thousand, Three Hundred Sixty-Nine Dollars and Twenty-Five Cents (\$776,329.25)** less a reduction in the performance guarantee in the amount of XXXXX (XXXX) for work certified as complete, as determined by City Staff based on the engineer's certificate for work completed through December 11, 2018, as shown in **Exhibit A**, plus **Seventy-Seven Thousand, Six Hundred Thirty Six Dollars and Ninety-Two Cents (\$77,636.92)** for the required Maintenance Guaranty, the total cash deposit being for the purpose of guaranteeing compliance with the requirements of this Agreement.

B. Reduction in Performance Guaranty. Notwithstanding any other provision contained in this Agreement, progress payments may be made to the **Developer** from any cash deposit which the **Developer** may have made upon written request by the **Developer** for **Work** completed, as follows:

- 1) **Written Requests for Progress Payments.** The **Developer** must submit a written request to the Elko City Clerk for any progress payment.
- 2) **Limitation on Amount of Reduction of Performance Guaranty.** The cumulative reduction in the amount of the Performance Guaranty shall not exceed ninety percent (90%) of the value of the improvements completed and approved, as determined by the **City**.

- 3) **Certification of Improvements.** Prior to a determination by the **City** of the value of the improvements completed, the **Developer's** Engineer shall provide the **City** with a Certificate of Improvements attesting to the adequacy of the **Work** and compliance with all requirements set forth in this Agreement, the construction specifications and the Elko City Code (including model codes adopted therein). The **City** shall review the Certification of Improvements prior to approving a request for a progress payment. The **City** shall not make a progress payment to the **Developer** unless a complete Certification of Improvements has been submitted in accordance with this paragraph.
- 4) **Amounts of Individual Progress Payments.** Except for the final progress payment following completion of the **Work**, any individual request for a progress payment shall be for at least twenty percent (20%) of the original Performance Guaranty and shall be submitted at least thirty (30) days after submittal of the previous request for a progress payment.
- 5) **Form of Requests for Progress Payments.** Requests for progress payments shall include a spreadsheet containing a detail of costs for each line item in the engineering cost estimate at **Exhibit A**, together with the original estimate amount, the total progress payments paid to date, the total value of the improvements completed and approved less ten percent (10%), and remaining amount of the Performance Guaranty following payment of the requested progress payment.
- 6) **Timing of Progress Payments.** The **City** shall pay approved progress payments to the **Developer** within thirty (30) calendar days of the date the request for progress payment is submitted to the **City**.

C. CERTIFICATION AND SUBMISSION OF WORK. The **Work** shall be certified by the **Developer's** Engineer (who shall be a registered engineer, licensed in the State of Nevada) and submitted to the **City** for possible acceptance before the **City** conducts the subdivision final inspection and no later than twenty-four (24) months after the Effective Date. Upon certification, **Developer's** Engineer shall provide the **City** with a certificate attesting to the adequacy of the **Work** and compliance with all requirements set forth in this Agreement, to include, without limitation, the construction specifications, codes and standards set forth in the Orange Book.

D. MAINTENANCE PERIOD. The maintenance period shall commence on the date the **City** accepts the **Work** and shall continue thereafter for a period of twelve (12) months. In satisfaction of its requirement to provide a Maintenance Guaranty, **Developer** shall, prior to approval of the **Work**, provide the **City** with a maintenance bond, irrevocable letter of credit or cash deposit in the amount of **Seventy-Seven Thousand, Six Hundred Thirty-Six Dollars and Ninety-Two Cents (\$77,636.92)**, which amount is not less than ten percent (10%) of the total cost of the required public improvements. If maintenance is required during the maintenance period, the **City** will provide fifteen (15) calendar days written notice of the required maintenance work to the **Developer** and the **Developer** must thereafter complete the required maintenance work. If the **Developer** fails to complete the maintenance work within the fifteen (15) calendar day period, without limiting any other rights or remedies

available, the **City** may complete or have the maintenance work completed and use the Maintenance Guaranty to satisfy the costs thereof.

E. CERTIFICATION OF FINAL PLAT. The **City** will not certify the Final Plat until

- 1) The Agreement has been approved by the City Council in conjunction with Final Plat approval.
- 2) The Agreement has been fully executed and filed with the City Clerk's office.
- 3) The **Developer** has filed with the Elko City Clerk the Performance Guaranty calculated in the manner set forth herein and otherwise meeting the requirements of this Agreement and the Elko City Code;
- 4) The **Developer** has provided the required engineering plans for all **Work**;
- 5) The required engineering plans for the **Work** have been approved by the **City**;
- 6) All other Final Plat requirements set forth in the Nevada Revised Statutes and the Elko City Code have been met.

F. EFFECTIVE DATE. The Effective Date of this Agreement shall be December 11, 2018, which is the date the **City** approved the Final Plat, and this Agreement shall operate retroactively to that date.

G. TERM. The Term of this Agreement shall be twenty-four (24) months from the Effective Date, unless the **Work** is completed and accepted by the **City** prior to the expiration of the twenty-four (24) month period, in which event the Term shall expire on the date the **Work** is accepted by the **City**. Notwithstanding the foregoing, the **City** may, upon a written request and showing by the **Developer** of good cause, grant an extension of time to complete the **Work** for an additional twelve (12) months thereafter (with a corresponding extension of the Term); **provided**, no such extension shall be effective unless and until the Performance Guaranty and Maintenance Guaranty have been provided to the Elko City Clerk in sufficient amounts to satisfy the **Developer's** obligations pursuant to this Agreement; **further provided**, if at such time the **City** has certified that at least eighty percent (80%) of the **Work** has been completed, the **City** may, in its sole discretion, reduce the amount of the Performance Guaranty in a manner consistent with Elko City Code Sections 3-3-44 and 3-3-45 during the term of any extension so granted. Notwithstanding the foregoing, in no event shall the amount of the Performance Guaranty be reduced to an amount less than the anticipated full cost of the remaining required improvements, engineering inspections, incidental expenses, and the replacement and repair of any existing streets and utilities and other improvements which may be damaged during construction of requirement improvements.

H. DESCRIPTION OF WORK AND CONDITIONS. In addition to any other requirements contained herein, the **Work** shall not be accepted by the **City** unless the **Developer** fully satisfies the following requirements:

(1) COMPLIANCE WITH CITY CODE. **Developer** shall perform the **Work** in a manner that fully complies with the Elko City Code.

(2) STANDARDS. The **Work** shall be completed in accordance with the plans, specifications and conditions approved by the **City** and in accordance with requirements otherwise set forth in this Agreement, to include requirements incorporated by reference.

(3) PRECONSTRUCTION CONFERENCE. Prior to the initiation of the construction of any roadway, drainage, water or sewer improvements included in the **Work**, the **Developer** shall schedule and participate in a preconstruction conference with **Developer's** contractor(s) and the City Development Manager or his designee(s).

(4) AS-BUILT PLANS. **Developer** shall provide complete as-built plans of all street, water, sewer and drainage improvements to the **City** prior to the subdivision final inspection.

(5) SUBDIVISION CONDITIONS. **Developer** shall satisfy all subdivision approval conditions established by or at the direction of the City Council and the City Planning Commission.

(6) ENGINEER'S CERTIFICATE. Before the subdivision final inspection, **Developer's** engineer (who shall be a registered engineer, licensed in the State of Nevada) shall provide the **City** with a certificate certifying the adequacy of the **Work** and compliance with all requirements set forth in this Agreement, to include, without limitation, **City** standard construction specifications, codes and standards.

I. FINAL COMPLETION AND ACCEPTANCE OF WORK. Approval of the final completion and acceptance of the **Work** shall be at the discretion of the **City** and shall satisfy the requirements of this Agreement, to include the conditions set forth in Section 1 (REQUIRED IMPROVEMENTS, GUARANTEES AND APPROVALS). **Developer** shall request that the **City** inspect the **Work** no later than thirty (30) days prior to the end of the Term. The **City** shall have the authority to suspend the **Work**, in whole or in part, for such period as it may deem necessary due to unsuitable weather or other unfavorable conditions or the failure of **Developer** to comply with this Agreement, to include the standard construction specifications of the **City**.

J. DEFAULT, NOTICE AND OPPORTUNITY TO CURE. In the event **Developer** fails to complete the **Work** during the Term of this Agreement or any extension hereof, the **Developer** shall be considered in **Default**. The **City** shall first serve upon the **Developer** written notice of such **Default**. **Developer** shall then have fifteen (15) days from the date of mailing of said notice to cure the **Default**. In the event of a **Default**, the **City** shall have the right to use the Performance Guaranty to complete the **Work**, to include, without limitation, payment of all third-party claims for labor and material.

K. MAINTENANCE GUARANTY AS CONDITION OF FINAL PLAT CERTIFICATION. The certification of the Final Plat is, without limitation, conditioned upon **Developer** providing

the Maintenance Guaranty, which may be used by the **City**, in its discretion, for the maintenance of all completed **Work** for a period of twelve (12) months after the aforementioned certification by **Developer's** Engineer

- L. DEVELOPER RESPONSIBLE FOR COST OF WORK OVER ESTIMATE. The amount of the Performance Guaranty is based upon the estimated cost of the improvements called for in the Engineer's Estimate. In the event the actual cost of improvements exceeds that amount, in the event of a **Default**, the **Developer** shall promptly pay to the **City** any additional amount over the amount of the Performance Guaranty, *provided*, the **City** may not recover from **Developer** any amount for which the **City** has been compensated from the **Developer**, to include amounts drawn by the **City** from the Performance Guaranty.

2. GENERAL TERMS AND CONDITIONS.

- A. WARRANTY. **Developer** warrants to the **City** that the **Work**, upon completion, will be free of defects and in conformity with all applicable standards, to include requirements of the City Code and any plans approved by the City pertaining to the **Work**. **Developer** will, promptly upon completion of the **Work**, provide the **City** with "as-built" drawings documenting compliance with the warranty set forth in the preceding sentence and with the approved Public Improvement Plans.
- B. TERMINATION, BINDING EFFECT, DELEGATION AND OTHER MATTERS. This Agreement may not be amended, modified or terminated except by an agreement in writing and approved by the **Developer** and the Elko City Council. This Agreement and all of the covenants, terms, conditions and/or provisions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding any other provision contained in this Agreement, neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated by any party without the prior written consent of the other party. This Agreement is not intended to confer any rights or benefits to any entity other than to the **City** and to **Developer**; accordingly, there are no third-party beneficiaries to this Agreement.
- C. CONSTRUCTION OF AGREEMENT. This Agreement constitutes a contract under and shall be construed in accordance with the laws of the State of Nevada. The parties agree that the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
- D. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall have the force and effect of an original, and all of which shall constitute but one document.
- E. NOTICES. All notices required to be given under this Agreement shall be deemed given upon the earlier of the actual receipt or two (2) days after being mailed by registered or certified mail, return receipt requested, addressed as follows: if to **City**, to c/o Jeremy Draper, (or the then-current) Development Manager, 1751 College Avenue, Elko, Nevada 89801; if to **Developer**, to: Parrado Partners LP, 1910 Idaho St. 102-603, Elko, NV 89801.
- F. CITY'S AUTHORITY. This Agreement is not intended to supersede the authority granted by law to the **City**. Therefore, nothing in this Agreement shall be construed or implied to require the **City's** planning or other regulatory boards or departments (however designated) to

approve any plans, permits, maps or other documents pertaining to any aspect of the **Work** or other action described in this Agreement.

- G. TIME OF THE ESSENCE.** Time is of the essence and a material provision of this Agreement.
- H. INDEMNIFICATION.** **Developer** hereby agrees to hold harmless, indemnify and defend the **City** (including, without limitation, the **City's** officers, agents and employees) against and to all claims, demands, actions, suits, liability, cost and expense, including defense expenses, (to include, without limitation, suits for damages and injuries to persons or property) that are claimed to have resulted from the acts or omissions of **Developer** (including without limitation its agents, employees and/or contractors) in any manner pertaining to the **Work**.
- I. JURISDICTION AND VENUE.** The District Court for the Fourth Judicial District, in and for the County of Elko, State of Nevada, shall have jurisdiction and venue over all disputes arising from or in relation to this Agreement.
- J. INTEGRATION.** This Agreement represents and contains the entire Agreement and understanding among the parties with respect to the subject matter of this Agreement and supersedes and replaces all prior oral and written agreements and understandings with respect to the subject matter of this Agreement, and no representation, warranty, condition, understanding or agreement of any kind with respect to the subject matter hereof shall be relied upon by the parties unless incorporated herein. This Agreement shall be construed as a complete novation of any prior agreements relating to the subject matter of this Agreement.
- K. DOCUMENTS PROVIDED TO CITY ARE PUBLIC.** This Agreement, together with any documents associated with the **Work**, may be recorded in any public system of records, to include the records of the Elko County Recorder. Under no circumstances shall **Developer** assert a right to confidentiality or an intellectual property interest in documents or other information provided to the **City** in relation to the **Work**.
- L. ATTORNEY FEES.** In the event the **City** is required to pursue any action to enforce any term or condition in this Agreement, it shall be entitled to reasonable attorney's fees and court costs.
- M. SEVERABILITY.** In the event one or more of the provisions, or portions thereof, of this Agreement is determined to be illegal or unenforceable, the remainder of the Agreement shall not be affected thereby and each remaining provision or portion thereof shall continue to be valid and effective and shall be enforceable to the fullest extent permitted by law.
- N. HEADINGS.** The headings of sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.
- O. NO AGENCY, PARTNERSHIP OR JOINT VENTURE.** Nothing herein contained shall be construed to create an agency, partnership or joint venture between the parties.
- P. REMEDIES NOT EXCLUSIVE.** No remedy provided by this Agreement, to include the right to make a claim against a bond or other guaranty, shall be exclusive. The **City** shall have the right to pursue any remedies provided under this Agreement, or by law or equity, simultaneously or in sequence at its sole discretion.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate the day and year first above written.

CITY - THE CITY OF ELKO,
a municipal corporation

DEVELOPER - _____

By: _____
CHRIS J. JOHNSON, Mayor

By: _____

ATTEST:

KELLY WOOLDRIDGE, City Clerk

EXHIBIT A

EXHIBIT B

EXHIBIT A

EXHIBIT "A"**PROJECT: Great Basin Estates - ELKO, NEVADA - Phase 3****Robert Capps****ENGINEER: SUMMIT ENGINEERING CORP.**PREPARED BY: NIBDATE: 10/18/2018

ZONING: Residential

- STREETS -

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
3" AC PAVEMENT FOR STREETS	72,405	SF	\$2.35	\$170,151.75
9" BASE FOR STREETS	2,010	CY	\$36.00	\$72,360.00
AC SAWCUT	1	LS	\$520.00	\$520.00

- GRADING -

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
SITE GRADING	1	LS	\$15,000.00	\$15,000.00
CLEARING & GRUBING	1	LS	\$2,500.00	\$2,500.00

- CONCRETE -

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
TYPE 1 CURB AND GUTTER WITH Base & Subgrade prep. (Compacted)	2,892	LF	\$18.00	\$52,056.00
4" SIDEWALK WITH BASE (Compacted) & Subgrade prep.	11,568	SF	\$4.50	\$52,056.00
ADA RAMPS W/ DETECTABLE MARKERS WITH Base & Subgrade prep. (Compacted)	7	EA	\$2,750.00	\$19,250.00
VG & SPANDREL W/ #4 REBAR WITH Base & Subgrade prep. (Compacted)	1,587	SF	\$6.50	\$10,315.50

- SANITARY SEWER -

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
4" DIAMETER SEWER SERVICE LATERAL	1,190	LF	\$22.00	\$26,180.00
48" DIA SSMH	5	EA	\$3,000.00	\$15,000.00
8" DIA. SS MAIN	635	EA	\$34.00	\$21,590.00

- STORM DRAIN -

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
TYPR 4R DROP INLETS	2	EA	\$2,750.00	\$5,500.00
18" SD PIPE	240	LF	\$46.00	\$11,040.00
12" SD PIPE	40	LF	\$36.00	\$1,440.00
48" DIA. SDMH	1	EA	\$3,000.00	\$3,000.00
RIP RAP 12" DIA.	1	LS	\$750.00	\$750.00

- WATER -

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
WATER VALVE CONCRETE COLLARS	12	EA	\$650.00	\$7,800.00
6" GATE VALVES	6	EA	\$1,100.00	\$6,600.00
8" GATE VALVES	5	EA	\$1,250.00	\$6,250.00
10" GATE VALVES	1	EA	\$1,500.00	\$1,500.00
8" DIA. WATER MAIN	1,350	LF	\$38.00	\$51,300.00
10" DIA WATER MAIN	385	LF	\$44.00	\$16,940.00
10" ENDCAP W. THRUST BLOCK	1	EA	\$850.00	\$850.00
10" X 6" TEE	1	EA	\$1,750.00	\$1,750.00
8" X 6" TEE	3	EA	\$1,250.00	\$3,750.00
8" X 10" TEE	1	EA	\$1,450.00	\$1,450.00

8" X 8" TEE	2	EA	\$1,250.00	\$2,500.00
90 DEG BEND	1	EA	\$1,450.00	\$1,450.00
45 DEG. BEND	1	EA	\$1,450.00	\$1,450.00
EX. MAIN CONNECT	1	LS	\$1,600.00	\$1,600.00
FIRE HYDRANT ASSEMBLY W/ THRUST BLOCKS	6	EA	\$4,100.00	\$24,600.00
8" X 6" REDUCER	2	EA	\$1,200.00	\$2,400.00
1" POLY PIPE	650	LF	\$34.00	\$22,100.00

- MISCELLANEOUS -

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
GAS SERVICE	1	LS	\$4,000.00	\$16,920.00
POWER, PHONE & CABLE SERVICE	1	LS	\$65,400.00	\$65,400.00
N36 BOXES	1	LS	\$7,200.00	\$7,200.00
STREET SIGNS	5	EA	\$1,200.00	\$6,000.00
STREET MONUMENTS	7	EA	\$850.00	\$5,950.00
QA / QC - TESTING AND INSPECTION	1	LS	\$23,500.00	\$23,500.00
CONSTRUCTION STAKING	1	LS	\$18,400.00	\$18,400.00

Total on-site Improvements

\$776,369.25

EXHIBIT B

APPROVED
CITY OF SLACK TRANSPORTATION DEPT
APR 7 1998
APPROVED BY: [Signature]
CITY CLERK
CITY OF SLACK
1122 [illegible] [illegible] [illegible]

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APPROVED
CITY OF SLACK TRANSPORTATION DEPT
APR 7 1998
APPROVED BY: [Signature]
CITY CLERK
CITY OF SLACK
1122 [illegible] [illegible] [illegible]

[illegible][illegible]

VICINITY MAP


1. JOSEPH R. WUNDERLICH
2. JR. 300-439-0633 405-456-5123 405-979-1771
3. 10000 UNIVERSITY BLVD. SUITE 1000 200 N. F. JENNISON AVENUE
PHOENIX, AZ 85028-1100 405-456-5123 405-979-1771
PLS. NO. ANSWER IN THE OFFICE OF THE CLERK COUNTY RECORDER
4. TOTAL PROPOSED AREA OF TRACTS BEING OFFERED IS 19.80 ACRES
5. BY SEALS, JOHN
6. NO OTHER REQUIREMENTS

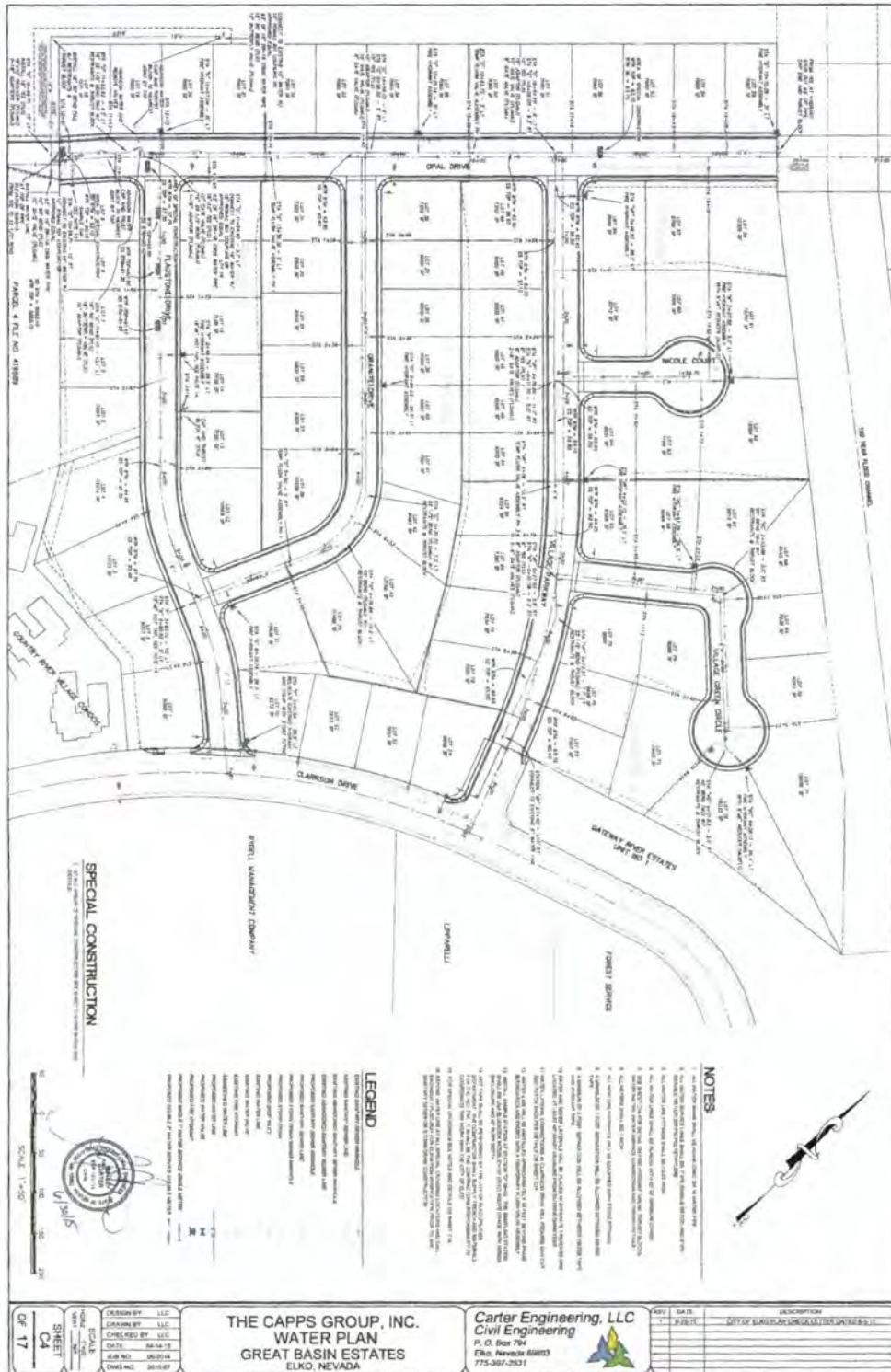
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C1	TEST SHEET & SITE SPECIFICATIONS
C2	SITE PLAN
C3	GRADING PLAN
C4	WATER PLAN
C5	SANITARY SEWER PLAN
C6	STORM DRAIN PLAN
C7	DATA DRIVE AND SITE PLAN AND PROFILE
C8	DATA DRIVE AND ON SITE PLAN AND PROFILE
C9	FLAGSTONE DRIVE PLAN AND PROFILE
C10	GRANITE DRIVE PLAN AND PROFILE
C11	VELOCITE PARKWAY PLAN AND PROFILE
C12	MOBILE COURT AND VILLAGE GREEN DRIVE PLAN AND PROFILE
C13	IMPROVEMENT DETAILS
C14	WATER DETAILS
C15	STORM WATER & SANITARY SEWER DETAILS
C16	UTILITY CROSSING & LOCATION DETAILS
C17	EROSION CONTROL PLAN

OWNER-DEVELOPER
PARIADO PARTNERS LP
THE CAPPS GROUP, INC.
12257 BUSHWICK PARK DRIVE, #8
TRUCKEE, CALIFORNIA 96161
CONTACT: ROBERT CAPPS
(510) 587-0240 x 201

CARTER ENGINEERING, LLC
P.O. BOX 794
ELKO, NEVADA 89801
CONTACT: LANA L. CARTER, P.E.
(775) 397-2531

THE CAPPS GROUP, INC. TITLE SHEET & SPECIFICATIONS GREAT BASIN ESTATES ELKO, NEVADA			Cartier Engineering, LLC Civil Engineering P. O. Box 704 Elko, Nevada 89803 775.767.2311	SHEET NO. 17 DATE 11/20/15 DRAWN BY W. J. JONES CHECKED BY W. J. JONES PROJECT NO. 2015-001	PROJECT NO. 2015-001 PROJECT NAME W. J. JONES PROJECT LOCATION W. J. JONES
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SPECIAL CONSTRUCTION

SEE SPECIAL CONSTRUCTION SHEET FOR DETAILS

STREET WATERWORKS COMPANY

LEGEND

- 1. WATER LINE (12" DIA.)
- 2. WATER LINE (8" DIA.)
- 3. WATER LINE (6" DIA.)
- 4. WATER LINE (4" DIA.)
- 5. WATER LINE (3" DIA.)
- 6. WATER LINE (2" DIA.)
- 7. WATER LINE (1" DIA.)
- 8. VALVE
- 9. HYDRANT
- 10. FIRE HYDRANT
- 11. FIRE HYDRANT (1" DIA.)
- 12. FIRE HYDRANT (1/2" DIA.)
- 13. FIRE HYDRANT (1/4" DIA.)
- 14. FIRE HYDRANT (1/8" DIA.)
- 15. FIRE HYDRANT (1/16" DIA.)
- 16. FIRE HYDRANT (1/32" DIA.)
- 17. FIRE HYDRANT (1/64" DIA.)
- 18. FIRE HYDRANT (1/128" DIA.)
- 19. FIRE HYDRANT (1/256" DIA.)
- 20. FIRE HYDRANT (1/512" DIA.)
- 21. FIRE HYDRANT (1/1024" DIA.)
- 22. FIRE HYDRANT (1/2048" DIA.)
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- 99. FIRE HYDRANT (1/309485009821345068724781056" DIA.)
- 100. FIRE HYDRANT (1/618970019642690137449562112" DIA.)

