

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

SS December 8, 2009

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, December 8, 2009.

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

**NOTE: The order of the Agenda has been changed to reflect the order business was conducted.**

## ROLL CALL

Mayor Present: Michael J. Franzoia

Council Present: Councilman Jim Conner arrived @ 5:27 p.m.  
Councilman Jay Elquist  
Councilman Chris Johnson  
Councilman John Rice

City Staff Present: Delmo Andreozzi, Assistant City Manager  
Shanell Owen, City Clerk  
Alan Kightlinger, Fire Chief  
Dawn Stout, Administrative Services Director  
Trent Moyers, Airport Director  
Ryan Limberg, Utilities Director  
Dennis Strickland, Public Works Director  
Eric Howes, Parks & Recreation Director  
Fritz Sawyer, WRF Superintendent  
James Wiley, Parks Superintendent  
Will Lehmann, Police Captain  
Dawn Leyva, Recreation Services Manager  
Scott Wilkinson, Development Manager  
Lorraine Martinez, Accounting Supervisor  
Jessica Johnson, Human Resources Manager  
Ed Wynes, City Planner  
Jeremy Draper, Civil Engineer  
Linda Buffington, Recording Secretary

## PLEDGE OF ALLEGIANCE

## APPROVAL OF MINUTES November 24, 2009

**\*\* A motion was made by Councilman Rice, seconded by Councilman Johnson to approve the minutes of November 24, 2009 as submitted.**

**Motion passed unanimously.**

## I. APPROPRIATIONS

- B. Review, consideration, and possible final acceptance of the Emergency Storage Reservoir Project, and matters related to thereto. **ACTION ITEM**

The project was awarded to Mach 4 Construction on July 15, 2009 in the amount of \$239,612. Two project change orders were issued in the amount \$24,100 and (\$700), respectively. The first change order was to haul and install the proper wearing course due to higher than anticipated ground water. The second change order was an electrical credit. Staff is pleased with the work and is asking for final acceptance of the project in the amount of \$261,884.02. FPS

WRF Superintendent Sawyer indicated there was some contract work still uncompleted; Staff requested this item be tabled until the next meeting.

**\*\* A motion was made by Councilman Elquist, seconded by Councilman Johnson to table this matter until the next scheduled meeting.**

**Motion passed unanimously.**

- C. Review, consideration, and possible final acceptance of the Downtown Corridor Lighting 10<sup>th</sup>-11<sup>th</sup> Streets, and matters related to thereto. **ACTION ITEM**

The project was awarded to Quantum Electric, LLC on August 12, 2009, in the amount of \$111,543.60. No change orders were issued for this project. Staff is pleased with the work, and is asking for final acceptance of the project in the amount of \$111,543.60. DA

Assistant City Manager Andreozzi advised this was funded through an enhancement grant through NDOT. We will receive 95% of our funding back, our match was 5%. We also paid for interior lights inside the corridor that did not qualify. Our original budget was \$153,000; the project came in at \$111,543.60.

**\*\* A motion was made by Councilman Johnson, seconded by Councilman Rice to approve final acceptance of the Downtown Corridor Lighting 10<sup>th</sup>-11<sup>th</sup> Streets.**

**Motion passed unanimously.**

- D. Review, consideration, and possible approval to award the bid for the purchase of a new trailer-mounted articulating boom lift, and matters related thereto. **ACTION ITEM**

The deadline for submitting bids was 3:00 P.M. local time, December 2, 2009. Staff will make a recommendation for council review. EDH

Parks and Recreation Director Howes reviewed the bid specs and proposals to clarify what staff was looking for. Staff recommends awarding the base bid and both add alternates.

**\*\* A motion was made by Councilman Elquist, seconded by Councilman Rice to award the bid for the purchase of a new trailer-mounted articulating boom lift to H & E Equipment Services for the Bil-Jax 5533A; including add-alternates #1 and #2 in the amount of \$46,447.77.**

**Motion passed unanimously.**

- E. Review, consideration, and possible approval to enter into a Cooperative Agreement with the Nevada Department of Transportation for the Signal Pole Relocation and Traffic Signal Upgrade project, and matters related thereto.

**ACTION ITEM**

The City of Elko submitted a grant application for a Transportation System Projects Non Urbanized Project for a Signal Pole Relocation & Traffic Signal Upgrade with the Nevada Department of Transportation in January, 2009. We recently received confirmation that our application ranked in the high category and was approved for funding. One of the requirements of the grant is that the City of Elko enters into a Cooperative Agreement with NDOT confirming that NDOT's funding will not exceed \$135,000 and that the City of Elko's contribution of the remainder is estimated at \$13,000. This grant is a reimbursable grant which means NDOT reimburses the City of Elko after the work is completed. DS

Public Works Director Strickland advised NDOT would be looking to replace traffic controllers at 12<sup>th</sup> & Lamoille Highway, Idaho & Mountain City Highway, East Jennings & Idaho St., due to age and ongoing technical difficulties which send the signals into a flash mode. Also to relocate the signal pole at 5<sup>th</sup> and Silver Street as it is repeatedly stuck. NDOT approved to fund \$135,000 with City of Elko to fund \$13,000 of the project. The project is 100% reimbursable after the project is completed; our share of the funding would come from the Ad Valorem Capital Fund which would be reimbursed after completion.