SCALE 1" = 50'



NOTES

1. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" BELOW THE FINISHED GRADE.
2. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED STRUCTURES.
3. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED CURBS OR WALKWAYS.
4. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED DRIVEWAYS.
5. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED FENCES.
6. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED UTILITY LINES.
7. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED POWER LINES.
8. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED TELEPHONE LINES.
9. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED CABLE LINES.
10. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED GAS LINES.
11. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED SEWER LINES.
12. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED RAILROADS.
13. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED AIRCRAFT TAKEOFF OR LANDING RUNWAYS.
14. ALL WATER LINES SHALL BE INSTALLED AT A MINIMUM OF 12" FROM ANY EXISTING OR PROPOSED AIRCRAFT TAXIWAYS.
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THE CAPPS GROUP, INC.
WATER PLAN
GREAT BASIN ESTATES
ELKO, NEVADA

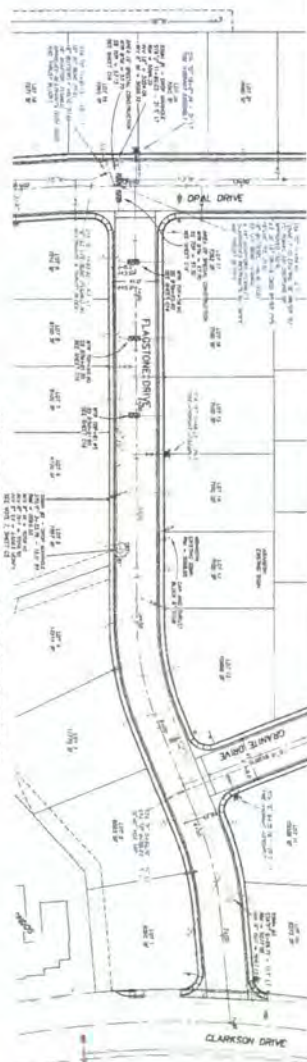
Carter Engineering, LLC
Civil Engineering
P. O. Box 794
Elko, Nevada 89803
775-367-2031



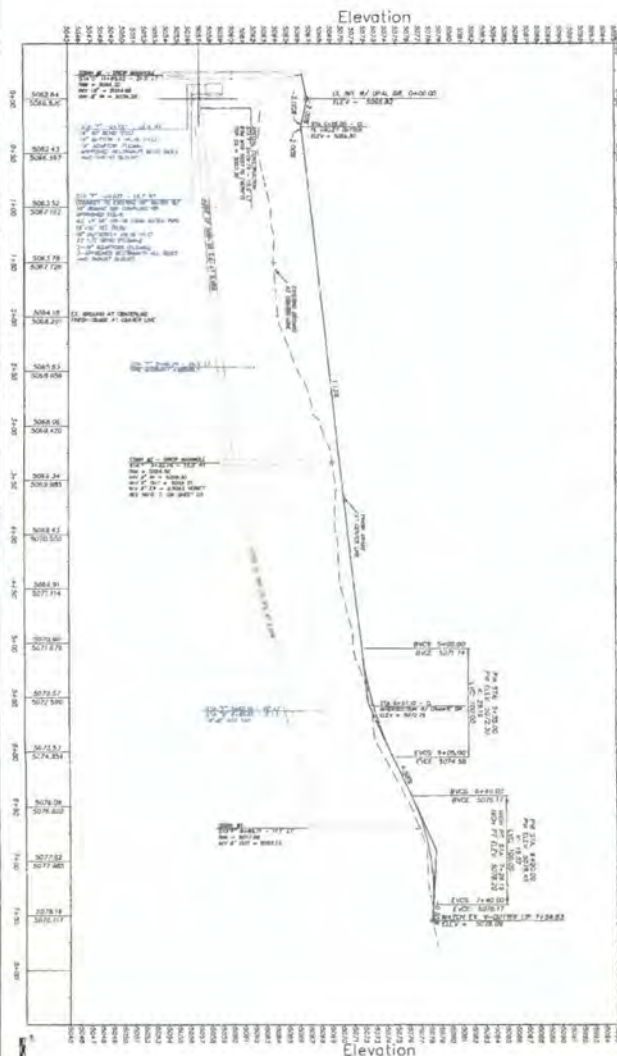
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FLAGSTONE DRIVE - PLAN AND PROFILE



LEADING

Contract awarded to O'Brien Kreitzberg
A general contract was awarded by the City of Chicago to O'Brien Kreitzberg Architects, Inc. for the design of the new Chicago Police Department's headquarters. The project is located at 1000 North Dearborn Street, Chicago, Illinois. The project is a 10-story building with a total area of 1,000,000 sq ft. The project is expected to be completed in 2005.

SPECIAL CONSTRUCTION

Contract awarded to O'Brien Kreitzberg
A general contract was awarded by the City of Chicago to O'Brien Kreitzberg Architects, Inc. for the design of the new Chicago Police Department's headquarters. The project is located at 1000 North Dearborn Street, Chicago, Illinois. The project is a 10-story building with a total area of 1,000,000 sq ft. The project is expected to be completed in 2005.

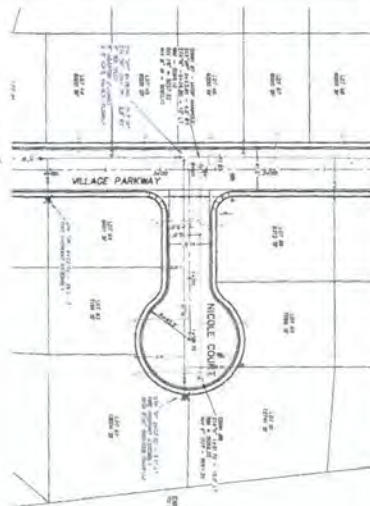
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		CHECKED BY	U.C.	
		DATE	24-04-15	
		JOB NO	20-2514	

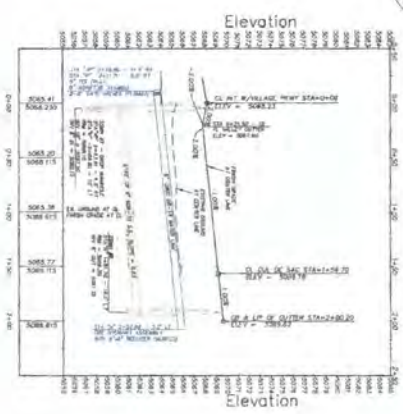
THE CAPPS GROUP, INC.
FLAGSTONE DRIVE PLAN & PROFILE
GREAT BASIN ESTATES
ELKO, NEVADA

Carter Engineering, LLC
Civil Engineering
P. O. Box 794
Elko, Nevada 89803
775-307-2531

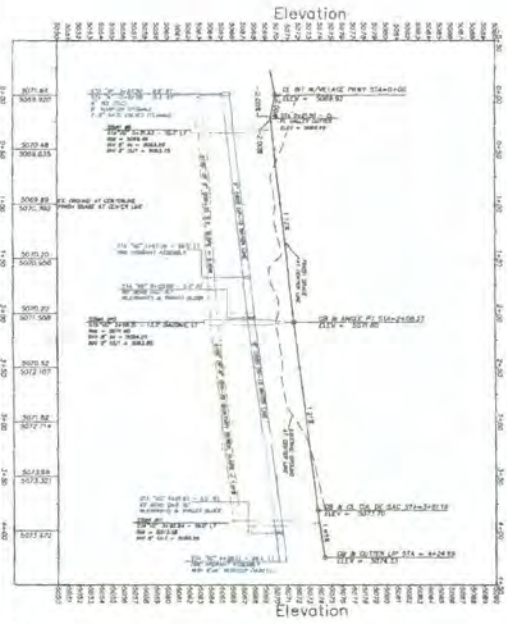




NICOLE COURT - PLAN AND PROFILE



VILLAGE GREEN CIRCLE PLAN AND PROFILE



LEGEND

- 1. EXISTING DRIVEWAY
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SPECIAL CONSTRUCTION

1. EXISTING DRIVEWAY



SCALE: 1"=40'

THE CAPPS GROUP, INC.
NICOLE CT & VILLAGE GREEN CR. - P&P
GREAT BASIN ESTATES
ELKO, NEVADA

Carter Engineering, LLC
Civil Engineering
P.O. Box 794
Elko, Nevada 89833
775-237-2531

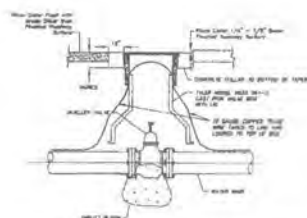
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11-11-11	100. EXISTING DRIVEWAY

Type of Thrust	HP rated	1/2" Bore	3/4" Bore	1" Bore	1 1/2" Bore	2" Bore	3" Bore
HP	5	4	1	2	5	8	12
1/2"	5	4	6	5	5	5	5
3/4"	7	5	8	7	7	7	7
1"	10	6	9	8	8	8	8
1 1/2"	15	9	12	10	10	10	10
2"	20	12	15	12	12	12	12

Type of drawing	Group with PUA	Group with PUA
Original representation		

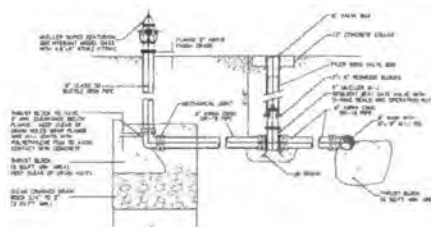
- [illegible]

THRUST BLOCKS

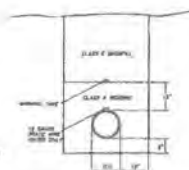


- NOTES
1. CONCRETE SHALL BE SET TO THE REQUIREMENTS OF SECTION 05110 OF THE LATEST EDITION OF THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, JANUARY 1995 EDITION.
2. ALL CONCRETE SHALL BE SET TO 75 PSI WHEN PLACED. CONCRETE ON EXISTING SURFACE OR ON COLLARS IN ALL OTHER AREAS SHALL BE SET PLUSH WITH FINISHED GRADE. (ALL SET CONCRETE REQUIRED).
3. EXISTING CONCRETE REQUIRED WHEN VALUE IS NOT LESS THAN 10% OF CONCRETE ON EXISTING.

VALVE AND BOX

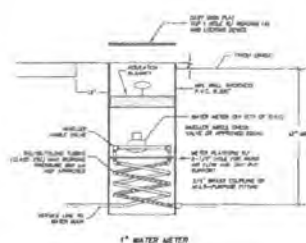


FIRE HYDRANT ASSEMBLY

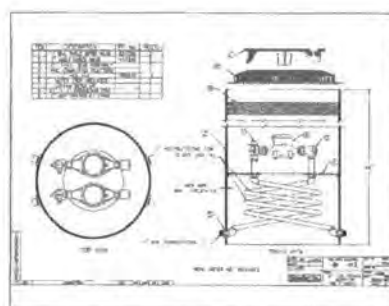


1. NAMED MEMBERS QUALIFY, AND MEMBERSHIP MUST BE IN ALL STATES.
2. QUALIFYING SHALL MEET THE REQUIREMENTS FOR CLASS "A" QUALIFYING, AS SHOWN IN SUBSECTION 301.01(1) OF THE STATUTES OF MINNESOTA, AND BE A MEMBER FOR 12 MONTHS OF THE PREVIOUS YEAR.
3. SECONDARY MEMBERS SHALL MEET REQUIREMENTS FOR CLASS "A" QUALIFYING, AS SHOWN IN SUBSECTION 301.01(1) OF THE STATUTES OF MINNESOTA, AND BE A MEMBER FOR 12 MONTHS OF THE PREVIOUS YEAR.
4. PLACE INITIALS LASTNAME FIRST (E.G. BOB SMITH) IN FIELD ABOVE ON R.S. ENTRY AND SIGNATURE CARD.
5. MEMBERSHIP SHALL BE IN EFFECT FOR THE YEAR.

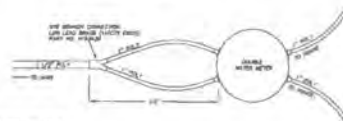
TRENCH DETAIL



4° WATER METER

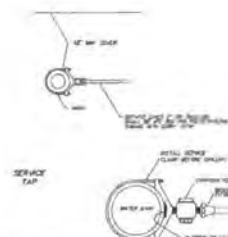


1* DOUBLE WATER METHOD



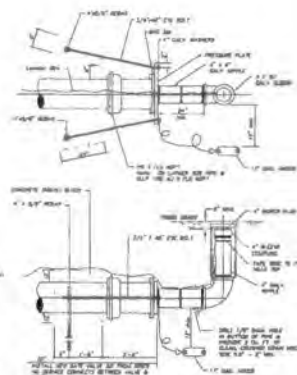
WATER METER

4. WHAT ARE THE MAIN REASONS FOR THE CURRENT ECONOMIC CRISIS?



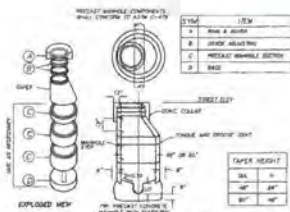
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WATER SERVICE CONNECTION



TEMPORARY FLUSH ASSEMBLY

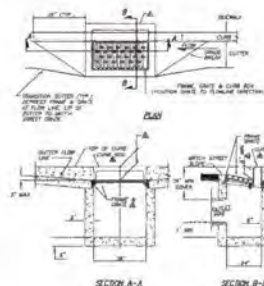




- NOTES:**
1. MANHOLE LAYOUT SHOWN IN TOP VIEW.
 2. PRECAST BASE SHALL BE USED IF APPROVED BY ENGINEER AGENT.
 3. MANHOLE BODY SHALL BE PRECAST CONCRETE.
 4. REFER TO DETAIL SHEET FOR ADDITIONAL INFORMATION.

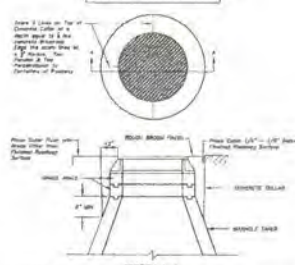
TYPE 1 MANHOLE

FOR STORM DRAIN



TYPE 4-R CATCH BASIN

USE CONCENTRIC CONE

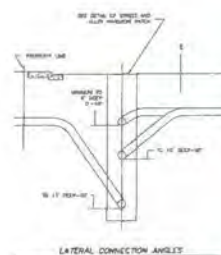


- NOTES:**
1. COLLAR SHALL MEET THE REQUIREMENTS OF SECTION 401.01 OF THE LATEST EDITION OF THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION.
 2. MANHOLE COLLAR SHALL BE SET TO 12" - 1/2" TYP. BELOW FINISHED GRADE OR AS APPROVED BY ENGINEER AGENT.
 3. COLLAR SHALL BE PRECAST CONCRETE WITH TAPERED HEAD AND FLANGE.
 4. REFER TO DETAIL SHEET FOR ADDITIONAL INFORMATION.

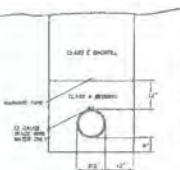
MANHOLE COLLAR

FOR STORM DRAIN

- NOTES:**
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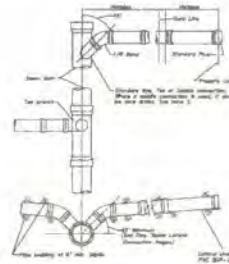


LATERAL CONNECTION ANGLE



TRENCH DETAIL

FOR STORM DRAIN AND STORM DRAIN



- NOTES:**
1. MANHOLE SHALL MEET THE REQUIREMENTS OF SECTION 401.01 OF THE LATEST EDITION OF THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION.
 2. MANHOLE SHALL BE SET TO 12" - 1/2" TYP. BELOW FINISHED GRADE OR AS APPROVED BY ENGINEER AGENT.
 3. MANHOLE SHALL BE PRECAST CONCRETE WITH TAPERED HEAD AND FLANGE.
 4. REFER TO DETAIL SHEET FOR ADDITIONAL INFORMATION.

FOR 36" DIAMETER WELL GRAVITY APPLICATIONS

- NOTES:**
1. MANHOLE SHALL MEET THE REQUIREMENTS OF SECTION 401.01 OF THE LATEST EDITION OF THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION.
 2. MANHOLE SHALL BE SET TO 12" - 1/2" TYP. BELOW FINISHED GRADE OR AS APPROVED BY ENGINEER AGENT.
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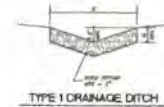
- NOTES:**
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 3. MANHOLE SHALL BE PRECAST CONCRETE WITH TAPERED HEAD AND FLANGE.
 4. REFER TO DETAIL SHEET FOR ADDITIONAL INFORMATION.

LATERAL CONNECTION FITTING

FOR 12" TO 36" DIAMETER LATERAL CONNECTIONS

SEWER LATERAL CONNECTION

FOR 12" TO 36" DIAMETER LATERAL CONNECTIONS



TYPE 1 DRAINAGE DITCH



THE CAPPS GROUP, INC.
SEWER AND STORM DRAIN DETAILS
GREAT BASIN STATES
ELMO, NEVADA

Professional Engineer Seal
The Capps Group, Inc.
Sewer and Storm Drain Details
Great Basin States
Elmo, Nevada
775-307-5431

Scale
Horizontal: 1" = 10'
Vertical: 1" = 10'

Sheet
C15
OF 17

[illegible]

1. [http://www.chemie.uni-erlangen.de/lehre/chemie/chemie.htm](#) (Chemie)

© 2000 Blackwell Science Ltd *Journal of Internal Medicine* 247: 105–112

- © 2000 Blackwell Science Ltd, *Journal of Internal Medicine* 247: 395–401

6. 1992年12月，某市发生一起重大火灾事故，造成多人伤亡和重大财产损失。事故发生后，市政府立即组织有关部门进行调查，并责成有关企业落实整改措施。同时，市政府还组织全市范围内的消防安全大检查，以防止类似事故再次发生。这一系列举措体现了政府在履行哪项职能？

8. *Journal of the American Medical Association*, 2000; 283: 2669-2675.

1. <http://www.who.int/mediacentre/factsheets/fs104/en/>

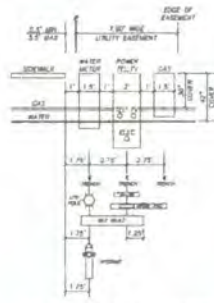
4. <http://www.fishbase.org> (accessed 10 May 2006).

1. The first part of the document discusses the importance of maintaining accurate records of all transactions.
2. It also highlights the need for regular audits to ensure compliance with financial regulations.
3. Furthermore, it emphasizes the role of transparency in building trust among stakeholders.
4. Finally, it concludes by stating that robust internal controls are essential for long-term success.

1. *Journal of the American Medical Association*, 2000; 283: 2686-2692.

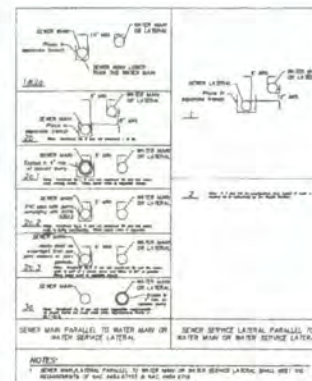
- © 2004 Blackwell Publishing Ltd, *Journal of Internal Medicine* 255: 101–108

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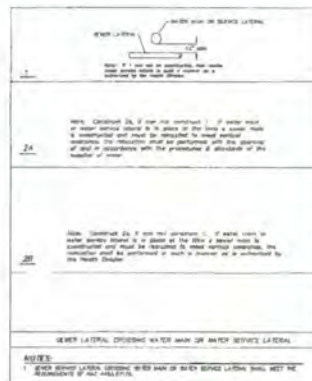


NOTE: MAINTAIN UTILITY SEPARATIONS IN ACCORDANCE WITH NY ENERGY PROVIDER COMMUNICATIONS, SATURN BROWNSAND, SOUTHWEST GAS (O&P AND CITY OF LINT) REQUIREMENTS

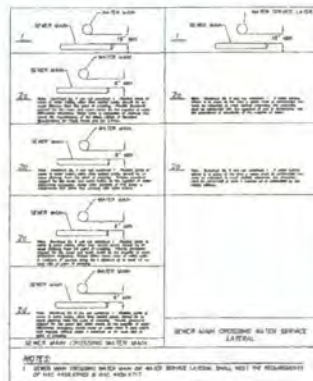
TYPICAL UTILITY TRENCH LOCATIONS



PARALLEL LINE SEPARATION



CROSSING LINE SEPARATION



NOTES



**Elko City Council
Agenda Action Sheet**

1. **Title: Review, consideration, and possible appointment of Ms. Jorja Muir to fill one (1) vacant seat on the California Trail Advisory Board, and matters related thereto. FOR POSSIBLE ACTION**

A "Letter of Interest" has been submitted by candidate Ms. Jorja Muir and has been placed in your packet. CC

2. **Meeting Date: December 11, 2018**

3. **Agenda Category: NEW BUSINESS**

4. **Time Required: 5 Minutes**

5. **Background Information: A Letter of Interest has been submitted by Ms. Jorja Muir and has been placed in your agenda packet for your review. CC**

6. **Budget Information:**

**Appropriation Required: N/A
Budget amount available: N/A
Fund name: N/A**

7. **Business Impact Statement: Not Required**

8. **Supplemental Agenda Information: A Letter of Interest from Ms. Jorja Muir expressing her interest serving on the California Trail Advisory Board.**

9. **Recommended Motion: Pleasure of the Council**

10. **Prepared By: Curtis Calder, City Manager**

11. **Committee/Other Agency Review:**

12. **Council Action:**

13. **Council Agenda Distribution: Ms. Jorja Muir
2157 High Noon Road
Elko, NV 89801**

Jorja Muir
2157 High Noon Road
Elko, NV 89801

Curtis Calder
Elko City Manager
1751 College Avenue
Elko, NV 89801



Dear Curtis,

I am interested in and applying for an open position on the City of Elko California Trail Advisory Board.

I have a long time interest in California Trail history and the Trail Center and have a life long interest in local, regional and western history.

It would be of great interest to me to be involved in this project and I feel I could offer some beneficial observations.

Thank you,

Jorja Muir

A large, stylized handwritten signature in black ink, appearing to read "Jorja Muir". The signature is written over the printed name "Jorja Muir" and extends downwards with a long, sweeping flourish.

Elko City Council
Agenda Action Sheet

1. Title: **Hearing and/or review of investigation and findings concerning alleged nuisance(s) and/or accumulation of excessive solid waste and possible declaration of a nuisance(s) and/or excessive solid waste and appropriate order(s)/actions for abatement of nuisance(s) and removal of solid waste regarding the property located at 403 Pine Street, Elko, Nevada, owned by William Armstrong and other actions, orders or matters related thereto. FOR POSSIBLE ACTION**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **NEW BUSINESS**
4. Time Required: **45 Minutes**
5. Background Information: **The City has received numerous complaints concerning the storage of inoperable automobiles and the accumulation of solid waste on the property located at 403 Pine Street. Accordingly, the complaints were forwarded to the City Clerk's Office as required under 5-1-5 of city code. The City Clerk forwarded the complaints to the City Manager on July 13, 2018. The City Manager assigned the investigation to the Assistant City Manager on July 17, 2018. The Assistant City Manager completed an investigation and presented those findings to the City Manager on July 26, 2018. Based on the findings of the investigation, it was determined that the storage of solid waste on the property violates the following sections of city code:**
 - a. **Title 5 Chapter 1; 5-1-4(I) Offensive Matter**
 - b. **Title 5 Chapter 1; 5-1-4(N) Public Nuisance further defined**
 - c. **Title 9 Chapter 2; 9-2-8(A) Fly Breeding Conditions**

The storage of vehicles in various states of disrepair and utilized for storage violates the following sections of city code:

- a. **Title 5 Chapter 1; 5-1-4(N) Public Nuisance further defined**
- b. **Title 5 Chapter 1; 5-1-4(P) Outside storage of vehicles**

The property owner has been properly noticed under the noticing provisions stipulated in Title 5 Chapter 1 of city code, Title 9 Chapter 2, NRS Chapter 241 and NRS 268. The noticing was completed by the City's legal counsel. SAW

6. Budget Information:

Appropriation Required: **NA**
Budget amount available: **NA**
Fund name: **NA**

Agenda Item IV.C.

7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **Memo from the City Planner to the City Clerk dated July 13, 2018, memo from the City Clerk to the City Manager dated July 13, 2018, memo from the City Manager to the City Clerk dated July 17, 2018, memo from Assistant City Manager to the City Manager dated July 26, 2018, memo dated December 5, 2018 from the Assistant City Manager to the City Manager, copies of amended hearing/meeting notices, sent certified mail Oct. 19, 2018. Amended Notices went unclaimed but such service is permitted by Title 5-1, Title 9-2 and NRS 241.**
9. Recommended Motion: **Pleasure of the Council**
10. Prepared By: **Scott A. Wilkinson, City of Elko Assistant City Manager**
11. Committee/Other Agency Review: **Legal**
12. Council Action:
13. Agenda Distribution:



CITY OF ELKO

Planning Department

Website: www.elkocity.com
Email: planning@ci.elko.nv.us

1751 College Avenue • Elko, Nevada 89801 • (775) 777-7160 • Fax (775) 777-7119

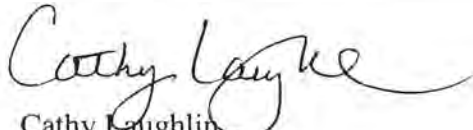
Memorandum

To: Kelly Wooldridge, City Clerk
From: Cathy Laughlin –City Planner
Date: July 13, 2018

Property: 403 Pine Street

We have received numerous complaints in regards to the referenced property. I have attached copies of the complaints as well as a letter that I sent to the property in March 2018. As per Elko City Code 5-1-5, please consider this memorandum written complaint of existence of public nuisance as defined in Elko City Code 5-1-2.

Please let me know if you need anything else from the Planning Department.


Cathy Laughlin
City Planner



CITY OF ELKO

Office of the City Clerk

Website: www.elkocity.com
Email: cityclerk@ci.elko.nv.us

1751 College Avenue • Elko, Nevada 89801 • (775) 777-7126 • Fax (775) 777-7129

MEMORANDUM

TO: Curtis Calder, Elko City Manager

FROM: Kelly Wooldridge, City Clerk


DATE: July 13, 2018

SUBJECT: Public Nuisance - 403 Pine Street

Pursuant to City Code 5-1 I am forwarding you the documentation regarding 403 Pine Street in order for you to determine if there is a need for an investigation. There are several complaints from neighbors a letter sent by the City Planner to the property owner in March, and information from the City Attorney.

Please let me know if you need anything further.


Interoffice Memo
City Manager's Office

To: Kelly Wooldridge, City Clerk
From: Curtis Calder, City Manager 
Subject: Public Nuisance 403 Pine Street
Date: July 17, 2018

I have reviewed your July 13, 2018 memo and supporting documentation with regard to 403 Pine Street. As such, I have assigned Scott Wilkinson, Assistant City Manager, to conduct an investigation to verify the conditions at 403 Pine Street. The investigation must be completed within ten (10) calendar days.

Please contact me if you have any questions.

W/attachments

Cc: Scott Wilkinson, Assistant City Manager 
File



CITY OF ELKO


Office of the City Clerk

Website: www.elkocity.com
Email: cityclerk@ci.elko.nv.us

1751 College Avenue • Elko, Nevada 89801 • (775) 777-7126 • Fax (775) 777-7129

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1751 College Avenue • Elko, Nevada 89801 • (775) 777-7160 • Fax (775) 777-7119

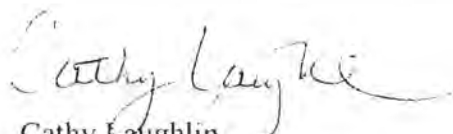
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Please let me know if you need anything else from the Planning Department.


Cathy Laughlin
City Planner



CITY OF ELKO PLANNING DEPARTMENT

1751 College Avenue * Elko * Nevada * 89801

(775) 777-7160 * (775) 777-7219 fax

COMPLAINT REPORT

DATE:

1/12/18

NAME OF PERSON FILING COMPLAINT:

Scottie Anne Vega

ADDRESS:

3466919

PHONE NO:

775 3466919

EMAIL ADDRESS:

scottie@lostrabos-touring.com

ADDRESS OF SUBJECT PROPERTY:

403 Pine St? Armstrong house

LEGAL OWNER OF SUBJECT PROPERTY:

Armstrong house

DETAILED INFORMATION PERTAINING TO THE COMPLAINT:

See attached

REPORT FILED WITH ELKO POLICE DEPARTMENT? ☐

ACTION TAKEN:

RECEIVED

13 2018

We have had several encounters with the crack heads living in the Armstrong house, from a lady running through our yard on a Friday morning trying to escape the mountain lions chasing her to a guy hiding behind our tree that took off running when we confronted him. I watched them dump blue tubs of liquid material down the driveway for several weeks last winter every morning at 4 am. On July 9th, I was stopped on New Pine St. visiting with a neighbor and within a 20 minute period, 6 different cars came and went at that house. On June 5th at 7:00 am Billy Armstrong knocked on my porch door asking to borrow \$5 until his money came in at 9. I told him to leave over and over and told him to get off of our property. After getting my 14 year old daughter in the other room, he informed me several times he wasn't on drugs and just needed 5 bucks. After I finally got mad at him he left my porch but wouldn't leave my property. I went outside and told him I was going to call the cops if he didn't leave. He told me he would fight me for money so I grabbed my phone and called the police. He left and the cops showed up. They found him down the street. He had stolen property on him from Wines Law office. I heard on the scanner they took him to Wines and made him return the property. What is the point of calling the police?

There is constant foot, bike, and car traffic 24 hours a day. The house is completely trashed with garbage everywhere and broken windows. Our neighbor has had 2 home invasions, what is it going to take to shut this house down? I hope it is before someone gets hurt!

RECEIVED

13 2018



CITY OF ELKO PLANNING DEPARTMENT

1751 College Avenue * Elko * Nevada * 89801

(775) 777-7160 * (775) 777-7219 fax

COMPLAINT REPORT

DATE: _____

NAME OF PERSON FILING COMPLAINT: _____

ADDRESS: _____

PHONE NO: _____

EMAIL ADDRESS: _____

ADDRESS OF SUBJECT PROPERTY: _____

LEGAL OWNER OF SUBJECT PROPERTY: _____

DETAILED INFORMATION PERTAINING TO THE COMPLAINT:

REPORT FILED WITH ELKO POLICE DEPARTMENT? _____

ACTION TAKEN: _____

RECEIVED



RECEIVED

CITY OF ELKO PLANNING
DEPARTMENT

FEB 15 2018

1751 College Avenue * Elko * Nevada * 89801 *

(775) 777-7160 * (775) 777-7219 fax

COMPLAINT REPORT

DATE: 2/13/18

NAME OF PERSON FILING COMPLAINT: Lillian Secrist

ADDRESS: 390 Juniper St. Elko

PHONE NO: 775-738-7628

ADDRESS OF SUBJECT PROPERTY: 403 Pine St.

LEGAL OWNER OF SUBJECT PROPERTY: Bill Armstrong

DETAILED INFORMATION PERTAINING TO THE COMPLAINT:

The backyard bordering the alley has become a deplorable dump yard. Five (5) old trashed cars, plus one in the driveway, old furniture, garbage, dog poop, trash of all sorts. Old blankets. It is just an eyesore if nothing else. Good breeding grounds for mice, rats, cats. I hope you can get this cleared up. Thank you for your attention.

REPORT FILED WITH ELKO POLICE DEPARTMENT?

ACTION TAKEN: Spoke w/ Bob White, attorney for estate. He stated the fund is w/ Edward-Jones Trust Co. and he tried to get the money out. See if there is any ability to recover it up.



CITY OF ELKO PLANNING
DEPARTMENT

1751 College Avenue * Elko * Nevada * 89801 *

(775) 777-7160 * (775) 777-7219 fax

COMPLAINT REPORT

DATE: 2/20/2018

NAME OF PERSON FILING COMPLAINT: Mollie Gallagher Keller

ADDRESS: 437 Pine St Elko

PHONE NO: (775) 934. 7878

ADDRESS OF SUBJECT PROPERTY: 403 Pine St.

LEGAL OWNER OF SUBJECT PROPERTY: Gill Armstrong

DETAILED INFORMATION PERTAINING TO THE COMPLAINT:

403 Pine Street is an established drug-flop house. As more residents move in and out, the property has become a dumping ground. Broken down cars are all over the property.

Sacks of decaying and rotting garbage are thrown in the yard. Residents have at least 2 dogs. Dog waste is mixed in with all the garbage in the yard. In spite of the cold weather there is a horrible smell in the area. Lillian Secrist (310 Juniper) has seen residents of 403 Pine igniting fires on the 4th St side of the house. This house is a fire hazard. There are accelerants on the premise. This is a health hazard and a breeding ground for severe rodent & pest infestation.

REPORT FILED WITH ELKO POLICE DEPARTMENT? numerous reports to Police Dept. Latest on 2/11/2018 at approx 12:30pm.

ACTION TAKEN: Complaint Report to Planning Dept.

Report to John Holmes, Fire Marshal

Meeting with Ben Reed, Chief of Police

Please call me so I can discuss what I need to do to begin the process to condemn this property.



CITY OF ELKO PLANNING DEPARTMENT

1751 College Avenue * Elko * Nevada * 89801

(775) 777-7160 * (775) 777-7219 fax

COMPLAINT REPORT

DATE: 7-10-18

NAME OF PERSON FILING COMPLAINT: Christopher Fleischman

ADDRESS: 1641 5th St

PHONE NO: (775) 434-5117

EMAIL ADDRESS: Fleischman@krs@Yahoo.com

ADDRESS OF SUBJECT PROPERTY: Armstrong House

LEGAL OWNER OF SUBJECT PROPERTY: Billy Armstrong

DETAILED INFORMATION PERTAINING TO THE COMPLAINT:

I see lots of drug deals at 5th and Juniper and 5th Pine. There is a lot of foot traffic through my yard at all times of the day and night. People are walking up and down the streets and alleys at all times throwing trash everywhere. I caught a man smoking a cigarette in the stairwell entryway of my house and a dog. I tried to report him to the Armstrong House. Someone threw a smiley face in the eyes door of my Suburban. People have broken into and tried to steal out of my Loserz Brothers truck. People have started to break the sprinkler heads off in my yard. Because of all of the vandalism my landlord saw the owner of the house is going to have to put up some more cameras to protect his and my property.

ACTION TAKEN: _____

RECEIVED

JUL 13 2018

Taken on 2/16/18 from alley behind 403 Pine St.



Taken on 2/16/18 from alley behind 403 Pine St.



Taken on 2/16/18 from alley behind 403 Pine St.



Ken on 2/16/16 from alley behind 463 Pine St.



Taken on 2/16/18 from 4th Street side of 403 Pine St.



often. Lately, there has been a black sedan parked either on the street or in front of the garage with no visible license.

There also, always seems to be a task force about the residence and the street from Transits to have found syringas and even a bloody baseball bat outside my yard.

Lately, there is a lot of going coming in the city. I suspect all a city, private property, which seems to be getting worse. This has been reported to the police department several times.

The continuing violence is unbroken and in eye view is the neighborhood, with windows open and broken out and a very much lack of sleep.

Always seems to be some activity and noise and females coming and going and "Bill" is in residence, as he is still at large. I don't see a future there could be some illegal activity going on, especially when it of state sanctioned stuff.

For my piece of mind and the peace of mind of my neighbors that I've been in contact with, we would like there some kind of solution to the ongoing problem for once and for all.

Page 3 on 11

I know there have been incidents
that have been dangerous concerning
my neighbors and I don't want to
be the next victim.

We have been receiving
reports (police) about activities
at 40 Pine Street, yet there have
been no incidents that I am aware
of. Nothing being done about any of
said reports - however we are trying
to be able to.



CITY OF ELKO

Planning Department

Website: www.elkocity.com
Email: planning@ci.elko.nv.us

1751 College Avenue • Elko, Nevada 89801 • (775) 777-7160 • Fax (775) 777-7119

March 5, 2018

Certified Return Receipt

Mr. William J. Armstrong
403 Pine Street
Elko, Nevada 89801

Re:

Dear Mr. Armstrong:

This is a courtesy letter regarding your property at 403 Pine Street Elko, NV 89801. There has been some concerns addressed to the City of Elko regarding the number of residents living in the home and condition of the property surrounding the home.

The parcel is zoned R- Single Family Residential. Elko City Code 3-2-5(E)(2) states a principal permitted use would be "one single-family dwelling of a permanent character in a permanent location with each dwelling unit on its own parcel of land and provided all area and setback requirements are met." Elko City Code 3-2-2 defines family as "an individual living alone; or, one (1) or more persons living together who are related by blood, marriage or other legal bond, and their dependents; or, a group of not more than five (5) unrelated persons living together as a single household in a dwelling unit." The complaint form we received stated that there are at least 7 individuals who are unrelated persons living together in the residence which is a violation of our Elko City Code.

Weeds that are not controlled are in violation of City Code Section 5-1-4(K) which states:

Each and all of the things, properties, acts, commissions, omissions, performances, failures and operations in this section set forth, within the limits of the city, are hereby declared to be and are, and each of them is, declared to be and is a public nuisance:

K. Noxious or dry weeds. Weeds which are by their nature noxious or which when dry constitute a danger or menace of catching or spreading of fire,

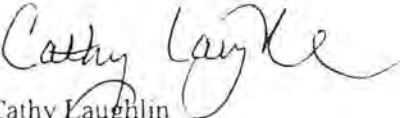
P. Outside storage of vehicles, trailers, equipment, building material and other property, unless protected in such manner as to prevent the harboring of insects, flies, rodents, snakes and other animals.

Q. Junk, abandoned and/or unregistered vehicles.

Commencement of work to remove the nuisance must take place within a maximum of ten (10) days of mailing of the notice, otherwise, the nuisance shall be filed with the city manager for further action

I ask that you contact me at the City of Elko, Planning Department, 1751 College Avenue, Elko, Nevada 89801 or call us at 775-777-7160 by March 23rd to clarify the status of the property. Thank you for your cooperation.

Respectfully,


Cathy Laughlin
City Planner

cc Scott Wilkinson

Kelly C. Wooldridge

From: Cathy Laughlin
Sent: Friday, July 13, 2018 9:33 AM
To: Kelly C. Wooldridge
Cc: Curtis Calder
Subject: FW: Sensitive Information, Confidential Attorney Client Privilege - Pine St. Complaint

FYI, see the information from City Attorney below.

I am doing a memo for you right now, we are going to proceed as per the #4 Nuisance process if not handed off to the City attorney for municipal court prosecution

Cathy Laughlin
City Planner

(775)777-7160 ph
(775)777-7219 fax
claughlin@elkocitynv.gov

City of Elko
1751 College Avenue
Elko, NV 89801

From: Thomas J. Coyle, Jr. <tcoble@frontiernet.net>
Sent: Tuesday, July 10, 2018 5:25 PM
To: Cathy Laughlin <claughlin@elkocitynv.gov>
Cc: Tyler Trouten <ttrouten@elkocitynv.gov>; Curtis Calder <ccalder@elkocitynv.gov>; davidstanton@frontiernet.net
Subject: Sensitive Information, Confidential Attorney Client Privilege - Pine St. Complaint

Hi Cathy:

It is beneficial to begin an examination of how to handle these nuisance type code violation cases by reviewing NRS 268.4122. That statute, whether our code has been updated and is in compliance, sets out minimum due process and its advisable from a potential liability standpoint and ultimate enforceability of any City action to treat our code as requiring a minimum of what is provided therein.

The highlights of NRS 268.4122 are: 1) a notice by certified mail setting forth the existence on the property of the qualifying nuisance condition(s); 2) if not an immediate danger to health, safety and welfare, afford a minimum of 30 days to abate the condition; 3) afford an opportunity for a hearing, the 30 day abatement period is tolled for any period required to hold the hearing; 4) afford an opportunity to appeal and state whether that is before the Council or a court; 5) set forth the lien process and civil penalty process if fail to abate; 6) set forth the process concerning towing of vehicles; 7) provisions for the order of abatement; and, provisions for special assessments against the property.

As to 403 Pine, there are also multiple issues that come out while reading our codes 9-2 and 5-1.

1. Abandoned Vehicles. The definitions section of 5-1 are silent as to abandoned vehicles on private property. There is mention in a footnote of NRS 487. 210. That provision is as follows:

NRS 487.210 Definitions. As used in NRS 487.210 to 487.300, inclusive, unless the context otherwise requires:

1. "Abandoned vehicle" means a vehicle:

- (a) If the vehicle is discovered upon public lands, that the owner has discarded.
- (b) If the vehicle is discovered upon public or private property other than public lands:

- (1) That the owner has discarded; or

- (2) Which has not been reclaimed by the registered owner or a person having a security interest in the vehicle within 15 days after notification pursuant to NRS 487.250.

2. "Public lands" has the meaning ascribed to it in NRS 321.5963.

I'm not sure if we have proof problems showing the vehicles at issue are discarded or there is a need to provide 487.250 notices. Also, 5-1-4Q seems to apply to abandoned vehicles on private property but I think a requirement of "discarding" would still be applicable if this matter were contested by legal counsel or a judge put in some serious analysis.

We have problems too if we are really intending to focus on what would be called "junk/wrecked" vehicles. That definition in 5-1-2 is:

JUNK VEHICLE: A vehicle, including component parts, which: A. Has been ruined, wrecked, dismantled or rendered inoperative; B. Is unfit for further use in accordance with the original purpose for which it was constructed;;C. Is not registered with the Nevada department of motor vehicles; and D. Has value principally as scrap which does not exceed two hundred dollars (\$200.00).

The problem with a junk vehicle analysis is the conjunctive "and" preceding subsection D. I'm not sure we are discussing vehicles with a principal value as scrap worth less than \$200. Also, two or less "junk vehicles" are permitted if tires are inflated and affixed, no glass is shattered, the body components are affixed and no collision damage is present. 5-1-Q2(f).

- 2. Process/City Council Order (MSW). Under 9-2-14A it is the City Council which must order removal of MSW if we are proceeding in that Chapter. This may impact the validity of the March 6, 2018 notice from the Fire Department. In any event, if we determine to proceed under 9-2 we need to keep that requirement in mind.
- 3. Police Chief Action. Under 5-1-4Q4&5, there are unwieldy requirements for the Police Chief or police officer and possibly the City Manager/other city official to be involved in the handling of abandoned vehicles in the event a towing is contemplated. That code seems to imply a 48 hour notice and a title search for secured parties and provides:
- 4. The police chief or any peace officer who has reasonable grounds to believe a vehicle has been abandoned **shall** attach a notice to said vehicle, in the form of a citation for illegal parking, and if said vehicle has not been removed within forty eight (48) hours after such notice is attached to said vehicle, the police chief or peace officer is authorized to remove or cause to be removed any such vehicle from any street, highway, public thoroughfare, public or private property, for the purpose of storage or disposition, to any garage or storage facility within the city.
- 5. If the owner of the junk, abandoned and/or unregistered vehicles fails to remove the vehicle as designated in the notice of violation served under subsection Q4 of this section, the city manager, the building inspector, the fire chief, the chief law enforcement officer or the city engineer, or any of them or their authorized designee, is authorized to have the junk, abandoned and/or unregistered vehicle towed from the place of violation to a designated place. The owner of the abandoned vehicle, including secured parties and the owner and any secured parties of the junk or unregistered vehicle, as well as the property owner or responsible party where the junk or unregistered vehicle is improperly located, shall be held liable for the costs of removal and storage.
- 4. Nuisance Process-if not handed off to the City attorney for municipal court prosecution. Not dovetailing well with our MSW provisions is the process (Council side) set forth for nuisances. 5-1 contemplates/requires: 1) a complaint to the City Clerk [though provision is made for other city officials to report a nuisance]; 2) the City Clerk forwarding to the City Manager; 3) the City Manager assigning an investigator; 4) an investigation and report to the City Manager within 10 days; 5) if nuisance is verified by the investigation and notice of the same is given to the city manager (this is time at which the city manager would ordinarily decide whether to take a complaint through the Council or municipal court process), a written notice served by certified mail giving the owner 10 days to abate and a 5 day commencement window (we know that NRS will require a 30

day time frame to abate though); 6) Notice provisions which advise of the hearing/appeal rights, seeking a hearing tolls the time to abate; 7) if not abated as provided in the notice; 8) abatement order; 9) abatement by the City if necessary; and, 10) lien and assessment procedures. It is worth noting too for other cases there are shortcut provisions if the nuisance amounts to an emergency which is an immediate danger. 5-1-7 seems to most closely fit what we want to do with the letter being issued. After verification of a nuisance after the investigation, that provision allows the police chief/fire chief/building official/designee may mail a notice of the complaint regarding the nuisance to the owner requiring a 10 day period to commence work to remove the nuisance otherwise the complaint shall be filed with the City manager for further action.

In light of the foregoing, the failure of the this owner to heed the fire department warning, the likely disregard of this owner to heed any pre-warnings from your office and take any timely action, I recommend the following shortened procedure: 1) You prepare a notice to the City manager of the ongoing and pending complaints of nuisance and MSW codes and advise that investigations have been completed and verified the nuisance/violation and need to proceed for abatement (If you agree to this approach, I could modify your current letter and assist in the preparation of that doc); 2) the City manager review your correspondence and confirm in a memo to the file that further investigation is deemed unnecessary/waived and that further action will proceed immediately to address the nuisance code and MSW code allegations; 3) I assist in any of the foregoing and the preparation of a notice from the City Manager to the property owner re 5-1 matters, essentially starting the process at 5-1-8 with concern to nuisance claims (may ultimately have police take certain steps concerning the vehicles which will be part of this at the end of this process); 4) the City manager further direct an agenda item to seek an order of removal of the MSW at the next council meeting as implied by 9-2-14, our office to prepare a 241 notice and notice of the agenda item (to be signed by City Manager or his designee) to the owner to be served at least 5 days prior to the meeting and assist in perfecting service; and the City follow the separate 9-2 procedures to abate the MSW issue.

I think the outlined approach is the fastest way to proceed. Let me know your thoughts. If you do however want to start with your letter, I can send you a modified version by Thursday (I'm out of town prosecuting cases tomorrow).

With best regards,

Thomas J. Coyle, Jr.
Goicoechea, Di Grazia, Coyle & Stanton, Ltd.
530 Idaho Street
Elko, NV 89801
Telephone (775) 738-8091
Fax (775) 738-4220
Office E-mail: gdclaws@frontiernet.net
Direct E-mail: tcoble@frontiernet.net
Website: <http://www.elkolawyers.com/>

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From: Cathy Laughlin <claughlin@elkocitynv.gov>
Sent: Tuesday, July 10, 2018 8:00 AM
To: Thomas J. Coyle, Jr. <tcoble@frontiernet.net>
Cc: Scott A. Wilkinson <sawilkinson@elkocitynv.gov>; Tyler Trouten <ttrouten@elkocitynv.gov>
Subject: RE: Pine St. Complaint

Tom,

Ty said that Billy is still in jail. Danny who brought in the complaint yesterday is actually moving because of this house and the transients. He has been broken into 3 times now by the residents of this house and I can't blame him for wanting to move. His testimony should help with the public safety and public nuisance case.
Thanks,

Cathy Laughlin
City Planner

(775)777-7160 ph
(775)777-7219 fax
claughlin@elkocitynv.gov

City of Elko
1751 College Avenue
Elko, NV 89801

From: Thomas J. Coyle, Jr. <tcoyle@frontiernet.net>
Sent: Tuesday, July 10, 2018 7:44 AM
To: Cathy Laughlin <claughlin@elkocitynv.gov>
Subject: RE: Pine St. Complaint

Cathy – will check on jail status and update you. Also, will finish review of letter with idea of going before council for quicker action.

With best regards,

Thomas J. Coyle, Jr.
Goicoechea, Di Grazia, Coyle & Stanton, Ltd.
530 Idaho Street
Elko, NV 89801
Telephone (775) 738-8091
Fax (775) 738-4220
Office E-mail: gdclaws@frontiernet.net
Direct E-mail: tcoyle@frontiernet.net
Website: <http://www.elkolawyers.com/>

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From: Cathy Laughlin <claughlin@elkocitynv.gov>
Sent: Monday, July 09, 2018 5:04 PM
To: Tyler Trouten <ttrouten@elkocitynv.gov>
Cc: Thomas J. Coyle, Jr. <tcoyle@frontiernet.net>; Kelly C. Wooldridge <kwooldridge@elkocitynv.gov>
Subject: RE: Pine St. Complaint

Can you tell me if Billy is in jail, Danny was thinking he was just arrested not long ago and he thinks that there really is a power struggle when he goes to jail for control of the house and it always goes downhill from there. The black unlicensed car is back as well so if you can put patrol on that.

Tom, Can you please tell me the status of the letter review? I am thinking to bypass the trust and take to City Council. The trust is 2 years behind in property taxes right now and if we get to year three, it will go to the county tax lien sale which would be great!

I will visit with Kelly tomorrow regarding the nuisance code.

Cathy Laughlin
City Planner

(775)777-7160 ph
(775)777-7219 fax
claughlin@elkocitynv.gov

City of Elko
1751 College Avenue
Elko, NV 89801

From: Tyler Trouten
Sent: Monday, July 09, 2018 4:22 PM
To: Cathy Laughlin <claughlin@elkocitynv.gov>
Subject: Pine St. Complaint

Sent Danny Stuart to you, another complaint on Armstrongs, this guy got burglarized this last week, wants a solution.

Ty Trouten
Elko Police Department
1448 Silver Street
Elko NV 89801
(775) 777-7313



**CITY OF ELKO PLANNING
DEPARTMENT**

1751 College Avenue * Elko * Nevada * 89801 *
(775) 777-7160 * (775) 777-7219 fax

COMPLAINT REPORT

DATE: 19-Jul-2018

NAME OF PERSON FILING COMPLAINT: Karl / Laurie Marlowe

ADDRESS: 385 New Pine, Elko, NV 89801

PHONE NO: 775-772-9561 or 775-843-7732

ADDRESS OF SUBJECT PROPERTY: 403 Pine Street, Elko

LEGAL OWNER OF SUBJECT PROPERTY : William J Armstrong / Trust

DETAILED INFORMATION PERTAINING TO THE COMPLAINT:

See Attached

REPORT FILED WITH ELKO POLICE DEPARTMENT? Yes – Criminal reports

ACTION TAKEN: Police continually monitor activity at the property, multiple arrests and prosecutions over the years for drug-related, property crimes, violent crimes.

RECEIVED

JUL 20 2018

Re: 403 Pine Street, Armstrong Residence
Obvious drug and other criminal activity

My wife and I have rented a house in Elko since September of 2009. We are both professionals with Elko-based employment (Exploration Geologist and Private Practice Physical Therapist). When we moved in, the house at 403 Pine Street was owned and occupied by the grandmother of the current owner/trustee, William J. Armstrong. We became aware of William ("Billy") sometime later after he was released from prison and returned to Elko.

In ~2010 Mr. Armstrong set fire to the property, while his grandmother was in the house. He was convicted of arson and served ?? years in prison. During his time in prison, the house was re-habilitated while the grandmother was in assisted living. She passed away in about 2011 and the full estate was bequeathed to Mr. Armstrong via a trust. The financial assets of the trust are handled by Edward Jones, I do not know who handles the legal aspects or set up the trust.

Since his release from prison in ~2013 stemming from the arson offense, he has continually harbored a cast of characters generally known to local law enforcement for drug-related and other crimes. I have regularly observed persons of interest to law enforcement at this residence. I have observed drug transactions at this residence. Local law enforcement and the DA's office are very familiar with the ongoing illegal activity at this residence. This continuous activity is both a nuisance and a significant threat to our local neighborhood and the residents of Elko.

In the past, interactions with police and the DA's office have indicated that Mr. Armstrong and the various residents were low level drug dealers (primarily small amounts of marijuana), though they were all repeat offenders. A former DA's office member told me he had prosecuted one resident (Anthony Erickson) at least 5 times. At least until 2015, the transient residents pretty much kept to them selves, and were even borderline cordial (for example, Anthony would occasionally say "hi" and one time when I was heading out on a bike ride with my friend who worked in the DA's office, greeted him by name and they had a brief, friendly conversation). Over the last 2 years however, the residents of the Armstrong house have become an increasingly violent group of habitual felons. One neighbor has had his home burglarized and has been subject to 2 attempted or successful home invasions by individuals either from the Armstrong house, or well known by those "residents".

There is a near-continuous string of short-term transient residents, often moving in and out with all of their possessions contained in trash bags. At times, there is nearly continuous foot traffic, bicycle traffic (nearly always adults on BMX-style bicycles). Most individuals enter the gate, knock on the door and are inside for 5-15 minutes, then depart. Early on (pre-2015), most arrived by motor vehicle, but the pattern has largely shifted to foot-bike traffic over the last 18 months. Physical appearance of the individuals is characteristic of habitual drug users - generally unkempt, multiple tattoos, piercings, shaved heads, baggy clothing - in short, a

generally unhealthy appearance. Individuals are often visibly nervous or inattentive.

Trash (including furniture, appliances and other assorted garbage) routinely accumulates in the car port and back yard, and is occasionally hauled off. Unknown, but strongly suspected that it is dumped illegally.