Mayor Franzoia questioned what the agreement would require the city to do additionally.

Mr. Strickland indicated the city would select the engineer and prepare the bid documents. The total cost with engineering is estimated at under \$100,000. Anticipated date for the funds is July 1, 2010; if Council approves this Staff will move forward with the necessary steps to have everything in place and ready to go prior to the anticipated start date of July 1, 2010.

**\*\* A motion was made by Councilman Rice, seconded by Councilman Elquist authorizing Staff to enter into a Cooperative Agreement with the Nevada Department of Transportation for the Signal Pole Relocation and Traffic Signal Upgrade project conditioned upon NDOT's funding does not exceed \$135,000 and the City of Elko's contribution of the remainder is estimated at \$13,000 and conditioned upon the acceptance of the cooperative agreement.**

**Motion passed unanimously.**

- F. Review, consideration, and possible approval to solicit bids for the Ruby View Drive Water Storage Tanks, Painting Project including the possible approval of a

conceptual design for a mural/sign to be painted on the tank, and matters related thereto. **ACTION ITEM**

The City of Elko Water Department has budgeted for the repainting of the Ruby View Drive water tanks this year. Staff is requesting Council approval to solicit bids for this project. In addition, Staff has met with the Arts and Council Advisory Council for suggestions on the conceptual design of a new mural/sign. Staff is also requesting Council consider submitted conceptual designs and provide Staff with a recommendation for inclusion in the bidding documents. RL

Utilities Director Limberg indicated he has received several designs from Catherine Wines and one design from Charlie Seamen with the Western Folklife Center for consideration as well.

Catherine Wines, Arts and Culture Advisory Board, presented six designs they are considering.

Mayor Franzoia questioned if the design would be painted onto the tank or applied.

Ms. Wines advised that would need to be addressed by the contractor that is awarded the project.

Mayor Franzoia questioned if there were standards used by advertising companies for this type of project. Mayor Franzoia noted some of the designs could appear too busy or fuzzy at 65 mph; had the advisory board discussed that.

Ms. Wines advised it had been discussed and they would need direction from whoever is awarded the bid as to how detailed the images can be.

Mayor Franzoia questioned if the advisory board had a favorite.

Ms. Wines advised they did not; the designs were finished today; her personal favorite was design #6 which was more retro looking.

Mayor Franzoia questioned if the art is painted over the normal color or is that portion of the tank addressed differently.

Mr. Limberg stated he was unable to provide that answer until the design decision was made; if the council had a design in mind he will speak with a painting contractor to determine 1) can it be painted or does it need to be a label 2) what the cost will be and 3) how long it will last. Mr. Limberg stated NDOT will need to approve what is painted on the tanks also.

Mayor Franzoia stated it was hard to select a design without knowing the cost. If we went out to bid was Staff recommending we submit three or four designs to determine what the cost would be; we do have limited resources for the project.

Mr. Limberg indicated Staff was seeking direction; the early design is estimated at \$17,500 and more of a label format.

Assistant City Manager Andreozzi suggested the art work as an add-alternate; when the bids come in the Council can decide if they want just the base painting or consider the add-alternate.

Mayor Franzoia questioned Mr. Limberg if the estimated cost fit in the budget.

Mr. Limberg stated it was difficult to say; the last painting project came in under budget however this project will have more expenses because the tanks need to be sand blasted to a greater extent and that paint will need to be hauled off as a hazardous material. There will be increased costs there and decreased costs because the tanks are smaller.

Mayor Franzoia clarified his question; when this first came before the council we had to have an idea of what this additional cost would be; does Staff feel there is enough in the budget to accommodate the art work.

Mr. Limberg believed the budget was based on similar design; it will be close.

Councilman Elquist believed the Arts and Culture Advisory Board needed to narrow the selection down.

Mayor Franzoia questioned the time frame for painting.

Mr. Limberg advised the painting will likely occur late May or early June. The final dimensions for the art need to be included in the bid specs before going out to bid.

Mayor Franzoia recommended it go through thru the NDOT process first to see if it meets their approval.

Tony Buetner noted the Master Plan includes an Arts and Culture aspect and is in the process of being updated; perhaps those professionals may have some recommendations.

Mr. Limberg stated it would not fit the time frame.

Mayor Franzoia believed Staff would be working closely with whoever was selected on an on-going basis.

Terry Hritz spoke in support of the design submitted by the Western Folk Life Center for the Cowboy Poetry Gathering; they might have funds to put toward this project so it doesn't fall entirely on the city.