In September-October of 2015, I observed a relatively obvious drug transaction occurring between a resident of the Armstrong house and other known drug users. This transaction involved the clear exchange of cash and suspected product in the alley behind the house. I reported the incident to police and submitted photos of the transaction; a search warrant was issued and executed, illegal drugs were found in the residence. Mr. Armstrong was in prison at the time, for another drug-related offense. I don't know if anyone was charged or prosecuted from this search, however several "residents" moved out.

In 2016, I observed and reported to police an individual swinging a whiskey bottle at my neighbor's truck, then entering the back gate and banging on his door, yelling unintelligibly. We alerted our neighbor of the attempted home invasion. Fortunately, the intruder was too intoxicated to succeed. He was apprehended in the next yard, and a passenger in the parked car was arrested on an outstanding warrant. I placed the trespasser under "Citizens' arrest" for disturbing the peace. Charges were apparently dropped in a plea bargain. Both of the arrested individuals were obviously friends of Billy Armstrong.

In 2017, Mr. Armstrong was arrested and imprisoned for burglary of a parked car in the neighborhood. While he was in prison, one of the Armstrong house residents threatened another neighbor, stating in effect, that he suspected the neighbor of reporting the burglary to local law enforcement and that he had killed people for less than that.

In 2017, our dog walker called and left a message with Laurie that she had returned from walking our dogs to find the Armstrong house surrounded by police with weapons drawn, she called to let her know that she left the dogs locked inside because she didn't believe it was safe to leave them outside.

Recently, (X-July-2018) a resident of the Armstrong house (Jason Kyle) attempted to enter one neighbor's house by knocking loudly on the door, yelling "Police, open the door", followed by attempts to kick the door in. (This action was recorded on the homeowners' security system video). Failing at that house, Mr. Kyle entered another neighbor's house through a dog-door. The second neighbor had been alerted by the first and confronted the intruder, fending him off in a physical confrontation. Police arrived moments later.

It is highly likely that perpetrators of the home invasion resulting in the death of the homeowner in the last week have been observed at Armstrong's house.

We have routinely observed local business vehicles parked at or stopped at the house. Local businesses have included TJ's welding, Myrna's Hot Shot Service, a Team Green landscape and others.

This is a very abbreviated summary of significant events - I have taken over 3000 photographs of individuals and activities at this house over the past 5 years, most of which have been shared with local law enforcement. Photos depict Mr. Armstrong and the various short and long term inhabitants of 403 Pine Street. A significant number are well known to local law enforcement for various misdemeanor and felony offenses, and increasingly violent offenses over the last 2 years.

Karl Marlowe



19-5-1 8-21-15

775-772-9561

Laurie Marlowe

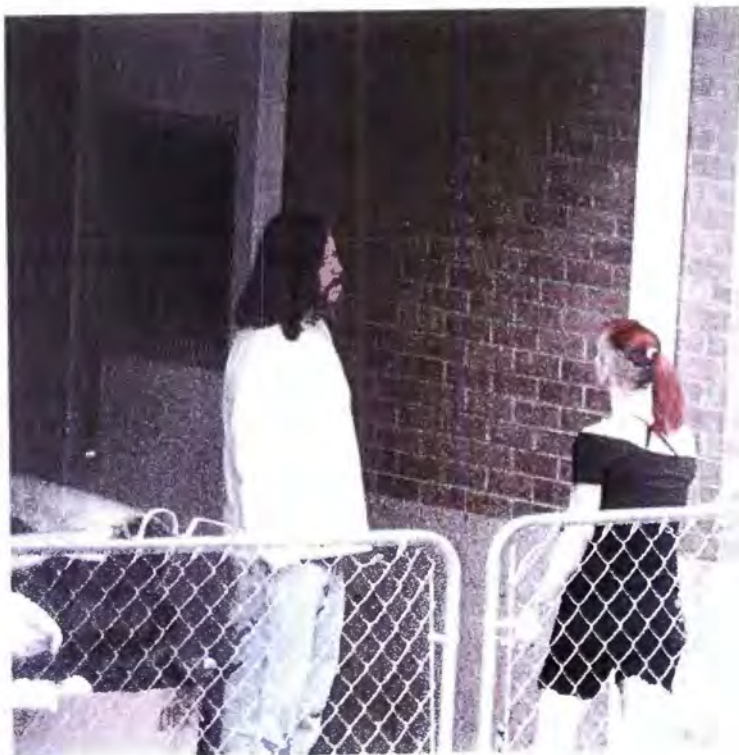


21-1-1 1-2-15

775-843-7732

Appendix: Select photos of the property and various transient and long-term residents of 403 Pine Street over the last 3 years. These are a small sampling of the full photo library compiled since 2016.

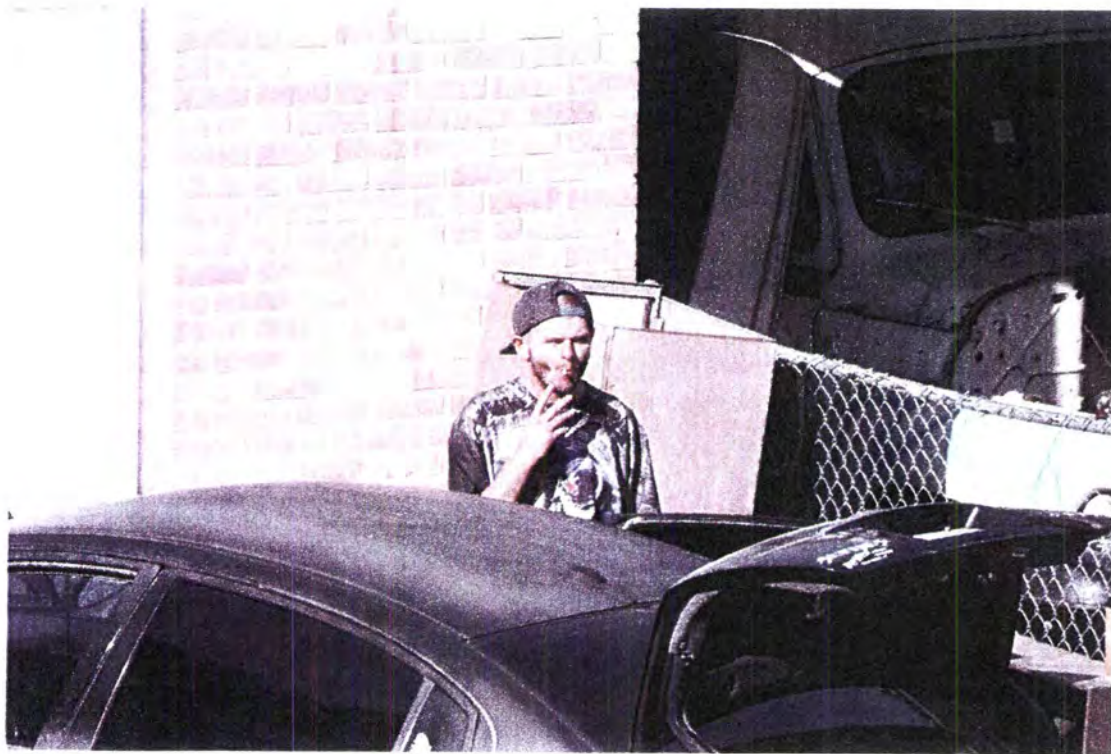














City of Elko - Assistant City Manager
1751 College Avenue
Elko, NV 89801
(775) 777-7211
FAX (775) 777-7219

Memorandum

To: Curtis Calder, City Manager
Cc: Kelly Wooldridge, City Clerk
Cathy Laughlin, City Planner
From: Scott A. Wilkinson – Assistant City Manager
RE: Public Nuisance Investigation – 403 Pine Street
Date: July 26, 2018

SAW

At the request of the City Manager, as documented in a memo dated July 17, 2018, I have completed an investigation of the conditions at 403 Pine Street. My actions are as follows:

1. I reviewed the documentation that was forwarded to the City Manager's office by the City Clerk's office on July 13, 2018.
2. I consulted with the City Planner on the numerous complaints received by that office.
3. I reviewed a more recent complaint and supporting documentation dated July 19, 2018.
4. The neighboring properties are well kept in in good condition.
5. I visited the location with the City Planner and photo documented the conditions of the location on July 25, 2018. The investigation was conducted from the public right-of-way.
6. The condition of the property was evaluated for possible declaration of a public nuisance under Title 5 Chapter 1 and Title 9 Chapter 2 of Elko City Code.

FINDINGS:

1. The condition of the structure is generally acceptable with a few broken windows. The exterior of the structure and the roof of the structure are in acceptable condition (Photograph 1).
2. The yard landscaping is not maintained and is dry with some weed control issues. Some areas of the landscaping are overgrown. Cut plant material is being stored on site creating

a potential fire hazard and cover for pests (Photographs 2- 4).

3. There is a considerable amount of solid waste stored on the property having the potential to harbor and provide a breeding ground for a variety of pests. This circumstance endangers the neighboring properties, persons occupying or utilizing those properties and any pets in the area (Photographs 5 - 11).
4. There are four automobiles on the property in various states of disrepair including missing engines and wheels and/or tires.
5. Two of the vehicles do not have license plates as photo documented (Photographs 12 - 13).
6. Two of the vehicles are clearly in a long term state of disrepair and are being used for storage of items (Photographs 14 -15).
7. One vehicle has a license plate. Due the location of the vehicle in relationship to the ingress/egress to the yard area, the ingress/egress blocked by the other automobiles, and the fact there are missing tires on the vehicles it is apparent the vehicle is not operable (Photographs 16 - 17).
8. There is no evidence that any of the automobiles are in the process of being rebuilt or restored.
9. The complaints received by the City express concerns over purported illegal activities at the location and the condition of the property. This purported illegal issue is beyond the scope of this investigation.

Based on the findings presented in this document, it appears the following violations of City code are a concern:

1. The accumulation of solid waste on the property is in violation of the following provisions of City code:
 - a. Title 5 Chapter 1; 5-1-4(I) Offensive matter. The discharge of any sewage, garbage, refuse or other noxious matter in any street, alley, gutter or highway. The accumulation of refuse and other waste to the point it annoys, injures or endangers the safety, health, comfort or repose of any person.
 - b. Title 5 Chapter 1; 5-1-4(N) Public nuisance shall further mean any fence, wall, shed, deck, house, garage, building, structure or any part of any of the aforesaid; or any tree, pole, smokestack, vehicle, or any excavation, hole, pit, basement, cellar, sidewalk, subspace, dock or any lot, land, yard, premises or location which in its entirety, or in any part thereof, by reason of the condition in which the same is found or permitted to be or remain, shall or may endanger the health, safety, life, limb or property, or cause any hurt, harm, damage or injury to any one or more individuals in the city, in any one or more of the following particulars:
 1. By reason of being a menace, threat and/or hazard to the general health and safety of the community.

3. By reason of lack of sufficient or adequate maintenance of the property, and/or being vacant, and/or failing to complete improvements of any nature, any of which depreciates the enjoyment and use of the property in the immediate vicinity to such an extent that it is harmful to the community in which such property is situated or such condition exists.
 - c. Title 9 Chapter 2; 9-2-8(A) Fly Breeding Conditions: Premises to be kept free of Fly Breeding Substances: It shall be the responsibility of every owner, lessee or tenant of any premises within the City to keep the premises at all times clean and inoffensive and free from any accumulation of MSW garbage, refuse, ashes, rubbish, putrescible wastes, vegetable wastes, animal offal, carcasses of dead animals and any other conditions wherein houseflies or other flies breed.
2. The storage of four (4) automobiles in various states of disrepair and at least three (3) unlicensed automobiles is in violation of the following provisions of City code:
- a. Title 5 Chapter 1; 5-1-4(N) Public nuisance shall further mean any fence, wall, shed, deck, house, garage, building, structure or any part of any of the aforesaid; or any tree, pole, smokestack, vehicle, or any excavation, hole, pit, basement, cellar, sidewalk, subspace, dock or any lot, land, yard, premises or location which in its entirety, or in any part thereof, by reason of the condition in which the same is found or permitted to be or remain, shall or may endanger the health, safety, life, limb or property, or cause any hurt, harm, damage or injury to any one or more individuals in the city, in any one or more of the following particulars:
 1. By reason of being a menace, threat and/or hazard to the general health and safety of the community.
 2. By reason of being unsafe for occupancy, or use on, in, upon, about or around the aforesaid property.
 3. By reason of lack of sufficient or adequate maintenance of the property, and/or being vacant, and/or failing to complete improvements of any nature, any of which depreciates the enjoyment and use of the property in the immediate vicinity to such an extent that it is harmful to the community in which such property is situated or such condition exists.
 - b. Title 5 Chapter 1; 5-1-4(P) Outside storage of vehicles, trailers, equipment, building material and other property, unless protected in such manner as to prevent the harboring of insects, flies, rodents, snakes and other animals.
 - c. Title 5 Chapter 1; 5-1-4(P)Q. Junk, abandoned and/or unregistered vehicles.
 1. Except as stated herein, the keeping of, for any reason, any junk, abandoned and/or unregistered vehicle or vehicles on any highway, street or other thoroughfare or upon any public or private property within the city.
 2. The provisions of subsection Q1 of this section do not apply to:

- a. Persons licensed pursuant to Nevada Revised Statutes section 487.050 or 487.410;
- b. Junk or unregistered vehicles on private property of a licensed dealer, manufacturer, distributor or rebuilder of vehicles;
- c. Junk or unregistered vehicles on private property used as a farm, ranch, mine or licensed vehicle repair shop;
- d. Junk or unregistered vehicles on private property used by any person engaged in the restoration of one or more vehicles entitled to registration as a street rod, classic rod or classic vehicle;
- e. No more than two (2) junk vehicles that do not qualify under subsection Q2a through Q2d of this section;
- f. No more than two (2) unregistered vehicles which:
 - (1) Are on private property and, if on the ground, have all tires inflated and affixed thereto or, if raised, have all tires affixed thereto.
 - (2) Have no shattered window glass, and the hood, fender, doors, trunk and all other body components affixed thereto and maintained in a closed position, and have not sustained collision damage.
- 3. The abandonment of a vehicle upon any highway, street or other public thoroughfare, or upon any public or private property within the city.

In conclusion, a public nuisance is verified by the evidence presented in the complaints received by the City and the investigation of the property and the findings presented in this report.

RECOMMENDATION:

Proceed with the declaration of a public nuisance through City Council with the assistance of the City's Legal Counsel.

Attachment(s)

- 1. Photographs - 17

PHOTO 1



2018. 7.25 10:06

PHOTO 2

2018. 7.25 10:05





PHOTO 3

2018. 7.25 10:05

PHOTO 4

2018-7-25 10:02



PHOTO 5

2018. 7.25 10:02



PHOTO 6



PHOTO 7

2018. 7.25 10:02



Photo 8



2018. 7. 25 10:02

PHOTO9

2018. 7.25 10:01



Photo 10

2018. 7. 25. 10:01





2018. 7. 25 10:03

101011

PHOTO 12



2018 7.25 10:02

PHOTO 13



2018. 7. 25 10:02

PHOTO 14

2018 7-25 10:03



PHOTO 15



2018. 7.25 10:01

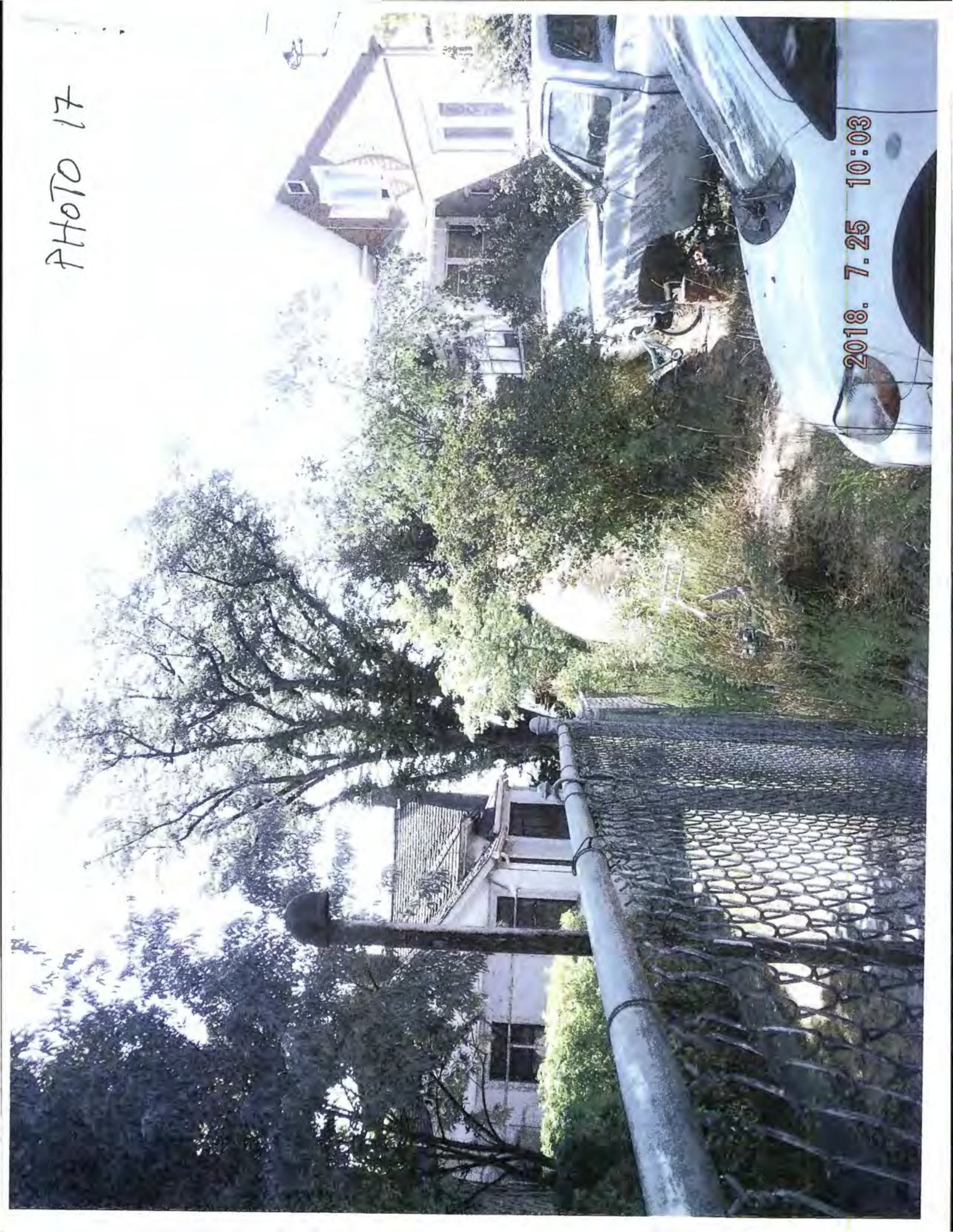
PHOTO 16

2018. 7. 25 10:06



PHOTO 17

2018. 7.25 10:03





City of Elko - Assistant City Manager
1751 College Avenue
Elko, NV 89801
(775) 777-7211
FAX (775) 777-7219

Memorandum

To: Curtis Calder, City Manager
Cc: Kelly Wooldridge, City Clerk
Cathy Laughlin, City Planner
From: Scott A. Wilkinson – Assistant City Manager
RE: Public Nuisance Investigation – 403 Pine Street
Date: December 5, 2018

This memo documents the current conditions of the above property and surrounding properties as of December 5, 2018.

1. The neighboring properties are well kept in in good condition.
2. I visited the location with the City Planner and photo documented the conditions of the location on December 5, 2018. The inspection was conducted from the public right-of-way.
3. The condition of the property was evaluated for possible declaration of a public nuisance under Title 5 Chapter 1 and Title 9 Chapter 2 of Elko City Code and the prior conditions documented on July 26, 2018 per an inspection on July 25, 2018.

FINDINGS:

1. The condition of the structure continues to be in a generally acceptable condition with a few broken windows. The exterior of the structure and the roof of the structure are in acceptable condition. There is no significant change from the inspection conducted on July 25, 2018.
2. There is a considerable amount of cut wood stored at various locations on the perimeter of the property. It is evident that a majority of the material is being processed as fire wood. It doesn't appear that the cut wood presents a fire hazard at this time of year. (Photographs 4, 9, 10 and 11).
3. There is a considerable amount of solid waste stored on the property having the potential to harbor and provide a breeding ground for a variety of pests. This circumstance endangers

the neighboring properties, persons occupying or utilizing those properties and any pets in the area. There is no clear evidence that this condition has been improved upon from the condition observed on July 25, 2018. (Photographs 3,4 - 10).

4. Two automobiles have been removed from the property since the inspection on July 25, 2018.
5. There are two automobiles on the property in various states of disrepair. The pick-up truck appears to have undergone some repairs since the inspection on July 25, 2018. The left front wheel and tire have been attached to the vehicle. The left front tire appears to be uninflated. The pick-up truck did not have a hood on the vehicle on July 25, 2018. The second vehicle is clearly in a long term state of disrepair and are being used for storage of materials. The second vehicle does not have a hood, has uninflated tires and broken glass. It is not certain there is an engine in the second vehicle. (Photographs 2,7,9, and 11).
6. Both vehicles do not have license plates attached to both the front and rear of the vehicles and appear to be unregistered. The vehicles are being stored in a manner which does not prevent the harboring of insects, flies, rodents, snakes or other animals. (Photographs 2,4, and 7).
7. There is no evidence that any of the automobiles are in the process of being rebuilt or restored.

Based on the findings presented in this document, it appears the following violations of City code are a concern:

1. The accumulation of solid waste on the property is in violation of the following provisions of City code:
 - a. Title 5 Chapter 1; 5-1-4(I) Offensive matter. The discharge of any sewage, garbage, refuse or other noxious matter in any street, alley, gutter or highway. The accumulation of refuse and other waste to the point it annoys, injures or endangers the safety, health, comfort or repose of any person.
 - b. Title 5 Chapter 1; 5-1-4(N) Public nuisance shall further mean any fence, wall, shed, deck, house, garage, building, structure or any part of any of the aforesaid; or any tree, pole, smokestack, vehicle, or any excavation, hole, pit, basement, cellar, sidewalk, subspace, dock or any lot, land, yard, premises or location which in its entirety, or in any part thereof, by reason of the condition in which the same is found or permitted to be or remain, shall or may endanger the health, safety, life, limb or property, or cause any hurt, harm, damage or injury to any one or more individuals in the city, in any one or more of the following particulars:
 1. By reason of being a menace, threat and/or hazard to the general health and safety of the community.
 3. By reason of lack of sufficient or adequate maintenance of the property, and/or being vacant, and/or failing to complete improvements of any nature, any of which depreciates

the enjoyment and use of the property in the immediate vicinity to such an extent that it is harmful to the community in which such property is situated or such condition exists.

- c. Title 9 Chapter 2; 9-2-8(A) Fly Breeding Conditions: Premises to be kept free of Fly Breeding Substances: It shall be the responsibility of every owner, lessee or tenant of any premises within the City to keep the premises at all times clean and inoffensive and free from any accumulation of MSW garbage, refuse, ashes, rubbish, putrescible wastes, vegetable wastes, animal offal, carcasses of dead animals and any other conditions wherein houseflies or other flies breed.
2. The storage of two (2) automobiles in various states of disrepair and utilized for storage of materials is in violation of the following provisions of City code:
- a. Title 5 Chapter 1; 5-1-4(N) Public nuisance shall further mean any fence, wall, shed, deck, house, garage, building, structure or any part of any of the aforesaid; or any tree, pole, smokestack, vehicle, or any excavation, hole, pit, basement, cellar, sidewalk, subspace, dock or any lot, land, yard, premises or location which in its entirety, or in any part thereof, by reason of the condition in which the same is found or permitted to be or remain, shall or may endanger the health, safety, life, limb or property, or cause any hurt, harm, damage or injury to any one or more individuals in the city, in any one or more of the following particulars:
 - 1. By reason of being a menace, threat and/or hazard to the general health and safety of the community.
 - 2. By reason of being unsafe for occupancy, or use on, in, upon, about or around the aforesaid property.
 - 3. By reason of lack of sufficient or adequate maintenance of the property, and/or being vacant, and/or failing to complete improvements of any nature, any of which depreciates the enjoyment and use of the property in the immediate vicinity to such an extent that it is harmful to the community in which such property is situated or such condition exists.
 - b. Title 5 Chapter 1; 5-1-4(P) Outside storage of vehicles, trailers, equipment, building material and other property, unless protected in such manner as to prevent the harboring of insects, flies, rodents, snakes and other animals.

In conclusion, a public nuisance is verified by the evidence presented in the complaints received by the City and the inspection of the property on July 25, 2018, an inspection of the property on December 5, 2018 and the findings presented in this report. The inspection was completed after proper noticing to the property owner.

RECOMMENDATION:

Proceed with the declaration of a public nuisance by the City Council and follow the recommendations of the City's legal counsel to abate the nuisance.

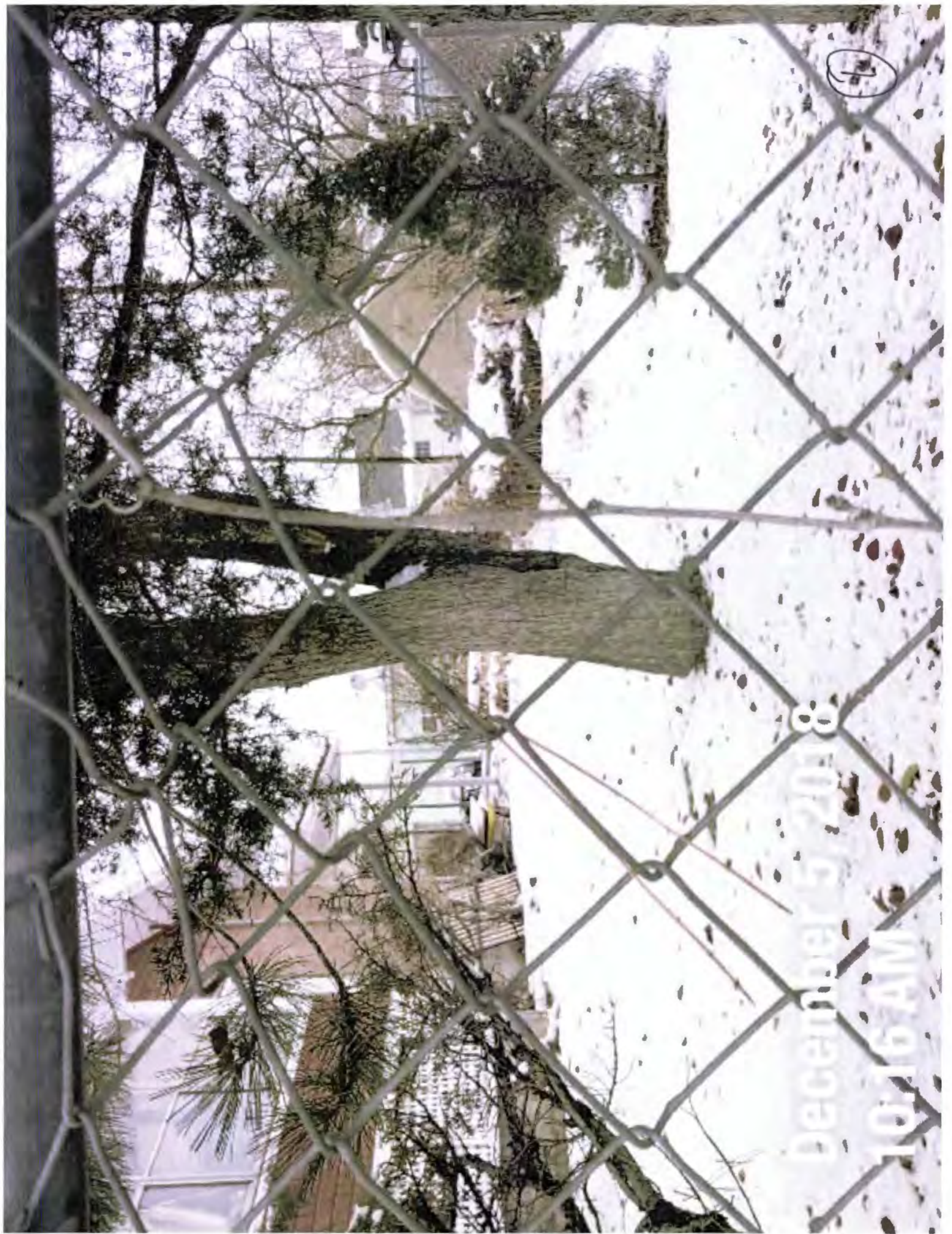
Attachment(s)

1. Photographs - 11

1

8

December 5, 2018
10:16 AM



2

December 5, 2018
10:17 AM



December 5, 2018
10:17 AM

3

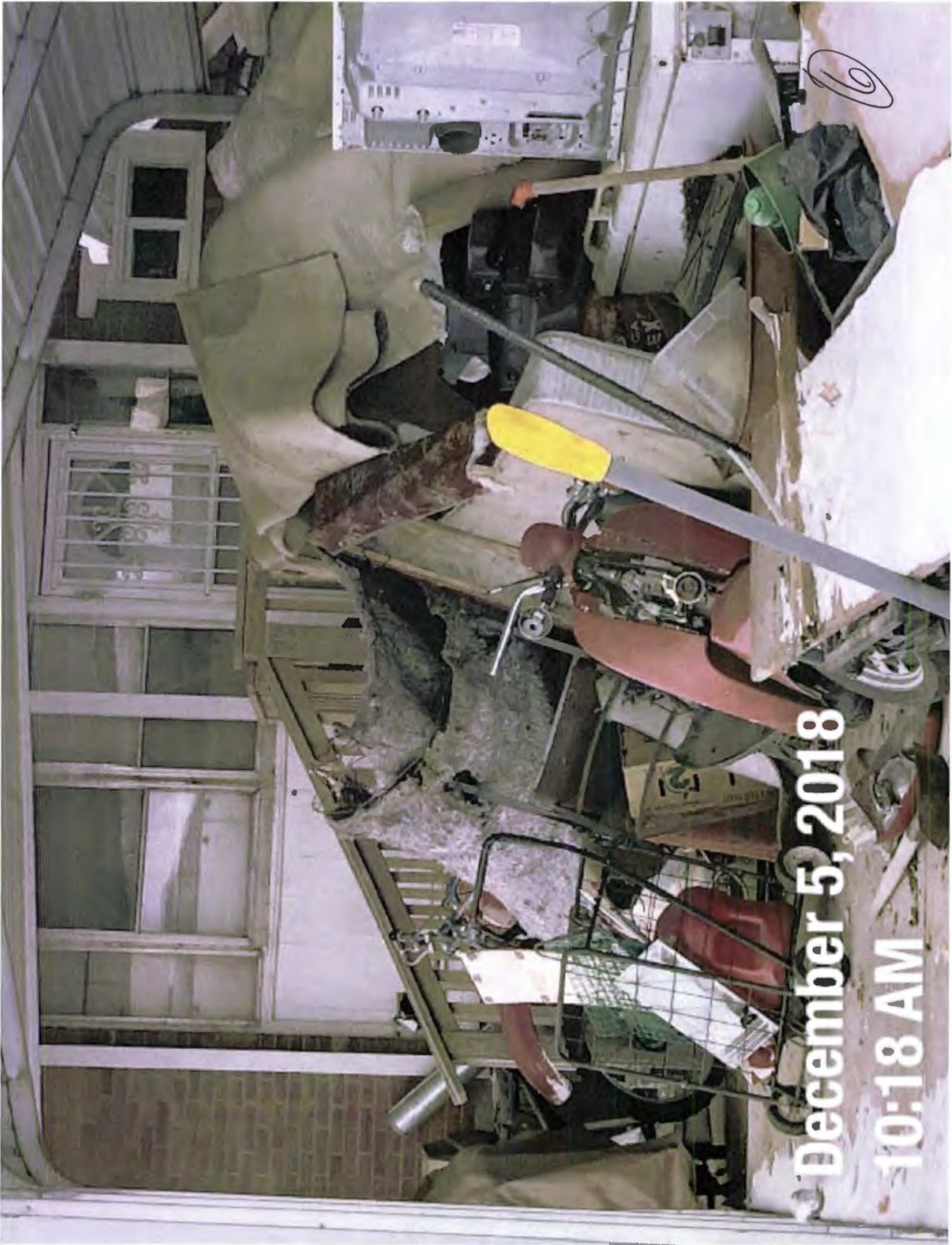




December 5, 2018
10:18 AM



December 5, 2018
10:18 AM



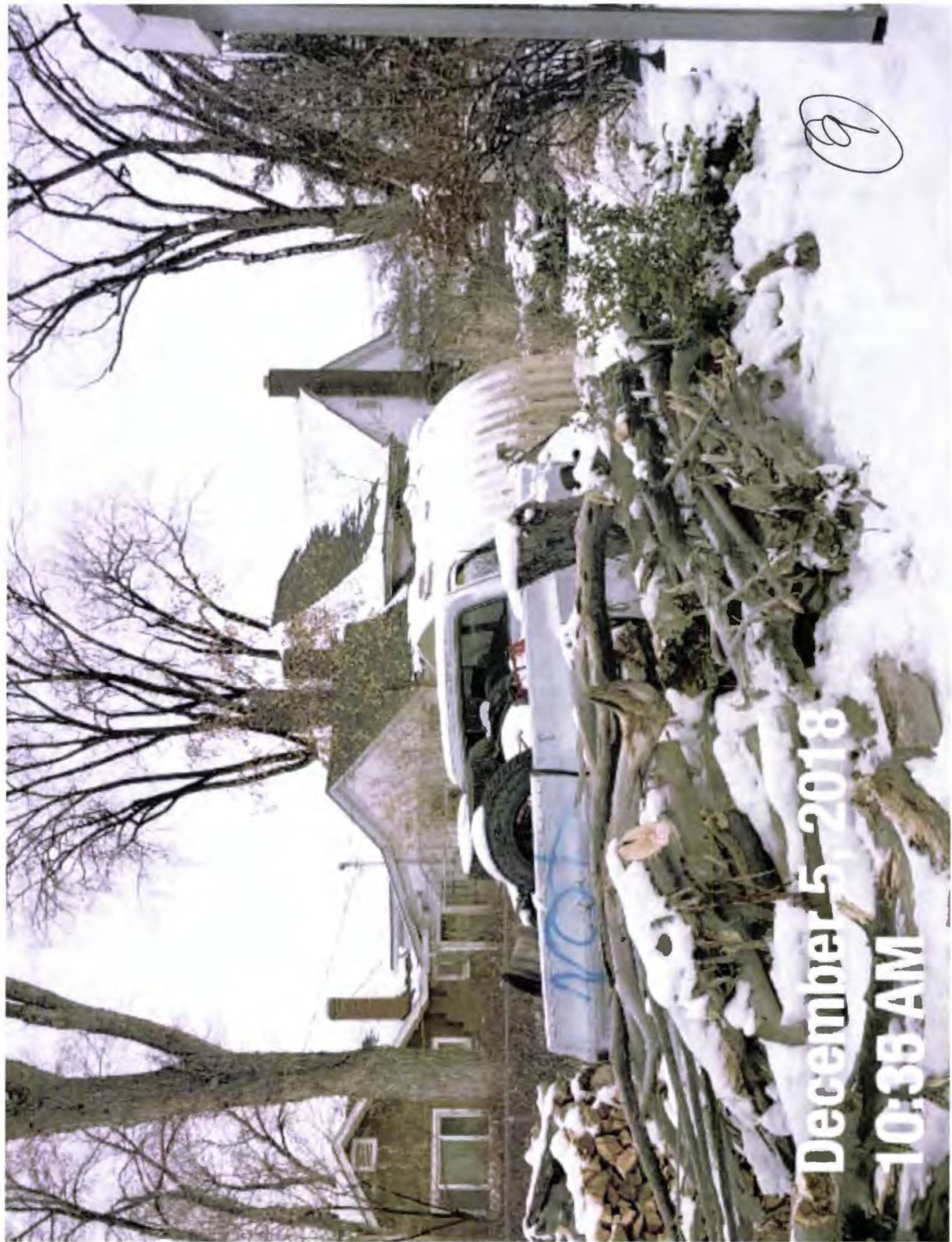
December 5, 2018
10:18 AM



December 5, 2018
10:18 AM

A photograph of a snowy outdoor scene. The ground is covered in a thick layer of white snow. In the center, there is a pile of debris, including a green metal frame, a red and white striped object, and some dark, indistinct shapes. To the right, a person wearing a dark jacket and a black hat is partially visible, standing in the snow. The background shows more snow and some evergreen trees. The overall scene appears to be a winter day with some debris scattered around.

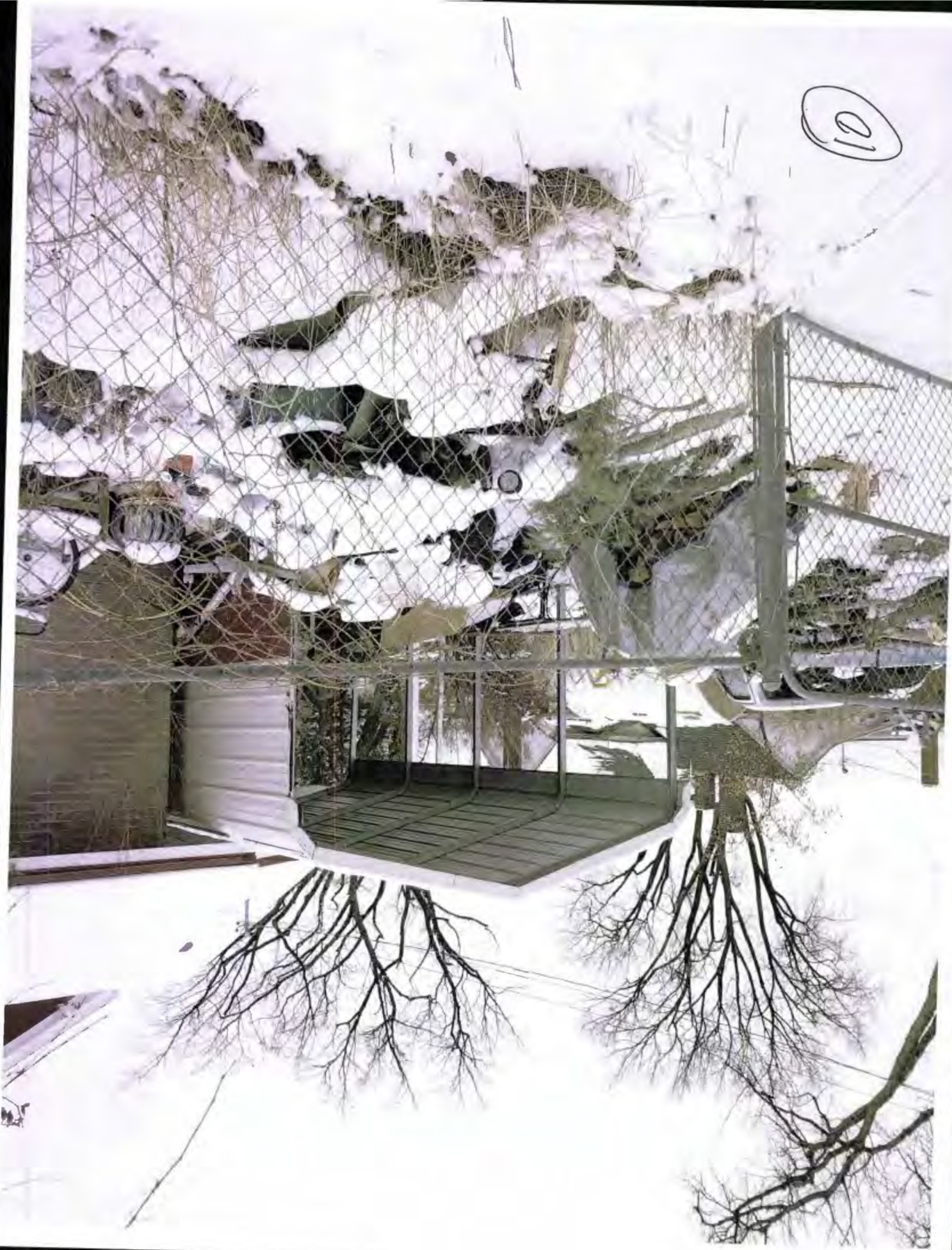
December 5, 2018
10:19 AM



9

December 5, 2018
10:38 AM

21





CERTIFIED MAIL



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US POSTAGE

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10/23

LAW OFFICE CENTER
**GOICOECHEA, DI GRAZIA,
COYLE & STANTON, LTD.**

A PROFESSIONAL CORPORATION

530 Idaho Street • P.O. Box 1358
Elko, NV 89801

TO: William Armstrong
403 Pine Street
Elko, NV 89801

1st NOTICE
2nd NOTICE
RETURNED

10-23
10-31
11-8

AMENDED – SUPERSEDES PREVIOUS NOTICE OR LETTER

**NOTICE TO REMOVE MSW AND COUNCIL MEETING FOR ORDER OF REMOVAL
PURSUANT TO ELKO CITY CODE 9-2-14**

**ADDITIONAL NOTICE OF PUBLIC NUISANCE COMPLAINT(S) AND COUNCIL
MEETING FOR FINDINGS AND ABATEMENT ACTIONS PURSUANT TO ELKO
CITY CODE TITLE 5 CHAPTER 1**

October 19, 2018

VIA REGULAR AND CERTIFIED MAIL, Return Receipt requested

**William Armstrong
403 Pine Street
Elko, Nevada 89801**

COURTESY COPIES (Without Enclosures) TO:

Edward Jones Trust Company
Attn: Trustee of the Janice F. Armstrong Trust
P.O. Box 31549
Saint Louis, MO 63131-0549

Robert J. Wines, Esq.
687 6th Street, Suite 1
Elko, NV 89801

TO: WILLIAM ARMSTRONG
403 Pine Street
Elko, NV 89801

This is a legal notice affecting you and your property rights. Attached please find: 1) Memorandum Regarding Public Nuisance Investigation; and, 2) Email confirmation by City Manager to proceed against you with a public nuisance/excessive solid waste complaint action before the City Council regarding the conditions of your property as noted in the investigation. You have been served separately with notices under NRS 241 concerning potential consideration of you character, misconduct or competence and/or possible adverse administrative action to be taken by the City against you and/or your property.

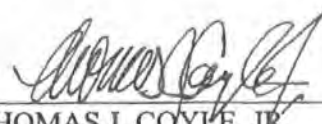
The attached Memorandum Regarding Public Nuisance Investigation; and Email confirmation by City Manager to proceed against you are incorporated herein by reference as if fully set forth in this NOTICE TO REMOVE MSW and COUNCIL MEETING FOR ORDER OF REMOVAL (MSW NOTICE) and in this ADDITIONAL NOTICE IF PUBLIC NUISANCE COMPLAINTS AND COUNCIL MEETING FOR FINDING AND ABATEMENT ACTION (NUISANCE NOTICE). These notices are sometimes hereafter collectively referred to as "NOTICE "or "NOTICES").

YOU are hereby directed, as required by Title 5 Chapter 1 and/ or Title 9 Chapter 2 of the Elko City Code, to commence work to remove and abate all violative conditions set forth in Memorandum Regarding Public Nuisance Investigation within 5 days of this NOTICE and to complete such removal and abatement within 30 days of the date of this NOTICE. Failure to do as directed may result in the City Council ordering you to take corrective action to include, without limitation, abatement of any nuisance, removal of excessive solid waste or any other permissible order on the NOTICE matters. Your subsequent failure to follow any order by the City Council may result in the City taking corrective action and asserting a lien upon your property as described 9-2-14A or 5-1-9, 5-1-10 of the City Code for the reasonable charges, expenses and costs of such corrective action. In addition, the City Council may impose a civil penalty as it deems proper under the circumstances under 5-1-12 of the City Code. Thereafter, the City could enforce the lien and ultimately force the sale of your noted property to recover such charges. The provisions of 9-2-14, 5-1-9, 5-1-10, 5-1-11, 5-1-12, 5-1-13, and 5-1-14 concerning the foregoing remedies and procedures are incorporated herein by reference as if fully set forth. If needed, copies of such City codes will be provided to you upon request. If you intend not to contest the matter and abate the conditions, it is recommended you contact the undersigned and a cooperative process with City officials could be established.

A City Council meeting/hearing on the matters contained in this NOTICE is hereby set for the City Council meeting on December 11, 2018 at 5:30 p.m. or at such later time in said meeting as may be determined by the Mayor or Chairperson. The meeting shall be held at the location of 1751 College Avenue in Elko, Nevada. This is, in effect, your only opportunity to appeal or contest the findings and conclusions set forth in the Memorandum Regarding Public Nuisance Investigation under the City Code. At such meeting/hearing you and an attorney or representative will be given an opportunity to be heard. You may contest the findings and conclusions of the Memorandum Regarding Public Nuisance Investigation and may present evidence, information or witnesses on your behalf and may present argument to the City Council as to the appropriate findings and action to be taken at the conclusion of the hearing/meeting.

In the event you elect not to contest the matters contained in the NOTICE and/or you fail to appear at the meeting/hearing described above, the City Council will proceed to hold the hearing/meeting and take such action as deemed appropriate. ONLY in the event you remove and abate all violative conditions set forth in the Memorandum Regarding Public Nuisance Investigation within the time set forth in the NOTICE AND the Assistant City Manager, Scott Wilkinson, (775) 777- 7211, agrees in writing that such corrective actions are completed or that substantial progress has been completed with a written stipulated plan to complete any further corrective actions may the hearing/meeting be vacated.

Dated this October 19, 2018.


THOMAS J. COYLE, JR.
Deputy City Attorney
530 Idaho Street
Elko, NV 89801
(775) 738-8091



City of Elko - Assistant City Manager
1751 College Avenue
Elko, NV 89801
(775) 777-7211
FAX (775) 777-7219

Memorandum

To: Curtis Calder, City Manager
Cc: Kelly Wooldridge, City Clerk
Cathy Laughlin, City Planner
From: Scott A. Wilkinson - Assistant City Manager *SAW*
RE: Public Nuisance Investigation - 403 Pine Street
Date: July 26, 2018

At the request of the City Manager, as documented in a memo dated July 17, 2018, I have completed an investigation of the conditions at 403 Pine Street. My actions are as follows:

1. I reviewed the documentation that was forwarded to the City Manager's office by the City Clerk's office on July 13, 2018.
2. I consulted with the City Planner on the numerous complaints received by that office.
3. I reviewed a more recent complaint and supporting documentation dated July 19, 2018.
4. The neighboring properties are well kept in in good condition.
5. I visited the location with the City Planner and photo documented the conditions of the location on July 25, 2018. The investigation was conducted from the public right-of-way.
6. The condition of the property was evaluated for possible declaration of a public nuisance under Title 5 Chapter 1 and Title 9 Chapter 2 of Elko City Code.

FINDINGS:

1. The condition of the structure is generally acceptable with a few broken windows. The exterior of the structure and the roof of the structure are in acceptable condition (Photograph 1).
2. The yard landscaping is not maintained and is dry with some weed control issues. Some areas of the landscaping are overgrown. Cut plant material is being stored on site creating

a potential fire hazard and cover for pests (Photographs 2- 4).

3. There is a considerable amount of solid waste stored on the property having the potential to harbor and provide a breeding ground for a variety of pests. This circumstance endangers the neighboring properties, persons occupying or utilizing those properties and any pets in the area (Photographs 5 - 11).
4. There are four automobiles on the property in various states of disrepair including missing engines and wheels and/or tires.
5. Two of the vehicles do not have license plates as photo documented (Photographs 12 - 13).
6. Two of the vehicles are clearly in a long term state of disrepair and are being used for storage of items (Photographs 14 -15).
7. One vehicle has a license plate. Due the location of the vehicle in relationship to the ingress/egress to the yard area, the ingress/egress blocked by the other automobiles, and the fact there are missing tires on the vehicles it is apparent the vehicle is not operable (Photographs 16 - 17).
8. There is no evidence that any of the automobiles are in the process of being rebuilt or restored.
9. The complaints received by the City express concerns over purported illegal activities at the location and the condition of the property. This purported illegal issue is beyond the scope of this investigation.

Based on the findings presented in this document, it appears the following violations of City code are a concern:

1. The accumulation of solid waste on the property is in violation of the following provisions of City code:
 - a. Title 5 Chapter 1; 5-1-4(I) Offensive matter. The discharge of any sewage, garbage, refuse or other noxious matter in any street, alley, gutter or highway. The accumulation of refuse and other waste to the point it annoys, injures or endangers the safety, health, comfort or repose of any person.
 - b. Title 5 Chapter 1; 5-1-4(N) Public nuisance shall further mean any fence, wall, shed, deck, house, garage, building, structure or any part of any of the aforesaid; or any tree, pole, smokestack, vehicle, or any excavation, hole, pit, basement, cellar, sidewalk, subspace, dock or any lot, land, yard, premises or location which in its entirety, or in any part thereof, by reason of the condition in which the same is found or permitted to be or remain, shall or may endanger the health, safety, life, limb or property, or cause any hurt, harm, damage or injury to any one or more individuals in the city, in any one or more of the following particulars:
 1. By reason of being a menace, threat and/or hazard to the general health and safety of the community.

3. By reason of lack of sufficient or adequate maintenance of the property, and/or being vacant, and/or failing to complete improvements of any nature, any of which depreciates the enjoyment and use of the property in the immediate vicinity to such an extent that it is harmful to the community in which such property is situated or such condition exists.
 - c. Title 9 Chapter 2; 9-2-8(A) Fly Breeding Conditions: Premises to be kept free of Fly Breeding Substances: It shall be the responsibility of every owner, lessee or tenant of any premises within the City to keep the premises at all times clean and inoffensive and free from any accumulation of MSW garbage, refuse, ashes, rubbish, putrescible wastes, vegetable wastes, animal offal, carcasses of dead animals and any other conditions wherein houseflies or other flies breed.
2. The storage of four (4) automobiles in various states of disrepair and at least three (3) unlicensed automobiles is in violation of the following provisions of City code:
- a. Title 5 Chapter 1; 5-1-4(N) Public nuisance shall further mean any fence, wall, shed, deck, house, garage, building, structure or any part of any of the aforesaid; or any tree, pole, smokestack, vehicle, or any excavation, hole, pit, basement, cellar, sidewalk, subspace, dock or any lot, land, yard, premises or location which in its entirety, or in any part thereof, by reason of the condition in which the same is found or permitted to be or remain, shall or may endanger the health, safety, life, limb or property, or cause any hurt, harm, damage or injury to any one or more individuals in the city, in any one or more of the following particulars:
 1. By reason of being a menace, threat and/or hazard to the general health and safety of the community.
 2. By reason of being unsafe for occupancy, or use on, in, upon, about or around the aforesaid property.
 3. By reason of lack of sufficient or adequate maintenance of the property, and/or being vacant, and/or failing to complete improvements of any nature, any of which depreciates the enjoyment and use of the property in the immediate vicinity to such an extent that it is harmful to the community in which such property is situated or such condition exists.
 - b. Title 5 Chapter 1; 5-1-4(P) Outside storage of vehicles, trailers, equipment, building material and other property, unless protected in such manner as to prevent the harboring of insects, flies, rodents, snakes and other animals.
 - c. Title 5 Chapter 1; 5-1-4(P)Q. Junk, abandoned and/or unregistered vehicles.
 1. Except as stated herein, the keeping of, for any reason, any junk, abandoned and/or unregistered vehicle or vehicles on any highway, street or other thoroughfare or upon any public or private property within the city.
 2. The provisions of subsection Q1 of this section do not apply to:

- a. Persons licensed pursuant to Nevada Revised Statutes section 487.050 or 487.410;
- b. Junk or unregistered vehicles on private property of a licensed dealer, manufacturer, distributor or rebuilder of vehicles;
- c. Junk or unregistered vehicles on private property used as a farm, ranch, mine or licensed vehicle repair shop;
- d. Junk or unregistered vehicles on private property used by any person engaged in the restoration of one or more vehicles entitled to registration as a street rod, classic rod or classic vehicle;
- e. No more than two (2) junk vehicles that do not qualify under subsection Q2a through Q2d of this section;
- f. No more than two (2) unregistered vehicles which:
 - (1) Are on private property and, if on the ground, have all tires inflated and affixed thereto or, if raised, have all tires affixed thereto.
 - (2) Have no shattered window glass, and the hood, fender, doors, trunk and all other body components affixed thereto and maintained in a closed position, and have not sustained collision damage.
- 3. The abandonment of a vehicle upon any highway, street or other public thoroughfare, or upon any public or private property within the city.

In conclusion, a public nuisance is verified by the evidence presented in the complaints received by the City and the investigation of the property and the findings presented in this report.

RECOMMENDATION:

Proceed with the declaration of a public nuisance through City Council with the assistance of the City's Legal Counsel.

Attachment(s)

- 1. Photographs - 17

PHOTO 1



2013. 7. 25 10:06

PHOTO 2





2015-7-26 10:05

PHOTO 4.



PHOTOS

2018. 7-25 10:02

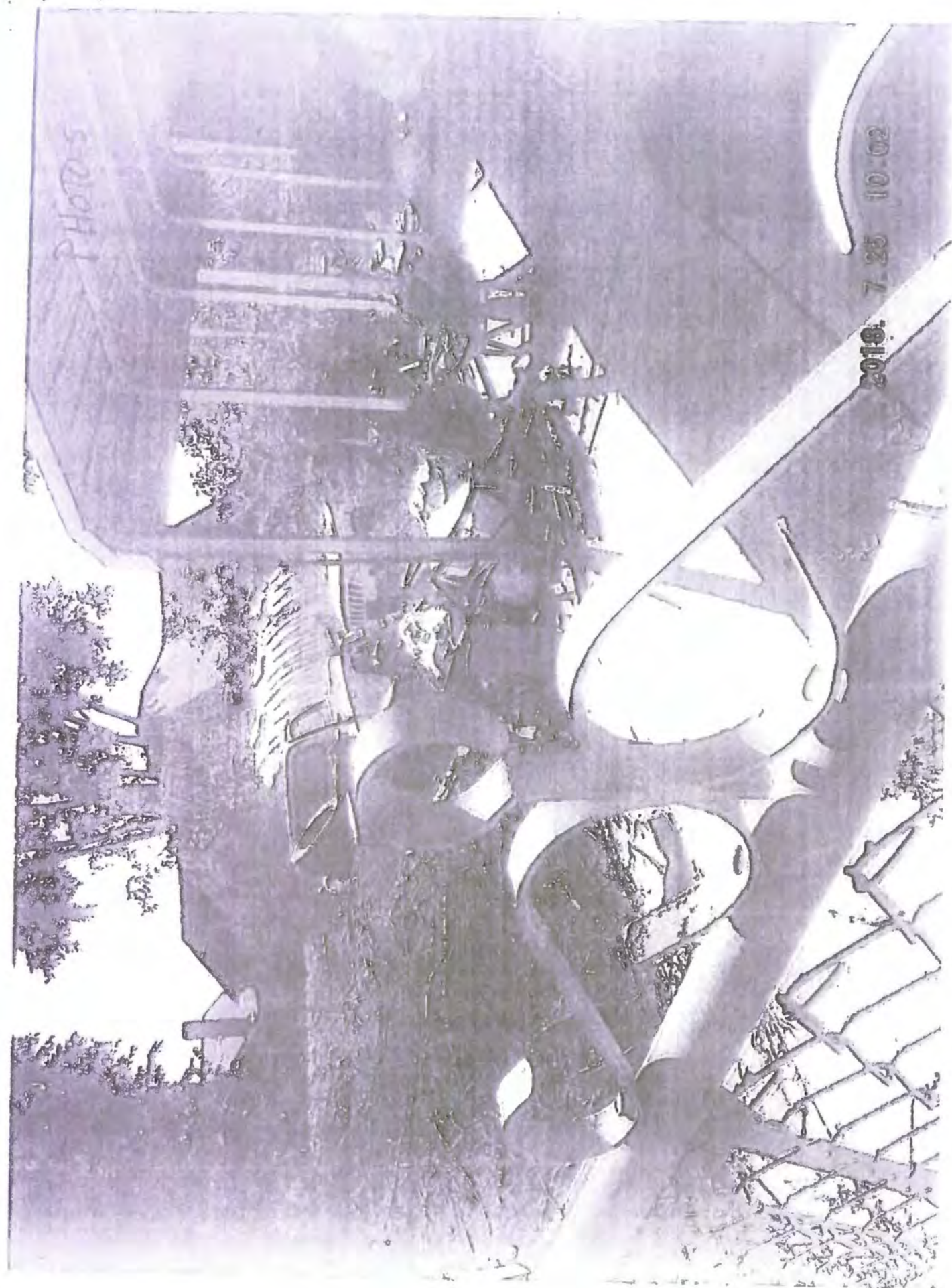


PHOTO 6

2018. 7.25 10:02



PHOTO 7

2018. 7. 25 10:02

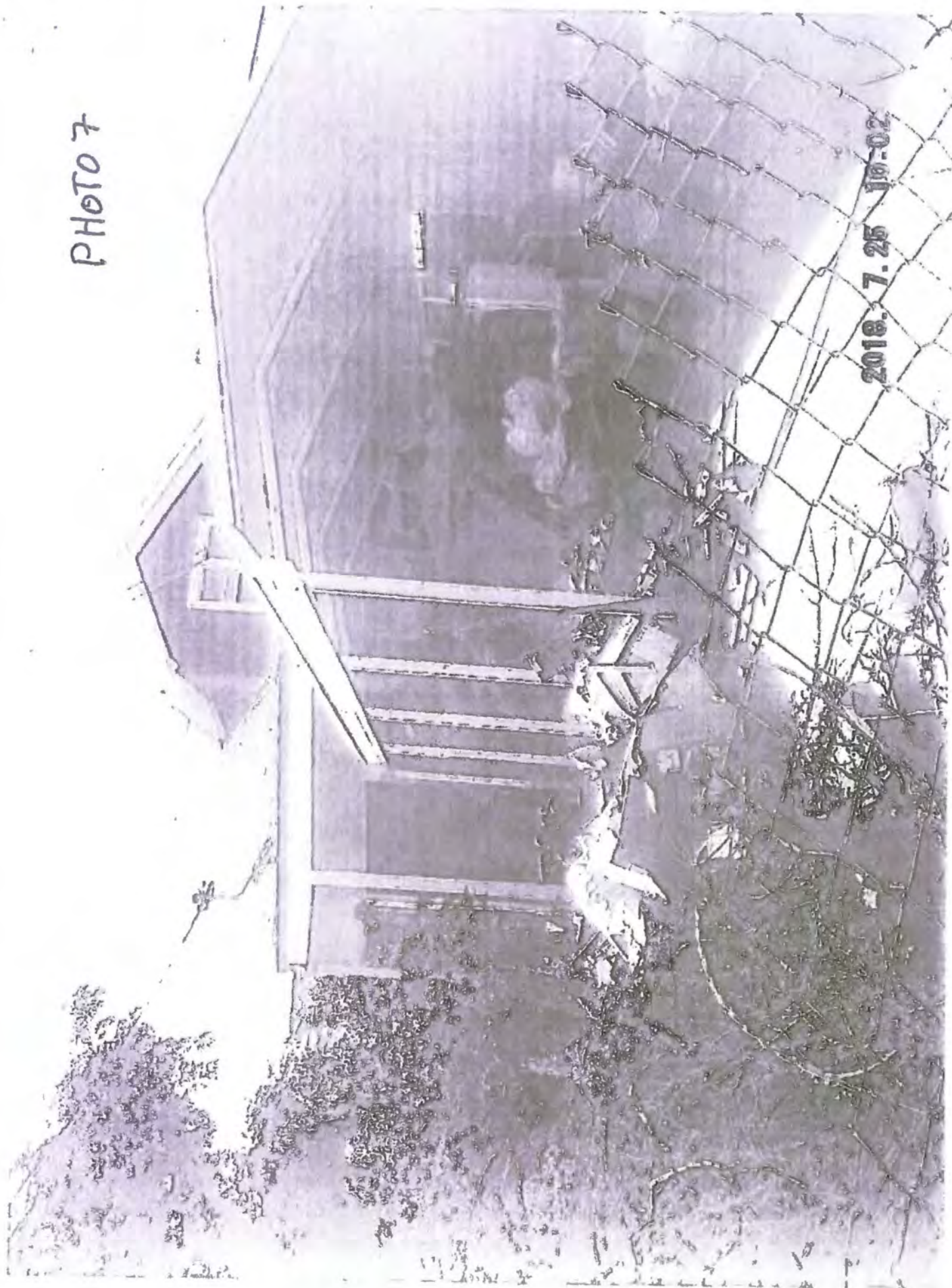


Photo 8

2018/ 7.25 10:02

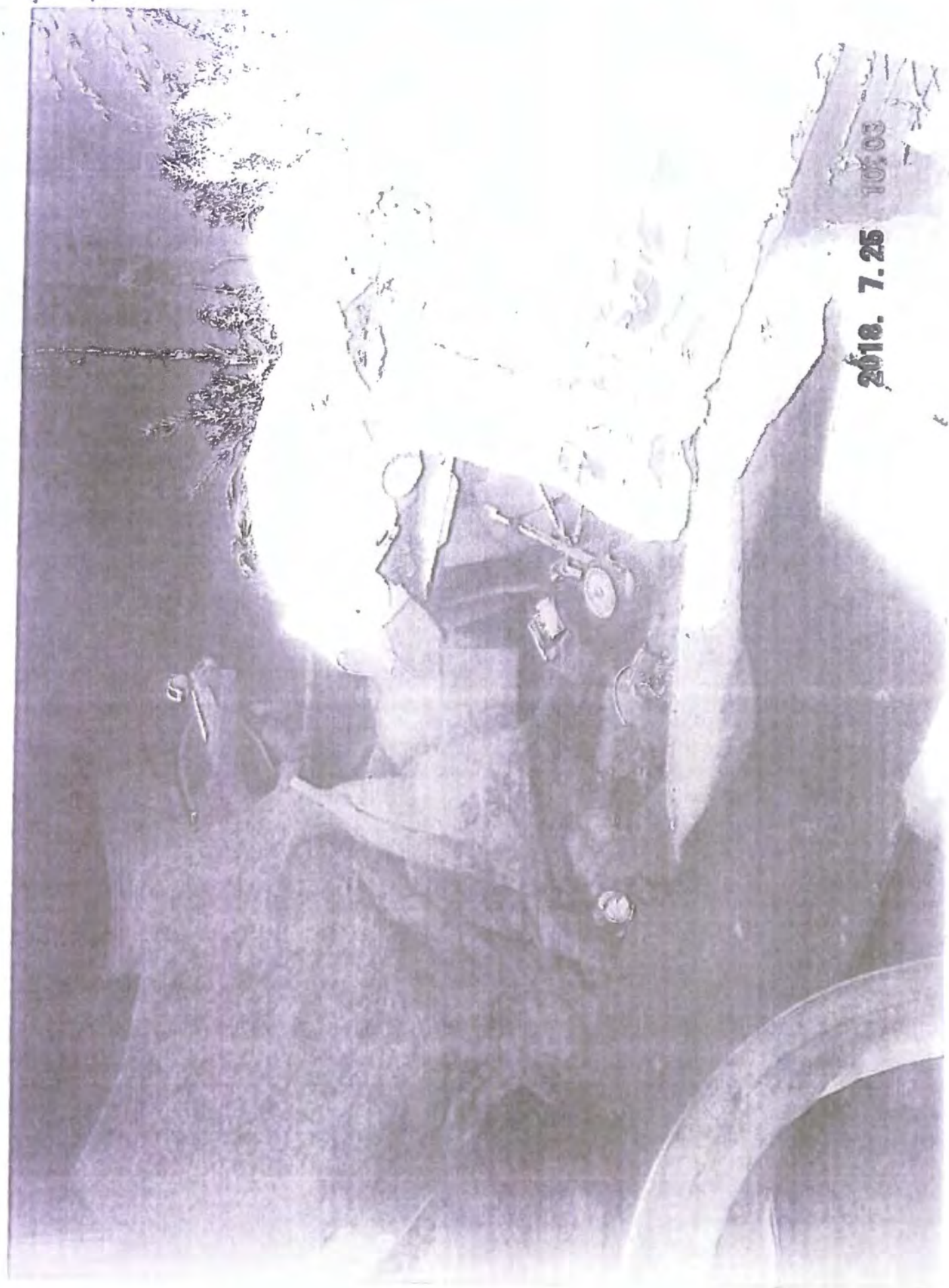




P10109

2018. 7.25 10:01





2018. 7.25 10:03

PHOTO 12

2013 7 25 10 02



2013-07-25

PHOTO 13

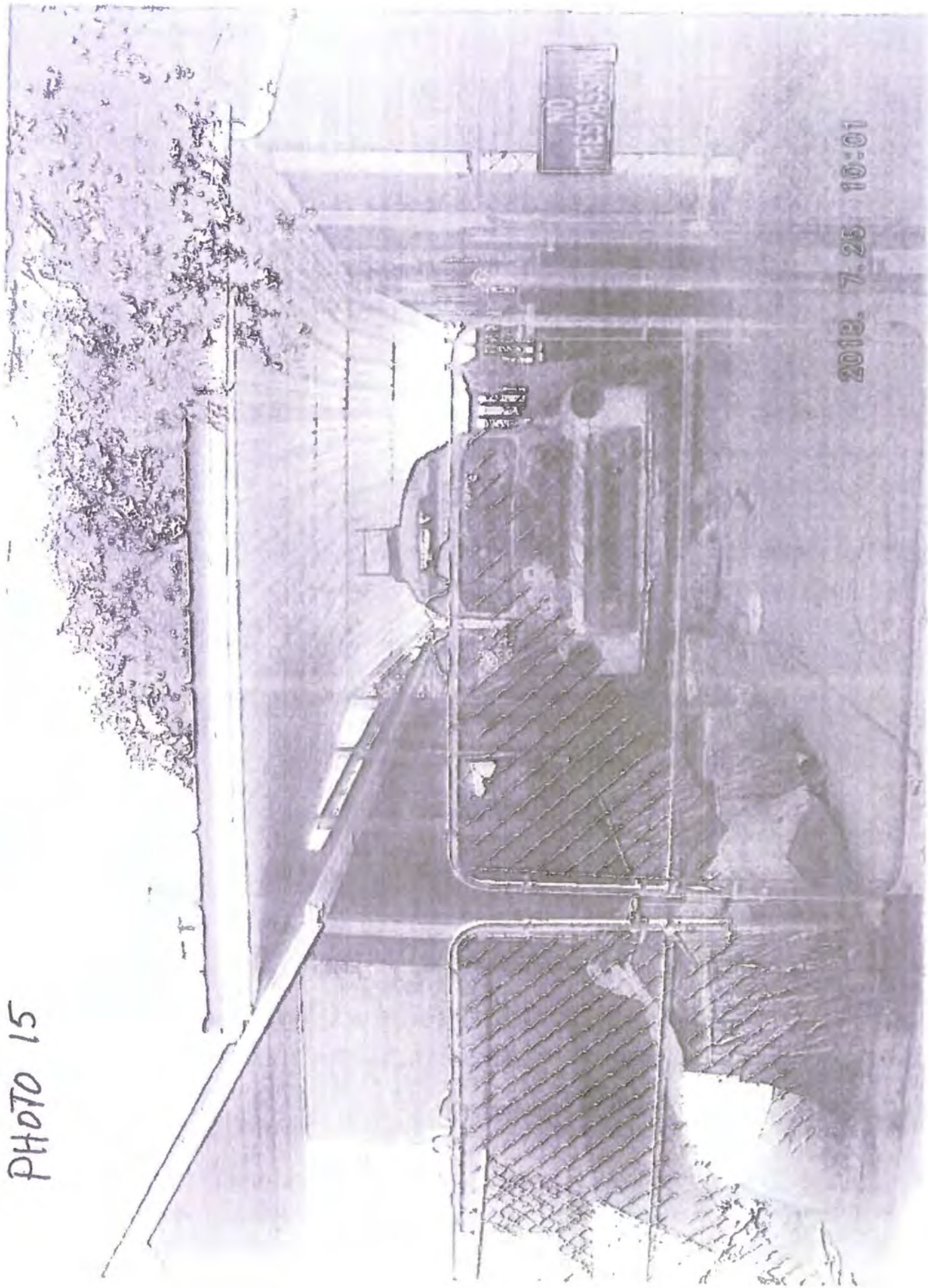




PHOTO

2018/7/25 10:03

PHOTO 15





2018. 7. 25 10:03

PHOTO 17



2018. 7.25 10:03

Thomas J. Coyle, Jr.

From: Curtis Calder <ccalder@elkocitynv.gov>
Sent: Friday, July 27, 2018 4:43 PM
To: Thomas J. Coyle, Jr.
Cc: Kelly C. Wooldridge; Scott A. Wilkinson
Subject: Public Nuisance Issue - 403 Pine Street
Attachments: Public Nuisance Complaint - 403 Pine Street.pdf
Importance: High

Tom,

Attached is a copy of the completed investigation of the conditions at 403 Pine Street. After review of the investigation, I concur with Scott Wilkinson's assessment and request the complaint to be processed through City Council as soon as practical. I hereby authorize the City Attorney's Office to provide any required written notifications, served by certified mail, to the property owner.

Sincerely,

Curtis Calder
City Manager

IEA, DI GRAZIA,
STANTON, LTD
STREET
89801

CERTIFIED MAIL



9214 8969 0099 9790 1624 3129 96

FIRST-CLASS



US POSTAGE

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MAILED FROM ZIP CODE 89801

William Armstrong
403 Pine Street
Elko, NV 89801

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1st NOTICE 10-25
2nd NOTICE 11-6
RETURNED 11-9

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RETURN TO SENDER
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AMENDED – SUPERSEDES PREVIOUS NOTICE OR LETTER

**NOTICE OF MEETING TO CONSIDER CHARACTER, MISCONDUCT,
COMPETENCE OR HEALTH OF A PERSON PURSUANT TO NRS 241.033 AND
241.034**

October 19, 2018

VIA REGULAR AND CERTIFIED MAIL

William Armstrong
403 Pine Street
Elko, Nevada 89801

Re: Notice of Meeting to Consider Character, Misconduct, Competence of a Person And/Or
Possible Adverse Administrative Action Pursuant to NRS 241.033 and 241.034

Dear Mr. Armstrong:

This NOTICE is in connection with an agenda item to consider possible action by the Elko City Council regarding complaints of public nuisance, hazardous health and safety conditions, lack of maintenance which depreciates the enjoyment and use of property in the immediate vicinity to an extent harmful to the community, fly breeding conditions, excessive weeds, excessive abandoned or junk vehicles, excessive accumulation of solid waste and/or other related condition(s) of your property at or near 403 Pine Street, Elko, NV 89801, which may relate to or involve consideration of your character, alleged misconduct, physical or mental health and/or professional competence. The general topics being considered will be the condition of the premises of 403 Pine Street, Elko, Nevada, 89801, and any related activities and/or condition on or about the premises. The City Council meeting/public hearing will be held at its City Council meeting on December 11, 2018 at 5:30 p.m. at the location of 1751 College Avenue in Elko, Nevada. The meeting/public hearing is a public meeting, and you are welcome to attend and have an attorney or other representative of your choosing present during the meeting and present written evidence, provide testimony, and present witnesses relating to your character, alleged misconduct, or professional competence.

The City Council may, without further notice, take administrative action against you at this meeting by making appropriate findings and orders concerning the above referenced items as may be permitted by Title 5 Chapter 1 to declare and abate public nuisances and/or Title 9 Chapter 2 to address excessive accumulation of solid waste. The City Council will not go into closed session regarding this matter. This notice is provided to you under NRS 241.033 and NRS 241.034.

Dated this 19th day of October, 2018.



THOMAS J. COYLE, JR. DEPUTY CITY ATTORNEY, CITY OF ELKO
530 Idaho Street, Elko, Nevada 89801 – Tel. (775) 738-8091

**Elko City Council
Agenda Action Sheet**

1. **Title: Review and consideration of submitted data and/or arguments and determination as to whether the proposed ordinance and fee for BROTHEL LICENSING will impose a direct and significant burden upon a business or directly restrict the formation, operation, or expansion of a business.**

Pursuant to NRS 237.080 the City of Elko notified owners and officers of businesses which may be affected by the fee for BROTHEL LICENSING. Staff has prepared a Business Impact Statement for Ordinance 835, AN ORDINANCE AMENDING TITLE 4, CHAPTER 9, OF THE ELKO CITY CODE ENTITLED "PROSTITUTION" BY ADDING NEW LANGUAGE AND CLARIFYING MATTERS RELATED THERETO; AND RESOLUTION 27-18 AMENDING THE LICENSING FEES OF BROTHELS, and matters related thereto. FOR POSSIBLE ACTION

2. Meeting Date: **December 11, 2018**
3. Agenda Category: **PUBLIC HEARING**
4. Time Required: **15 Minutes**
5. Background Information: **Pursuant to NRS 237.090, a Business Impact Statement has been prepared and must be considered by the City Council prior to the public hearing and adoption for the ordinance and resolution. KW**
6. Budget Information:

 Appropriation Required: **N/A**
 Budget amount available: **N/A**
 Fund name: **N/A**
7. Business Impact Statement: **Required**
8. Supplemental Agenda Information: **Copy of the Business Impact Statement**
9. Recommended Motion: **Approve the Business Impact Statement as written or approve any changes as discussed.**
10. Prepared By: **Kelly Wooldridge, City Clerk**
11. Committee/Other Agency Review: **N/A**
12. Council Action:
13. Agenda Distribution:

**City of Elko
Business Impact Statement**

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed impact of the City of Elko Ordinance 835 and Resolution 27-18.

**AN ORDINANCE AMENDING TITLE 4, CHAPTER 9, OF THE ELKO CITY CODE ENTITLED "PROSTITUTION"
BY ADDING NEW LANGUAGE AND CLARIFYING MATTERS RELATED THERETO.**

27-18 A RESOLUTION AMENDING THE brothel LICENSING FEES of Brothels.

1. The following constitutes a description of the number and the manner in which comment was solicited from affected businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary. NRS 237.090(1)(a)

The ordinance presented for adoption amends various sections of the Prostitution ordinance as follows:

AMENDS THE TITLE OF CHAPTER 9 FROM PROSTITUTION TO BROTHEL; AMENDING THE DEFINITIONS; CLARIFYING LANGUAGE; AMENDS THE LICENSE APPLICATION CONTENTS; AMENDS THE LICENSE APPLICATION, FILING AND INVESTIGATION; AMENDS THE MAXIMUM NUMBER OF BROTHELS IN THE CITY; AMENDS THE ISSUANCE OR DENIAL OF A LICENSE; AMENDS THE LICENSE FEE'S; AMENDS THE WORK PERMIT REGISTRATON REQUIREMENTS; CLARIFY LANGUAGE REGARDING THE MEDICAL EXAMINATIN REQUIREMENTS; REQUIRES TRANSLATORS FOR SEX WORKERS WHEN SPEAKING TO CITY STAFF OR POLICE OFFICERS; AMENDS THE REVOCATION OF LICENSES; AMENDS THE HEARING PROCEDURES; AND INCREASES THE APPLICATION AND LICENSING FEES FOR BROTHELS.

Notice of Proposed Rule

- A notice was published in the Elko Daily Free Press for a period of five days regarding the proposed rule, how to submit comments, and when to submit comments.
- Letters were sent to the owners of each brothel owner as well as the Elko Chamber of Commerce. Names and addresses were obtained directly from the original license application.
- The City Clerk and Chief of Police personally spoke with each brothel owner regarding the proposed changes and comment period.
- Written comments were received by four people and verbal comments were received by one person.

Notice of Public Hearing

The City of Elko will hold a public hearing on **December 18, 2018** commencing at 5:30 p.m. at Elko City Council Chambers, Elko City Hall, 1751 College Avenue, Elko, Nevada. The City of Elko will receive testimony from all interested persons and consider and take action on the following proposed ordinance and resolution. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the City of Elko may proceed to immediately act upon any written submissions.

Summary of Comments:

Written comments are attached.

The one verbal comment received includes: *"Elko is not like Nye County or Lyon County that are both near metropolitan cities. The brothels in Elko do not have the business the larger cities have and the brothel's in Elko make very little profit."*

2. The estimated economic benefit of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects. NRS 237.090(1)(b)

Adverse effects: Various changes in the ordinance and resolution may be considered adverse effects.

- The cost of a license to operate a brothel is going from \$3000 per year to \$10,000 per year.
- The application (investigation) fee is going from \$2500 per applicant to \$5000 per applicant.
- The number of brothel's allowed in the City limits is decreasing by one.
- There will be a cost to the requirement the brothel's provide a translator if necessary.

Beneficial effects: Various changes in the ordinance and resolution may be considered beneficial.

- The language has been updated to current, more respectful terminology.
- The Board can place a licensee on probation rather than a suspension or revocation.
- The requirement to provide a translator is a deterrent for sex trafficking.
- The fee increase will ensure the privileged license is not subsidized by the tax payers as the City will be able to recoup the cost of licensing, investigation, and monitoring of the brothels.

Direct effects: Various changes in the ordinance and resolution could potentially directly effect businesses.

- Brothel owners could decrease the amount of payment received by the sex workers to make up for the increase in the licensing fees.
- Brothel owners could increase the fee to customers to make up for the increase in the licensing fee.

Indirect effects: Various changes in the ordinance and resolution could potentially indirectly effect businesses.

- No indirect effects are known at this time.

3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed ordinance on businesses and a statement regarding whether any, and if so which, of these methods were used: (include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; and if applicable, modifying a fee or fine set forth in the rule so that business would pay a lower fee or fine).

The continued existence of the brothel industry is dependent upon public confidence and trust that licensed prostitution is conducted honestly and competitively and free from criminal and corruptive elements. Public confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of a licensed brothel. Strict regulation includes the necessity for background and investigative fees, and the assessment of fees to ensure compliance with the City ordinance and State law. No applicant has any right to receive a license, and any license issued and received is a revocable privilege to the holder thereof. Therefore, no other methods were considered to reduce the impacts on the operation.

4. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is: NRS 237.090(1)(d)

There is no additional cost and all costs incurred will be covered from the increase in the fees.

5. The proposed rules provides for a new fee or increase in an existing fee and the total amount the local government expects to collect is: NRS 237.090(1)(e)

The proposed rule includes the following fee increase:

Description of Fee	Current Rate	Proposed Rate
Application Fee	\$2500 per applicant	<u>\$5000 per applicant</u>
License Fee	\$3000	<u>\$10,000 per license</u>
Annual Renewal Fee	\$3000	<u>\$10,000 per license</u>

The City estimates collection to be \$40,000 per year for the license. Currently all four brothels are owned, therefore there is no estimation for the application fees.

6. The money generated by the new fee or increase in existing fee will be used by the local government to: NRS 237.090(1)(e)

The money generated by the fee increase will be used to cover the cost of the City of Elko Police Department to complete the investigations and enforce the rules in the ordinance.

7. The proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains when such duplicative or more stringent provisions are necessary: NRS 237.090(1)(f)

The proposed changes are not duplicative or more stringent than existing federal, state or local standards.

Objection to adopted rule: petition; procedure

A business that is aggrieved by a resolution or ordinance adopted by the City Council may object to all or part of the resolution or ordinance by filing a petition with the Elko City Clerk within 30 days after the date on which the rule was adopted. Any petition filed must be based on the following grounds:

1. The City of Elko failed to prepare a business impact statement.
2. The business impact statement prepared did not consider or significantly underestimated the economic effect of the rule on business.

After receiving a petition filed by an aggrieved business, the Elko City Council shall determine whether the petition has merit.

If the governing body determines that the petition has merit, the Council may take action to amend the rule to which the business objected.

If the City Council finds that the petition does not have merit, the Council will take no action to amend the ordinance, resolution or regulation and such ordinance, resolution or regulation will remain in effect.

Conclusion:

Accordingly, pursuant to NRS 237.080(2), a rebuttable presumption is created that the proposed ordinance and resolution _____ impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.

Certification:

CITY MANAGER CERTIFICATION REQUIRED PER NRS 237.090(2):

I, Curtis Calder, as City Manager for the City of Elko, Nevada, hereby certify that, to the best of my knowledge and belief, the information contained in this business impact statement was prepared properly and accurately.

Curtis Calder

Prepared By:

Kelly Wooldridge
City Clerk

Elko City Council
C/O Elko City Clerk, Kelly Wooldridge
1751 College Avenue
Elko, Nevada 89801

November 19, 2018

Re: Resolution No. 27-28

A Resolution amending the Brothel Licensing Fee Rates

Mr. Mayor and Members of the City Council:

We, the undersigned brothel owners in Elko are greatly concerned that the proposed Licensing/Annual Renewal Fees are being more than tripled without sufficient research and feedback of the economic consequences to the affected businesses. In our view, the four Elko brothels are being unfairly compared to brothels elsewhere in the State, as well as other types of lawful businesses within the community.

Our business potential is limited due to the relatively small size of our community, and severe zoning restrictions which limit us to existing locations that are away from freeway access. We have no potential to expand our number of rooms as do other brothels with much higher populations in other areas.

An example is Mustang Ranch in the Reno, Sparks Truckee area with a population of about 500,000. The Mustang (Storey County) annual fee is \$75,000 but we have 6% of that population, so an appropriate proportional fee would be in the range of \$4,500 to \$5,000 annually. Mustang has 30-40 rooms, and out-dating is allowed, where we have a maximum of 7 available rooms, with no out-dating. A recent news article indicates that the Mustang Ranch provides full and part time jobs for 160 people on a multi million dollar payroll, which is enormously more than the relatively modest amount of revenue available to us in Elko.

In addition to the restrictions outlined above, we are also severely limited in our ability to promote and advertise our businesses. Other businesses in Elko enjoy the ability to expand, change locations, and freely advertise. We have an exceptionally high operating costs with night time hours and necessary security.

In comparing our businesses to those in Wells, it is important to note that they enjoy relatively easy freeway access, and have 3 or 4 times the number of rooms that we do. The fee in Wells is set at \$5,000. The businesses in Lyon County also far exceed Elko in terms of number and size.

We do recognize that it is reasonable and appropriate to increase the fees in Elko, as the \$3,000 number has been in place since 2010. However, we do not believe that it is reasonable, or necessary to more than triple the amount to \$10,000. Instead, we would respectfully suggest an increase of \$2,000, which would place the new annual fee at \$5,000. The proposal for \$10,000 clearly imposes "a direct and significant burden upon" our businesses.

Yours respectfully,

Kathleen Ornelas, Owner of Desert Rose

Gabriel Ornelas, Manager of Desert Rose

Louis Goldberg, Owner of Mona's Ranch and Inez's

Raymond Lee, L.L.C.
5677 Alpha Ave
Reno Nevada 89506

Office & FAX: 775 329 2224

Elko City Council
Care of Kelly Wooldridge, City Clerk
Email: cityclerk@elkocitynv.gov

Subject: RESOLUTION NO. 27-18, ORDINANCE AMENDING
TITLE 4, CHAPTER 9, OF THE ELKO CITY CODE ENTITLED
"PROSTITUTION"

Gentlemen:

We are stake holders regarding the above mentioned City Ordinance.
We own the building at 357 Douglas and lease it to Kathleen Ornelas
(the Desert Rose Brothel).

My observation is two fold:

1. The proposed License Fee appears to be excessive. A 400 percent increase in a government fee seems extreme. Our personal concern is the loss of the Red Rose as a tenant could result in a loss of all the income for this Corporation. This is our only property.

2. Regarding the definition of a PERSON:

As the code defines a corporation and partnership as a PERSON:
SECTIONS 4-9-6 A,C and D all place barriers for corporations and partnerships to enter the industry and raise capital. Funds that could be used to improve facilities, provide employee training and benefits and improve public safety in and about the facility are no longer available. This means of acquiring capital, although not presently used, would be the most advantageous way to raise monies. Selling shares to a wide diverse group of individuals would likely result in each owning a small percent of the corporation. Most likely less than 10%, more likely less the 1%, of the outstanding shares would be acquired by individual shareholders. I suggest the City Council reduce their requirements from

"ALL" to stakeholders holding 20% or more interest of a brothel's company stock be required to satisfy this section of the code.

Examples of conflict:

4-9-6

A: "Any Financial interest in the Brothel"

If the stock were correctly marketed this could be tens of thousands of stock holders, with most avoiding their names and addresses being on a public venue.

C: "A resent photograph and complete set of fingerprints of all persons listed in Subsection A"

Nobody will buy a publicly traded stock for a few hundred dollars that has this heavy financial and reporting burden.

D: "Names and address of all businesses"

This requirement would stop any investor, trust fund or individual from purchasing shares in this company. This section creates a significant burden to all investors.

I will attend your City Council meeting on December 11, 2018. If appropriate feel free to have your staff contact me by phone or email if I can be of assistance.

Sincerely



Keith J Bantz

Managing Member

keith@mfghousing.biz

Upon introduction by _____, seconded by _____, the following Resolution and Order was passed and adopted:

**CITY OF ELKO
RESOLUTION NO. 27-18**

A RESOLUTION AMENDING THE brothel LICENSING FEES

WHEREAS, pursuant to Elko City Code allowing the City to impose by resolution various fees for services, and

WHEREAS, the Elko City Council has identified the need to adjust the application fee rates and licensing fee rates for brothels licensed pursuant to Elko City Code Title 4 Chapter 9

NOW THEREFORE BE IT RESOLVED AND ORDERED by the City Council that the following fee schedule be adopted until further action is taken by the Elko City Council to amend, delete, or otherwise change same.

BROTHEL FEE RATES:

Description of Fee	Current Rate	Proposed Rate
Application Fee	\$2500 per applicant	<u>\$5000 per applicant</u>
License Fee	\$3000	<u>\$10,000 per license</u>
Annual Renewal Fee		<u>\$10,000 per license</u>

IT IS FURTHER RESOLVED, that upon adoption of this Resolution by the City Council, it shall be signed by the Mayor and attested to by the City Clerk and shall be in full force and effect _____.

Passed and adopted this _____ day of _____, 2018.

CITY OF ELKO

CHRIS JOHNSON, Mayor

ATTEST:

Kelly Wooldridge, City Clerk

VOTE:

AYES:

NAYS:

ABSENT:

ABSTAIN:

CITY OF ELKO
ORDINANCE NO. 835

AN ORDINANCE AMENDING TITLE 4, CHAPTER 9, OF THE ELKO CITY CODE ENTITLED
"PROSTITUTION 4" BY ADDING NEW LANGUAGE AND CLARIFYING MATTERS
RELATED THERETO.

WHEREAS, the City of Elko desires to amend the City Code to provide clarification regarding the requirements applicable to the privilege license needed to operate a house of prostitution;

WHEREAS, the City Council desires to enact this ordinance amending and adding sections to Title 4, Chapter 9 of the Elko City Code entitled "Prostitution," clarifying certain provisions and incorporating various requirements set forth in the Nevada Revised Statutes.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ELKO DOES ORDAIN:

For amendment purposes, words in bolded italics and underlined is new language; words crossed-out are material to be omitted.

Section 1: Title 4, Chapter 9, is hereby added to read as follows:

BROTHELS

- 4-9-1: PRIVILEGE LICENSE:
- 4-9-2: PROSTITUTION NOT AN OFFENSE OR NUISANCE:
- 4-9-3: UNLAWFUL UNDER CERTAIN CONDITIONS:
- 4-9-4: DEFINITIONS:
- 4-9-5: LICENSING AND CONTROL BOARD CREATED:
- 4-9-6: LICENSE APPLICATION, CONTENTS:
- 4-9-7: LICENSE APPLICATION, FILING AND INVESTIGATION:
- 4-9-8: LICENSE RESTRICTIONS:
- 4-9-9: **BOARD MAY IMPOSE OTHER RESTRICTIONS:** 4-9-10: ZONING:
- 4-9-11: LICENSE ISSUANCE:
- 4-9-12: LICENSE FEES:
- 4-9-13: WORK PERMIT REGISTRATION REQUIREMENTS:
- 4-9-14: **MEDICAL EXAMINATION REQUIRED OF ALL SEX WORKERS:**
- 4-9-15: GENERAL PROVISIONS:
- 4-9-16: REVOCATION OF LICENSES:
- 4-9-17: EXCEPTION TO HEARING PROCEDURE (EMERGENCY SUSPENSION OF BROTHEL LICENSE):
- 4-9-18: LICENSE NOT TRANSFERABLE:
- 4-9-19: **DEATH OR RESIGNATION OF PERSON LISTED ON LICENSE:**

4-9-20: CRIMINAL PENALTY:

4-9-21: SEPARABILITY:

4-9-1: PRIVILEGE LICENSE:

No applicant for a license under this chapter or other matter requiring affirmative Board approval in order to operate a brothel has any right to the license or the granting of the approval sought. Any license issued or other Board approval granted pursuant to the provisions of this chapter is a revocable privilege and no holder, licensee or other recipient of the license or approval acquires any vested right therein or thereunder.

4-9-2: PROSTITUTION NOT AN OFFENSE OR NUISANCE:

The operation of a brothel or house of prostitution within the city in accordance with the provisions of this chapter does not constitute a public nuisance or an offense to public decency.

4-9-3: UNLAWFUL UNDER CERTAIN CONDITIONS:

A. It is unlawful for any person, firm or corporation to engage in prostitution, or keep, own or operate a brothel or house of prostitution of any description within the city, except as provided in this chapter.

B. It is unlawful for any owner, operator, bartender, manager or other employee of a licensed brothel to allow any person to practice prostitution or to solicit business for a sex worker or to procure any person for the purpose of prostitution within the city, except within the premises of a licensed brothel and within the boundaries of the restricted commercial district as set forth in the city zoning code. There will be no "out dates;" accordingly, sex workers shall not be hired from a brothel for the purpose of prostitution to accompany a customer outside the brothel at which the sex worker is employed. All soliciting of prostitution and acts of prostitution must take place inside the premises of a licensed brothel.

C. In the trial of any case arising under the provisions of subsection A or B of this section, evidence of general reputation shall be relevant and admissible evidence as to the question of the ill fame of any brothel and to the question of the ill fame of any person alleged to be practicing prostitution.

4-9-4: DEFINITIONS:

As used in this chapter, the following words will be defined as follows:

APPLICANT: Any person applying to the Board for a license under the provision of this chapter, together with all persons listed in subsections 4-9-6A and B of this chapter.

BOARD: The city council of the city of Elko.

BROTHEL: A business that offers or provides prostitution.

CITY CLERK: The city clerk of the city of Elko.

EMPLOYED: *Hired as an employee or independent contractor.*

HOUSE OF PROSTITUTION: Any building or other structure in which prostitution is offered or provided, to include a house of ill fame or bawdy house.

LICENSEE: *A person to whom a license has been issued under this chapter.*

LICENSE FEE: *Any money required in accordance with this chapter to be paid to the city to obtain, amend or renew a license under this chapter.*

PERSON: *A natural person, any form of business or social organization and any other nongovernmental legal entity including, but not limited to, a corporation, partnership, association, trust or unincorporated organization. The term does not include a government, governmental agency or political subdivision of a government.*

POLICE: The police chief of the city of Elko.

PROSTITUTION: *Engaging in sexual conduct with another natural person in return for a fee, monetary consideration or other thing of value.*

SEX WORKER: *A natural person who for a fee, monetary consideration or other thing of value engages in sexual intercourse, oral-genital contact or any touching of the sexual organs or other intimate parts of a person for the purpose of arousing or gratifying the sexual desire of either person..*

WORK CARD OR WORK PERMIT: A permit issued by the police to applicants who meet the requirements of this chapter permitting the applicant to perform work authorized by this chapter.

4-9-5: LICENSING AND CONTROL BOARD CREATED:

A. City Council Designated: The city council, referred to herein as the "Board," shall act as a prostitution licensing and control board.

B. Duty: It shall be the duty of the Board to carry out and enforce the provisions of this chapter.

C. **The Board, by resolution, shall promulgate a schedule of the fees required by this title. The schedule of fees may be amended from time-to-time by resolution of the Board.**

D. Powers: Powers of the Board shall include, but shall not be limited to, the power to:

1. Receive all license applications submitted under the provisions of this chapter;
2. Investigate all applicants for a license under the provisions of this chapter;
3. Grant or refuse to grant the license provided for in this chapter;
4. Receive complaints concerning alleged violations of this chapter;
5. Revoke or temporarily suspend or place restrictions and conditions on licenses issued under the terms of this chapter;

6. Place licensees on probation;

7. Exercise any proper power and authority necessary to perform its duties pursuant to this chapter; and

8. Hear appeals from decisions of the police.

The powers of the Board enumerated above are not exclusive and shall not be interpreted in such a manner as to limit any other powers that the Board may otherwise possess.

4-9-6: LICENSE APPLICATION, CONTENTS:

Any person desiring to own or operate a brothel within the city (individually or collectively referred to as the "applicant" or "applicants") shall first apply to the Board for a brothel license. The license application shall satisfy the following requirements and contain the following information about the owner, the operator and any person who will act on behalf of the owner or operator as a manager or other agent with management authority, together with all other information identified in each subsection pertaining to the brothel and the house of prostitution:

A. Names, ages and addresses of all persons who have or will have any financial interest in the brothel or house of prostitution, including the owner of the real property if the real property is leased to the owner or operator of the brothel;

B. Names, ages and addresses of persons who are or will be personally responsible for the conduct and management of the brothel;

C. A recent photograph and complete set of fingerprints of all persons listed in subsections A and B of this section;

D. Names and addresses of all other businesses in which the applicant has any financial interest, including the type of such business and the nature of the applicant's interest;

E. Names and addresses of all employers of the applicant for the preceding ten [five (5) years;] 10 years;

F. All of the applicant's addresses for the preceding ten [five (5) years;] 10 years;

G. A list of all prior convictions of the applicant for any crime, excluding minor traffic violations, which list shall include a statement of the offense, the place of its occurrence, the date of its occurrence, and the disposition of the case;

H. A complete and accurate financial statement of the applicant, together with an audit of the applicant's finances conducted by a licensed certified public accountant;

I. The street address of the property upon which the proposed brothel is to be operated, together with copies of all deeds, mortgages, deeds of trusts, liens or other encumbrances, leasehold interests, or other interests in or relating to the house of prostitution;

J. Names, ages and addresses of all persons with leasehold interests in the house of prostitution;

K. The business history of the applicant with respect to brothels and houses of prostitution, to include prior or concurrent ownership, management, employment or any other legal relationship the applicant has or has had with a brothel or house of prostitution;

L. Whether the applicant, in previously operating any business at any location in the United States, has had a business license or privilege license revoked or suspended and, if so, the reason(s) therefor and a description of the business activity or occupation that was subject to the suspension or revocation;

M. Any information needed to update or correct any information required by this chapter that is already on file with the city;

N. Any other information reasonably deemed necessary or useful by the Board.

All information required under this section shall, upon enactment of this ordinance and thereafter, be promptly updated and corrected by the applicant whenever necessary to ensure that all such information on file with the city is current and accurate.

4-9-7: LICENSE APPLICATION, FILING AND INVESTIGATION:

A. Filing; Investigation Fee: All license applications submitted under the provisions of this chapter shall be filed with the city clerk, ~~{along with a nonrefundable two thousand five hundred dollar (\$2,500.00) investigation fee. If the actual total cost of investigating any license application exceeds two thousand five hundred dollars (\$2,500.00) the applicant shall be responsible for and pay the city the amount in excess of two thousand five hundred dollars (\$2,500.00).}~~ along with a non-refundable fee in an amount set by resolution of the Board.

B. Investigation: Upon presentation of any license application to the city clerk, the city clerk shall refer such application to the police for investigation. The police shall conduct a full investigation of all information contained in the license application, which investigation shall include, but shall not be limited to, the following:

1. A complete review of all records of the Federal Bureau of Investigation and any other appropriate governmental organization concerning the criminal record of any applicant;
2. A personal interview with each applicant;
3. An interview, either personal or by mail, with all employers of the applicant and business associates of the applicant, as shown in the license application;
4. An examination of the financial statement and financial background of the applicant; and

5. Any other investigation reasonably deemed necessary by the police.

C. Report of Investigation Results: ~~Within thirty (30) days~~ The police shall report the results of the foregoing investigation in writing to the Board, which report shall include, but shall not be limited to, the following:

1. A complete statement of the results of all portions of the investigation;
2. A list of any errors or omissions found in the application;
3. An evaluation of the personal qualifications, and financial status and background of the applicant.

D. Board Action: Within thirty (30) days after receiving the foregoing police report, the Board may:

1. Refer the application back to the police for additional investigation;
2. Require a personal interview with the applicant;
3. Require the applicant to submit additional information relative to the application; and/or
4. Grant, conditionally grant or refuse to grant a license under the provisions of this chapter.

E. Refusal to Grant License: The Board may refuse to grant a license to any applicant based on a determination that the applicant or the application fails to satisfy any of the requirements of this chapter, or because granting the application would not be in the best interest of public health, safety or welfare. The Board may take into consideration any recommendation provided by the police in refusing to grant a license to an applicant.

F. Revocation or Suspension of License. The Board may permanently revoke, or temporarily or conditionally suspend a license issued under this chapter; provided, the revocation or suspension shall be for cause; further provided, the revocation or suspension shall be made by the Board following a public hearing conducted in accordance with this chapter; further provided, in the event a license is revoked or suspended, the licensee or former licensee shall not be entitled to a refund of any money previously paid to the city for or in anticipation of issuance of the license.

G. The following shall, without limitation, constitute grounds for refusal to grant a license to an applicant, or revocation or suspension of a license by the Board:

1. The applicant/licensee or the applicant's/licensee's spouse or any other individual listed on the application that would have any interest in the brothel, has been convicted of a felony;
2. The applicant/licensee is financially insolvent or is inadequately financed;
3. The applicant/licensee has a history of financial instability;

4. The applicant/licensee has willfully omitted or incorrectly stated any material fact in the license application;
5. The applicant/licensee has a financial interest in or is associated with a business that is illegal where the business is located;
6. The issuance of a license to the applicant or the retention of a license by the licensee would be contrary to the health, welfare or safety of the city or its residents;
7. The house of prostitution is not in the correct zoning district;
8. The applicant/licensee has one or more business relationships with persons who would be denied a license for reasons other than financial instability or insolvency.
9. The applicant/licensee is a foreign business association that is not properly registered with the Nevada Secretary of State.
10. The applicant/licensee is a Nevada business association that is not in active status with the Nevada Secretary of State.
10. The applicant/licensee intends to utilize a manager or other agent to operate the brothel when the owner is not present and the manager or other agent would not qualify for a license under this chapter.
11. A person who would not qualify for a license under this chapter has an ownership or possessory interest in the brothel or house of prostitution.
12. The maximum number of brothels permitted under this chapter has been reached.

H. Resubmittal; Time Limit: Upon denying any application for a license under the provisions of this chapter, the applicant shall have thirty (30) days within which to cure any defect in the application, and such application may be again submitted to the Board for reconsideration within thirty (30) days after such denial.

4-9-8: LICENSE RESTRICTIONS:

Every license issued under the provisions of this chapter shall have the following restrictions:

- A. Violations Not Permitted: No operation may be conducted in violation of any applicable city, county, state or federal ordinance, statute or regulation.
- B. Maximum Number Permitted: The maximum number of brothels permitted within the city limits is ~~five (5)~~ four (4).

4-9-9: BOARD MAY IMPOSE OTHER RESTRICTIONS:

The Board may, in its discretion and to promote the health, safety and welfare of the people of

the city, and to promote the orderly conduct of the operation, impose additional restrictions, including, but not limited to, the following:

- A. Limitation on the number of sex workers that may be working in a brothel;
- B. Limitation on the type, signing and size of building in which a brothel may be operated;
- C. The Board may impose restrictions pursuant to this section prior to, during or after issuance of license;
- D. The police may issue procedural rules for the purpose of administering this chapter. All such rules shall be distributed to affected applicants and licensees prior to implementation. Rules issued by the police pursuant to this section shall be consistent with this chapter, must be approved by the Board before going into effect, and may be rescinded by the Board at any time.

4-9-10: ZONING:

No license shall be issued without the prospective licensee first obtaining proper zoning for the proposed house of prostitution.

4-9-11: LICENSE ISSUANCE:

- A. Content of License: Upon approval of all applications associated with a brothel, the Board shall issue a license for the brothel to the applicant, which license shall state:
 - 1. The name and address or location of the brothel;
 - 2. Any restrictions or limitations imposed by the Board under section 4-9-9 of this chapter;
 - 3. The date of issuance of the license;
 - 4. The date of expiration of the license.
- B. Term of License: All licenses shall be issued for a term of no more than one (1) year, commencing on January 1 of the year the application was approved or the date of approval, whichever is later, and continuing thereafter until January 1 of the following year.
- C. Renewal: No later than thirty (30) days before the expiration date of any license, in the event the licensee seeks to continue to operate the brothel for an additional year after the term, the licensee shall apply to the city clerk, on forms provided by the city, for a renewal. The city clerk shall forthwith notify the police that a renewal application has been filed, and if any written complaint regarding the brothel shall have been received during that current license period, the police may cause the renewal application to be placed on the agenda of the next Board meeting, at which meeting the Board shall either renew or deny the license. If placed on the agenda, the Board shall conduct a hearing, and may summon witnesses, interview the licensee, interview any complainant, require additional investigation by the police, or do any and all other acts which the Board deems necessary or appropriate for its determination. If no such

complaints have been received, the city clerk shall issue the renewed license upon compliance with and subject to the provisions of this chapter.

D. Failure to Renew: Failure of any licensee to apply for a renewal in the manner required by subsection C of this section shall be grounds for the Board to revoke the license at its first regular meeting in January. Any license thus revoked may be reinstated only upon compliance by the licensee with all requirements of this chapter applicable to original license applications.

E. Changes in Ownership: In the event a brothel is owned by a business association, the business association shall not acquire a new owner unless:

1. The licensee furnishes to the police a list of all proposed persons who desire to acquire an interest in the brothel.

2. The Board approves the new owner(s) in accordance with the same substantive and procedural requirements applicable to new license applicants; and

3. The brothel pays a nonrefundable investigation fee in an amount set by resolution of the Board.

4-9-12: LICENSE FEES:

A. Required: Every licensee shall pay a fee set by resolution of the Board for the privilege of operating a brothel in the city. The fee shall be paid annually or semiannually, as determined by resolution of the Board.

B. Timing of Payment; Due Date; Termination: The licensee fee shall be submitted with the annual renewal application form, which shall be due on or before December 15 of each year during the term of the license. The failure of a licensee to submit a complete application and license fee in the proper amount on or before December 15 shall result in the termination of the license at the end of the current term.

C. Fee Increases: The license fee may be increased from time-to-time by resolution of the Board.

D. Partial Years; Timing of Payment; Fee Amounts: The amount of the license fee for a license granted for a portion of a calendar year which becomes effective on or before June 30 of that year shall be the amount required for a full year. The amount of the license fee for a license that becomes effective after June 30 shall be one-half of the amount required for a full year.

4-9-13: WORK PERMIT REGISTRATION REQUIREMENTS:

A. Permit Required: It is unlawful for any person to work as a sex worker, bartender or manager at a brothel, or for any employee, independent contractor or agent of the brothel, to reside on the premises of a licensed house of prostitution, unless such person is the holder of a valid current work permit issued by the police in accordance with this chapter.

B. Registration: Every sex worker, bartender, manager or employee working and/or residing on the premises of a licensed house of prostitution shall be registered with the police on a form provided by the police, referred to herein as a "work card," which shall include:

1. The name, age, address, physical description and current picture identification of the applicant, together with a certified copy of the person's birth certificate;
2. A full set of fingerprints of the person, which shall be updated every six (6) years;

3. All street and mailing address(es) of the person;

5. Complete criminal record of the person, including all convictions, except minor traffic violations, which record shall include a list with a statement of each offense, and for each offense, the place of its occurrence, the date of its occurrence, its severity and its disposition;

6. The work card application for a sex worker must be accompanied by either an application fee in an amount set by resolution by the Board or an annual renewal or revision fee in an amount set by resolution by the Board;

7. The work card application for a person who is not a sex worker must be accompanied by an application fee in amount equal to the fee required to obtain a bar employee work permit under title 5, chapter 11 of this code;

8. The work card shall be renewed annually.

9. A work card for a sex worker must be renewed each time the sex worker commences work at a different brothel within the city.

C. Investigation: The police shall investigate, through all available means, the accuracy of all information supplied by any applicant on the registration form.

D. Prohibited Employees: No person may work as a sex worker or bartender, manager, or an as employee, independent contractor or other agent who resides on the premises of a licensed house of prostitution, who:

1. Has been convicted of the possession, use, sale or furnishing of any narcotic, hallucinogenic or dangerous drug within the past five (5) years;
2. Is on probation resulting from a conviction of a felony;
3. Has been convicted of any crime involving theft, embezzlement or misappropriation of funds within the past five (5) years;
4. Has been convicted of any crime involving violence or the use of any deadly or dangerous weapon within the past five (5) years;

5. Has been convicted of any crime involving the illegal use of firearms within the past five (5) years;

6. Has willfully made any false statement or omission in the registration form required by subsection B of this section; or

7. Is a person under twenty-one (21) years of age.

E. Denial Or Revocation Authority: The police will have the authority to deny or revoke the work permit of a sex worker or of a bartender, manager, or of an employee, independent contractor or other agent who resides on the premises of a house of prostitution, who does not qualify under this section or who is found to be violating this code or state law. The person whose work card has been denied or revoked may file an appeal to the Board within thirty (30) calendar days from the date in which the work card was denied or revoked.

F. Card Requirements; Restrictions:

1. Each sex worker, bartender, manager, and each employee, independent contractor or other agent who resides on the premises of a house of prostitution, shall file and maintain a current work card with the operator of the brothel before commencing work at the brothel. No work card shall be transferable. All work card shall state the name of the licensed brothel where the work card holder works. No sex worker shall change his or her place of work from one brothel to another without first notifying the police of the proposed change and obtaining a revised work card.

2. No person may possess more than one work card at a time or work for more than one brothel at a time.

G. Security Requirements/Inspections for Brothels:

1. A brothel may be operated with business entrance and exit doors that are either locked or unlocked. If the brothel elects to keep the business entrance and exit doors unlocked, they must remain unlocked at all times during posted business hours and the business hours must be posted on the entrance door. Upon complying with these conditions, the brothel need not provide keys to the police chief. If the brothel elects to keep the business entrance and exit doors locked during business hours, the owner or manager shall provide the police keys to all entrance and exit doors of the brothel. If door locks are changed, then current keys must be immediately provided to the police.

2. a. A brothel license granted pursuant to section 4-9-1 of this chapter is a revocable privilege. By applying for and receiving a brothel license, a person thereby gives consent and authorizes the police, or any other authorized representative of the city to enter the brothel business premises or any part of the house of prostitution under the control of the licensee and the principal office of the brothel at any time during brothel business hours for the purpose of examining the premises or the books of account of the brothel to ascertain the truth or veracity of statements made on the brothel license application and to verify that the licensee and the brothel are in compliance with requirements of the license, this code and state law.

b. The person in charge of a licensed brothel shall cooperate with the State Board of Health or any other agency with jurisdiction during:

(1) Any investigation into the circumstances or cause of a case or suspected case, or of an outbreak or suspected outbreak of an infectious, contagious or communicable disease;

(2) The carrying out of measures for the prevention, suppression or control of an infectious, contagious or communicable disease, including procedures of exclusion, isolation and quarantine; and

c. The failure of an owner, manager, employee, independent contractor or agent of a brothel to cooperate with an inspection authorized by this section:

(1) shall be grounds for the revocation or suspension of the brothel license; and

(2) shall be punishable as a misdemeanor as provided in section 1-3-1 of this code.

4-9-14: MEDICAL EXAMINATION REQUIRED OF ALL SEX WORKERS:

A. Examination Requirements: Every licensee shall ensure that the requirements of the State Board of Health or any other agency with jurisdiction are satisfied and that all medical examinations required by state statutes and regulations, this code and the license, are undergone by all sex workers working at the brothel. The foregoing medical examinations shall:

1. Be performed at least once a week. Medical examinations must be completed and the examination results made available to the police by each Friday of the week prior to medical exam record checks being conducted by the police department;
2. Be performed by or under the supervision of a physician or doctor of osteopathy duly licensed to practice medicine in this state;
3. Include all tests specified by the State Board of Health for the detection and diagnosis of sexually transmitted diseases including, but not limited to, weekly tests for gonorrhea and chlamydia; and a monthly blood test for syphilis and human immunodeficiency virus (HIV), which tests shall be processed at a licensed and approved clinical laboratory;
4. Include monthly tests approved by the State Board of Health for the detection of HIV. Appropriate specimens are to be submitted to and processed at a licensed and approved medical laboratory;
5. Include other medically approved tests deemed advisable by the physician or doctor of osteopathy for determining whether the sex worker is afflicted with any infectious, communicable or contagious disease;
6. Be performed at the location of the licensed operation, at the physician's office, at a hospital or clinic, as determined by the physician;

7. Have all samples and specimens submitted to a state licensed and approved medical laboratory for testing, with all tests performed and reported in accordance with NAC 441A.800 et seq. and all other applicable state requirements; provided, without limitation, no person may work as a sex worker at a brothel if such test results show the presence of chlamydia, syphilis, gonorrhea or the antibody to the human immunodeficiency virus.;
8. a. Sex workers who have registered with the police department but are awaiting the required test results may reside at the house of prostitution. The owner and the manager shall ensure that all sex workers awaiting test results and residing at the house of prostitution remain off the floor, which includes the bar area, and that such sex workers do not engage in any type of sexual activity until such test results have been received from the physician or doctor of osteopathy who performed the examination;
- b. If any sex worker's test results are positive for an infectious, contagious or communicable disease, the sex worker must be pulled off the brothel floor immediately and the sex worker's work card turned over to the police department. The sex worker must wait at the house of prostitution until the State Board of Health notifies the city that it has contacted the sex worker. Once contact by the State Board of Health with the sex worker has taken place, nothing in this chapter shall prohibit the sex worker from leaving the premises of the house of prostitution. If the sex worker chooses to remain at the house of prostitution, the sex worker must remain off the floor, which includes the bar area, and not engage in any type of sexual activity until a clearance to return to work has been communicated to the police department by the physician or doctor of osteopathy who performed the examination;
9. The owner or, if the owner is not physically present, the manager of the brothel, shall to notify the police department when a sex worker leaves the brothel for any period in excess of 24 hours. Prior to returning to work after an absence of more than 24 hours, a sex worker must get a medical examination, must obtain a clearance from a licensed physician or doctor of osteopathy, and must pick up his or her work card at the police department;
10. All sex workers shall be tested to determine if they are infected with the hepatitis B virus (HBV) by a licensed and approved medical laboratory. If antibody testing shows a positive result for HBV, the sex worker will not be issued a work permit. If the results of the HBV are negative, it will be the responsibility of the sex worker to follow up with the vaccine series. Sex workers who are undergoing the hepatitis B vaccine series shall not be prohibited from working in a licensed brothel.
- B. Physician Duties: After performing the examination required in subsection A of this section, the examining physician or doctor of osteopathy shall:
1. Notify the Police Department of every person examined and found not to be infected with a sexually transmitted, infectious, contagious or communicable disease;
 2. Notify the Police Department of every person examined and found to be infected with a sexually transmitted, infectious, contagious or communicable disease;
 3. Report the results of such examinations weekly to the police;

4. If any sex worker examined is found to be infected with a sexually transmitted, infectious, contagious or communicable disease, the physician or doctor of osteopathy shall immediately notify the police and the brothel owner, operator and manager of such condition.

C. Denial Based On Positive Result of Test: No person who has been found to be infected with a sexually transmitted, infectious, contagious or communicable disease by an examining physician or doctor of osteopathy may again work as a sex worker in any brothel until such person has received and presented to the police examination results from an examining physician or doctor of osteopathy stating that the disease which resulted in the denial of the work permit has been cured and that the person is now free of any sexually transmitted, infectious, contagious or communicable disease.

D. Authority of Board: Nothing contained in this section shall prevent the Board on its own motion or upon complaints or reports from any person, from inquiring into the existence of any condition on the premises of any brothel or house of prostitution which might constitute or cause a health hazard.

4-9-15: GENERAL PROVISIONS:

A. Minors:

1. It is unlawful for any person under the age of twenty-one (21) years, except as otherwise specified in this chapter, to enter a house of prostitution or be a patron of any brothel.
2. It is unlawful for any licensee, or for any sex worker or employee of such licensee, to compel, entice, encourage, permit or suffer any person under the age of twenty one (21) years, to enter a house of prostitution or be a patron of any brothel.

B. Advertising: It is unlawful for anyone who is not properly licensed by the city to own or operate a brothel, to advertise prostitution within the city by use of print, television or radio media, computers, flyers, CB radio, telephone books or any other form of advertising.

C. Work Without Permit: It is unlawful for any brothel, licensee or employee of any licensee to allow any sex worker, bartender or manager, or any employee who resides on the premises of a house of prostitution, to work for or on behalf of a brothel without that person first obtaining a valid work card from the police. Notwithstanding the foregoing, persons performing part time maintenance or repair work or delivering supplies to a brothel or house of prostitution are not required to obtain a work permit for the performance of such duties unless they reside on the premises of the brothel or within the house of prostitution.

D. Translators: In the event a sex worker does not speak fluent English, the brothel shall, at its own expense, promptly supply a translator whenever communication between the sex worker and city staff is requested by either the sex worker or the city or otherwise required. The foregoing includes, without limitation, the requirement that the brothel supply a translator whenever a police officer seeks to communicate

directly with a sex worker. The translator must be a natural person who is properly trained and competent to translate between English and the native language of the sex worker. The translator may be present by telephone or other electronic means, so long as the means of communication is reliable and audible. The failure to provide a translator pursuant to this subsection shall, without limitation, be grounds for revocation or suspension of a brothel license.

4-9-16: REVOCATION OF LICENSES:

A. Causes: The Board may revoke or temporarily suspend any license issued under the provisions of this chapter or place a licensee on probation with or without conditions for any of the following causes, which list of causes is not intended to be exclusive:

1. Any cause that would constitute grounds for denial of a license under subsection 4-9-7E of this chapter;
2. Violation by the licensee of any provision of this chapter;
3. Violation by any sex worker, or other person who works on a regular daily or weekly basis for a brothel or in a house of prostitution, of any provision of this chapter with respect to which the licensee knew or should have known of the violation;
4. The licensee, with actual or constructive knowledge, permits the existence of any unlawful activity, or health or safety hazard, within the house of prostitution;
5. The licensee employs a person as a sex worker when such person has not received a health examination as required by section 4-9-14 of this chapter;
6. The licensee employs a person as a sex worker without having immediately available for inspection a current report from an examining physician or doctor of osteopathy verifying that the sex worker is free of any sexually transmitted, infectious, contagious or communicable disease;
7. Willful refusal of the licensee to comply with any order of the Board issued under the provisions of this chapter;
8. Any cause for revocation or suspension listed or described in this chapter; or
9. Any other cause which the Board may determine, in its sound discretion, to be harmful or injurious to the health, welfare or safety of the general public.

B. Action of Board: Before action is taken pursuant to subsection A of this section to revoke or suspend a brothel license or to place a licensee on probation, unless an alternative procedure is specified elsewhere in this chapter, the Board shall:

1. Conduct a hearing to determine the existence of the cause or causes of action, notice of which hearing shall have been served upon the licensee or posted upon the premises where the licensed operation is conducted at least forty-eight (48) hours prior to the time of such hearing;

2. Permit the licensee to submit evidence and testimony;
3. Consider all evidence and testimony in support of and in opposition to the action pending;
4. Enter in the minutes of the Board the findings of the Board and reasons for any action taken by the Board, which action may include:

(a) Revocation or temporary suspension of the license, to include placing such conditions on the licensee or the brothel as are determined to be reasonably necessary to cure the problem and eliminate the violation or other harm. Conditions imposed by the Board may include requiring action by the licensee that must occur within a reasonable specified time as an alternative to revocation or suspension; and/or, if necessary to protect the health, safety or welfare of the public from imminent danger, temporary suspension of the license; or

(b) Placement of the licensee on probation for a period of time, with or without conditions, which probation may provide that a further violation of this chapter or the provisions of the license during the probationary period will result in the revocation or suspension of the license.

5. Enter in the minutes of the Board an order specifying the action taken.
- C. Notice of Order: Notice of an order issued pursuant to this section shall be served upon the licensee or the licensee's resident agent by personal service or certified mail, or posted upon the premises of the house of prostitution occupied by the brothel in any conspicuous location.
- D. Action Effective: Any action taken by the Board pursuant to this section shall be effective upon personal service or delivery of the notice by certified mail to the licensee or the licensee's registered agent, or upon posting of the notice upon the premises of the house of prostitution occupied by the brothel as specified in subsection C of this section.

4-9-17: EXCEPTION TO HEARING PROCEDURE (EMERGENCY SUSPENSION OF BROTHEL LICENSE):

Notwithstanding any other provision contained in this chapter, a brothel license may be suspended without a hearing by a written emergency suspension order signed by the mayor or one member of the Board and the police if, in the opinion of the signatories, there exists an immediate and present danger to public health and safety which necessitates the immediate closure of the brothel. Upon the issuance and service of such an order, which service may be effected by personal delivery upon the owner or manager, or by posting the notice in a conspicuous location at the house of prostitution, all brothel activity shall immediately cease and the brothel licensee may request a hearing before the Board within three (3) business days in accordance with the Nevada open meeting law. The proceedings thereafter shall be held in accordance with section 4-9-16 of this chapter.

4-9-18: LICENSE NOT TRANSFERABLE:

All licenses granted under this chapter shall be limited to operations conducted on the property

described in the application and no brothel shall be expanded or moved without a new license application and approval.

4-9-19: DEATH OR RESIGNATION OF PERSON LISTED ON LICENSE:

In the event of the death or resignation of a person listed on a brothel license whose participation in the brothel is necessary for its continued operation, in order to prevent undue hardship to the licensee, the city clerk, with the concurrence of the police, may issue a ninety (90) day "temporary license" to the licensee's attorney-in-fact or guardian, the personal representative of the licensee's estate, or the trustee of the licensee's trust, or any other person determined by the city to be otherwise eligible to serve as a licensee in accordance with this chapter, pending the processing of an application for a new brothel license; provided, however, that at the time any such temporary license is issued by the city clerk, a full and complete application for a new brothel license shall be on file with the city clerk, along with a nonrefundable investigation fee in an amount set by resolution of the Board; further provided, that at the time any such temporary license is issued by the city clerk, the matter shall be referred to the police for a complete investigation of the new application for a new brothel license. The police shall thereafter submit the investigative findings and recommendation for denial or approval of a new brothel license to the Board.

4-9-20: CRIMINAL PENALTY:

Any person who violates any provision of this chapter or of this code, amended by this chapter, shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine not to exceed one thousand dollars (\$1,000.00), or by imprisonment for a term not to exceed six (6) months, or by both fine and imprisonment.

4-9-21: SEPARABILITY:

If any section, subsection, sentence, clause, phrase or portion of this chapter is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed, but only to the extent of such conflict

Section 3: If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid, unenforceable, or unconstitutional by a court of competent jurisdiction, the invalidity, unenforceability or provision shall not affect any remaining provisions of this ordinance.

Section 4: Upon adoption, the City Clerk of the City of Elko is hereby directed to have this ordinance published by title only, together with the Councilman voting for or against its passage in a newspaper of general circulation within the time established by law, for at least one publication.

Section 5: This Ordinance shall be effective upon the publication mentioned in Section 4

PASSED AND ADOPTED this ---day of ---, 2018 by the following vote of
the Elko City Council.

AYES:
NAYS:
ABSENT:
ABSTAIN:

APPROVED this ___ day of _____, 2018 .

CITY OF ELKO

BY:

CHRIS JOHNSON, Mayor

ATTEST:

KELLY WOOLDRIDGE, City Clerk

**Elko City Council
Agenda Action Sheet**

1. Title: **Review for possible approval or denial of a House of Prostitution License Application and Retail Liquor License Application made by Louis R. Goldberg, Anna L. Brown, and Peter S.N. Tang, dba Inez's Brothel located at 232 S 3rd Street, Elko, and matters related thereto. FOR POSSIBLE ACTION**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **PETITION**
4. Time Required: **15 Minutes**
5. Background Information: **A comprehensive background investigation was conducted by Elko Police Detectives regarding the Applicants. Mr. Goldberg, Ms. Brown, and Mr. Tang have met the requirements relating to City Code 4-9-7. The Police Chief has reviewed the investigation and documented a summary of the results in the attached memos to the Council. BR**
6. Budget Information:
 Appropriation Required: **N/A**
 Budget amount available: **N/A**
 Fund name: **N/A**
7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **Application; memo from Police Chief**
9. Recommended Motion: **Pleasure of the Council**
10. Prepared By: **Elko Police Chief Ben Reed, Jr.**
11. Committee/Other Agency Review:
12. Council Action:
13. Council Agenda Distribution:
 Louis Goldberg Peter Tang Anna Brown
 103 S 3rd Street 232 S 3rd Street 103 S 3rd Street
 Elko, NV 89801 Elko, NV 89801 Elko, NV 89801



ELKO POLICE DEPARTMENT

Ben Reed, Jr.
Police Chief

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Elko Nevada 89801
775.777.7310
775.738.1415 Fax
epd@elkocitynv.gov

DATE: December 4, 2018
TO: Mayor Johnson and City Council
FROM: Ben Reed, Jr., Police Chief *[Signature]*
SUBJECT: House of Prostitution License Application – Peter S.N. Tang

On October 3, 2018, applicant Peter S.N. Tang submitted application to the City Clerk to operate a House of Prostitution titled Inez's, (232 S 3rd Street, Elko, NV). On October 9, 2018, the Elko Police Department received the associated paperwork and detectives were assigned to conduct a comprehensive background investigation.

The comprehensive background investigation of Mr. Tang included a personal interview, personal history review, employment history review, financial records, residential neighborhood canvas, legal documents, criminal history, as well as interviews with references.

A summary of the findings of the applicant's background investigation include the following: Peter Tang has no criminal history. He is married and has one adult daughter. His personal references were positive. He is 53 years-old and was originally born in Hong Kong, China. His family immigrated to the United States 1980. He received his Certificate of Naturalization in April 1991.

Peter Tang lives in Elko for five to six week periods at Inez's Brothel. He returns to his home in San Francisco, California, for a one-week period. He is married and his wife lives in San Francisco. The residence is near the Pacific Ocean and Golden Gate Park. He has no other employment besides managing Inez's Brothel.

Mr. Tang filed for bankruptcy protection under Chapter 7, in 2003. He claimed this resulted from his poor investments in the stock market at the time. A review of his current credit report found nothing remarkable. He was current on all open accounts. He owns his private residence outright. A review of his Federal tax returns for 2014 – 2017 found nothing remarkable.

Mr. Tang has no criminal history and he is not currently wanted.

In May 2017, the Elko Police Department investigated an incident whereby he attempted to ship marijuana to an acquaintance in Florida using FedEx. The shipment was discovered by FedEx employees in Elko. It should be noted recreational marijuana was legal to possess in Nevada at

the time; however, shipping marijuana across state lines is illegal. Tang said one of the brothel's employees was in Florida for a medical procedure and was suffering some pain. He attempted to ship the marijuana to her for purposes of pain management. No charges were filed in that case.

There is no evidence of Mr. Tang being involved in organized crime, human trafficking, crimes of violence, or other felonious activities.

The Elko City Council may wish to question Mr. Tang regarding his past history of managing Inez's Brothel since 2015, in order to assist Council Members with their decision. I requested Mr. Tang be present at the Elko City Council meeting of December 11, 2018.

At the Council Members discretion, I can provide additional details as necessary.

BR/tle

**Elko City Council
Agenda Action Sheet**

1. Title: **Ratification of the Police Chief issuing a 90-day Temporary Packaged Liquor License and issue a Regular Packaged Liquor License, to Dennis O'Keefe, DBA Golden Gate Gas, located at 3600 West Idaho Street, Elko, NV 89801, and matters related thereto. FOR POSSIBLE ACTION**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **PETITION**
4. Time Required: **5 Minutes**
5. Background Information: **N/A**
6. Budget Information:
 Appropriation Required: **N/A**
 Budget amount available: **N/A**
 Fund name: **N/A**
7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **N/A**
9. Recommended Motion: **Ratification of the Police Chief issuing a 90-day Temporary Packaged Liquor License and issue a Regular Packaged Liquor License, modifying the current Packaged Beer and Wine License, to Dennis O'Keefe, DBA Golden Gate Gas, located at 3600 West Idaho Street, Elko, NV 89801**
10. Prepared By: **Police Chief Ben Reed, Jr.**
11. Committee/Other Agency Review:
12. Council Action:
13. Council Agenda Distribution: **Dennis O'Keefe
16580 Wedge Pkwy #300
Reno, NV 89511
Dennis.Keefe@ggpetroleum.com**



ELKO POLICE DEPARTMENT

Ben Reed, Jr.
Police Chief

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www.elkocity.com

DATE: November 28, 2018
TO: Curtis Calder, City Manager
FROM: Ben Reed, Jr., Police Chief *BR*
SUBJECT: Packaged Liquor License Application in the name of Golden Gate Gas, located at 3600 West Idaho Street, Elko, Nevada 89801

On September 28, 2018, Dennis O'Keefe made application for a Packaged Liquor License in the name of Golden Gate Gas, located at the above address.

Mr. O'Keefe has successfully completed the required background investigation.

I am requesting the Elko City Council approve the request for a Packaged Liquor License Application in the name of Golden Gate Gas, located at 3600 West Idaho Street, Elko, Nevada 89801.

BR/tle

CC: Mayor Chris Johnson

Elko City Council
Agenda Action Sheet

1. Title: **Review for possible approval or denial of a House of Prostitution License Application and Retail Liquor License Application, modifying the current House of Prostitution License and Retail Liquor License Application, to add Peter Tang to the license, DBA Mona's Ranch, located at 103 S 3rd St, Elko, NV 89801, and matters related thereto. FOR POSSIBLE ACTION**
2. Meeting Date: **December 11, 2018**
3. Agenda Category: **PETITION**
4. Time Required: **5 Minutes**
5. Background Information: **A comprehensive background investigation was conducted by Elko Police Detectives regarding the Applicant. Mr. Tang has met the requirements relating to City Code 4-9-7. The Police Chief has reviewed the investigation and documented a summary of the results in the attached memo to the Council. BR**
6. Budget Information:
 Appropriation Required: **N/A**
 Budget amount available: **N/A**
 Fund name: **N/A**
7. Business Impact Statement: **Not Required**
8. Supplemental Agenda Information: **Memo from Police Chief**
9. Recommended Motion: **Pleasure of the Council**
10. Prepared By: **Police Chief Ben Reed, Jr.**
11. Committee/Other Agency Review:
12. Council Action:
13. Council Agenda Distribution: **Peter Tang**
 232 S 3rd Street
 Elko, NV 89801



ELKO POLICE DEPARTMENT

Ben Reed, Jr.
Police Chief

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775.738.1415 Fax
epd@elkocitynv.gov

DATE: August 8, 2018

TO: Mayor Johnson and City Council

FROM: Ben Reed, Jr., Police Chief *BRJ*

SUBJECT: House of Prostitution License Application – Louis R. Goldberg

On June 28, 2018, applicant Louis R. Goldberg submitted application to the City Clerk to operate a House of Prostitution titled Mona's Ranch, (103 S 3rd Street, Elko, NV). On July 2, 2018, the Elko Police Department received the associated paperwork and detectives were assigned to conduct a comprehensive background investigation.

The comprehensive background investigation of Mr. Goldberg included a personal interview, personal history review, employment history review, financial records, residential neighborhood canvas, legal documents, criminal history, drug use history, as well as interviews with listed relatives, references, and acquaintances.

Louis R. Goldberg disclosed on his application one criminal arrest in 1990, in California, for possession of a controlled substance. The case was eventually dismissed for successful completion of a diversion program. The background investigation confirmed his disclosure.

Mr. Goldberg is currently separated from his wife and lives in two locations in Northern California. He maintains an address in San Francisco and another in Castro Valley, California. He frequently travels back and forth from Northern California to Northern Nevada. Regarding his living circumstances, he provided a written comment on the application which states in part, "Louis Goldberg will be onsite 24/7, 15 days a month."

In January and February 2018, Elko Police Patrol Officers and Detectives, and the Elko Combined Narcotics Unit conducted a drug possession and sales investigation involving an individual who was employed at the time by the Mona's Ranch Brothel, which was managed by Mr. Goldberg. The individual also lived at the same brothel. Upon the execution of a search warrant at Mona's Ranch Brothel, detectives located numerous items of evidence to support drug trafficking charges against that employee, in addition to locating a significant quantity of methamphetamine under control of that same employee. Mr. Goldberg was the brothel manager during this timeframe. The owners and licensees of the brothel lived in Las Vegas, Nevada. On February 27, 2018, at the conclusion of a special hearing, the Elko City Council suspended the license to operate Mona's

Ranch for a period of 180 days. That suspension expires August 27, 2018. It should be noted, Mr. Goldberg was not the brothel licensee at that time; however, he was the manager.

The financial records review of Mr. Goldberg revealed his assets far exceed his liabilities. His financial status appears to be sufficient to support the business.

There is no evidence of Mr. Goldberg being involved in organized crime, human trafficking, drug use, or other felonious activities.

The Elko City Council may wish to question Mr. Goldberg about his future business plans and procedures associated with the successful and lawful operation of a house of prostitution, in order to assist Council Members with their decision. I requested Mr. Goldberg to be present at the scheduled Elko City Council meeting of August 14, 2018.

At the Council Members discretion, I can provide additional details as necessary.

BR/tle



ELKO POLICE DEPARTMENT

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Ben Reed, Jr.
Police Chief

DATE: August 8, 2018

TO: Mayor Johnson and City Council

FROM: Ben Reed, Jr., Police Chief *BRJ*

SUBJECT: House of Prostitution License Application – Anna Brown

On June 28, 2018, applicant Anna L. Brown submitted application to the City Clerk to operate a House of Prostitution titled Mona's Ranch, (103 S 3rd Street, Elko, NV). On July 2, 2018, the Elko Police Department received the associated paperwork and detectives were assigned to conduct a comprehensive background investigation.

The comprehensive background investigation of Ms. Brown included a personal interview, personal history review, employment history review, financial records, legal documents, criminal history, as well as interviews with listed relatives, references, and acquaintances.

A summary of the findings of the applicant's background investigation include the following: Anna L. Brown has no criminal history. She lives in Elko with her son. Her personal references were positive.

Because she lives in Elko, Ms. Brown will be able to be onsite frequently as a licensee. She provided a written comment on the application which states in part, "Anna Brown is being added to the license application so that we have 24/7, local person on the license as she will be Head Manager and may have future ownership / partnership benefits. Further, Louis Goldberg will be onsite 24/7, 15 days a month."

Ms. Brown filed for bankruptcy protection in April 2014. She has numerous negative credit history reports. They all appear to be of a medical nature. She is current on her house and vehicle payments. A review of her income tax filings appear to be proper and consistent for the past several years. Her financial assets and liabilities are minimal, yet balanced.

In January and February 2018, Elko Police Patrol Officers and Detectives, and the Elko Combined Narcotics Unit conducted a drug possession and sales investigation involving an individual who was employed at the time by the Mona's Ranch Brothel. The individual also lived at the same brothel. Upon the execution of a search warrant at Mona's Ranch Brothel, detectives located

numerous items of evidence to support drug trafficking charges against that employee, in addition to locating a significant quantity of methamphetamine under control of that same employee. Ms. Brown was employed as a Bartender / Manager at Mona's Ranch Brothel during this timeframe. The owners and licensees of the brothel lived in Las Vegas, Nevada. On February 27, 2018, at the conclusion of a special hearing, the Elko City Council suspended the license to operate Mona's Ranch for a period of 180 days. That suspension expires August 27, 2018. It should be noted, Ms. Brown was not the brothel licensee at that time; however, she was a Bartender / Manager.

There is no evidence of Ms. Brown being involved in organized crime, human trafficking, drug use, or other felonious activities.

The Elko City Council may wish to question Ms. Brown about her future business plans and procedures associated with the successful and lawful operation of a house of prostitution, in order to assist Council Members with their decision. I requested Ms. Brown to be present at the scheduled Elko City Council meeting of August 14, 2018.

At the Council Members discretion, I can provide additional details as necessary.

BR/tle