Mr. Limberg believed the Western Folklife Center was experiencing the same budget cutbacks as everyone; he would approach them once again to see if there was any interest in funding some portion of the project.

Councilman Elquist indicated Mr. Hritz's point was that it would help the water/sewer budget; it is legitimate.

Mayor Franzoia encouraged Staff to speak with the representative from the Western Folklife Center.

Mr. Limberg believed if the Western Folklife Center is interested in funding a portion of the fees associated with the mural it is probably a given they will want to see their design on the tanks.

**\*\* A motion was made by Councilman Rice, seconded by Councilman Johnson authorizing the Arts and Culture Advisory Council to review the designs submitted and forward a couple for the council to review subject to prior approval through NDOT as to those that meet guidelines set by NDOT related to art etc. in concert with the freeway.**

**Motion passed unanimously.**

Mayor Franzoia stated the matter would come back before the council once the designs for consideration were narrowed down.

Councilman Johnson noted there were processes for staff to get the bid documents prepared; do they need that decision tonight.

Mr. Limberg advised the bid document is prepared but the design is not included; Staff needs the design to get to the next step.

Councilman Rice noted the advisory committee would not meet again until after January 1<sup>st</sup>.

Mr. Andreozzi stated if time was an issue, and the advisory committee is available, a special meeting can be scheduled.

Mayor Franzoia believed the main issue would be obtaining the NDOT approval.

Mr. Limberg questioned if the Arts and Culture Advisory Council could have their design recommendations for the first council meeting in January.

Ms. Wines indicated they could but it would require a special meeting.

Councilman Elquist expressed support of approaching the ECVA to determine if there is anything in their budget for advertising.

- G. Review and possible approval of the bids received for the Emergency Equipment Rental Rates, and matters related thereto. **ACTION ITEM**

The deadline for submitting bids was 3:00 p.m., local time, Thursday, December 3, 2009.

Public Works Director Strickland reviewed the bid tabulation and advised Staff will take the lowest per hour price for the piece of equipment needed for an emergency.

Councilman Johnson questioned how much of this was solely for snow removal.

Mr. Strickland noted that was the entire purpose; to identify the resources out there for an emergency snow storm. It could come into play for other things but historically that has not happened.

Councilman Johnson questioned if the contractors were aware of that.

Mr. Strickland advised they were.

**\*\* A motion was made by Councilman Rice, seconded by Councilman Elquist to approve the bids received for the Emergency Equipment Rental Rates for 2009/2010.**

**Motion passed unanimously.**

## **II. SUBDIVISIONS**

- A. Review, Consideration and Possible Acceptance of Public Improvements associated with Parcel Map 8-95 (file 385046) creating 4 parcels, and matters related thereto. **ACTION ITEM**

City Council approved the Parcel Map, with conditions, at its meeting on February 27, 1996. An Agreement to Install Public Improvements and a Performance Guarantee was entered into on May 7, 1996. The Agreement was backed by an Irrevocable Standby Letter of Credit in the amount \$104,742.50. The improvements were to be completed within a twelve month period. The developer requested and was granted several extensions, over a period of several years, in order to complete the project. The original agreement was amended several times to accommodate the extensions. The Elko City Council accepted the public improvements based on several conditions during its July 9, 2002 meeting. The conditions were to be satisfied by the last Council meeting in July 2002. During the July 23, 2002 meeting, the City Council passed a motion requiring a single security in the amount of \$7,111.00 for a period of five years. The security amount was to cover the required one year maintenance period in addition, to guarantee concrete curb and gutter repairs for a period of five years. The date for satisfying the conditions was also extended to August 13, 2002. Based on correspondence from the Developer's financial institution, dated August 19, 2002, it appeared a letter of credit could not be obtained for a full five year period. The City of Elko's legal counsel requested the developer meet all conditions by October 10, 2002. The City of Elko made demand for the security on October 11, 2002. Current conditions at the project indicate the concrete repairs in the gutter have not met expectations. Based on an internal memo dated May 24, 2006, the concrete repairs had failed. This time frame would be less than the stipulated five year period in the Council's conditional approval on July 9, 2002. There are no other apparent issues with the public works at this time. SW

Development Manager Wilkinson indicated in July of 2002 the council conditionally approved the acceptance of the public improvements associated with this project. The only condition was this five year concrete repair; it really pertained to gutter flow line issues. Staff conducted an inspection a month ago and there are no apparent issues even though the repairs have failed. It appears everything is functioning and not creating any problems. These public improvements have been in for quite some time.

Mr. Wilkinson advised the recommendation included in the agenda packet is based on the facts of the record; the council could consider everything is functioning there with no issues.

Mayor Franzoia indicated the city failed to do their part. This has been there for a number of years it is functioning and the road is maintained.

Mr. Wilkinson believed we have not accepted the improvements due to the one outstanding condition. It was his recommendation to accept the public improvements and based on the facts in the record to retain \$7,111 based on the five-year issue. The council could consider something else if they choose but we do need to accept the public improvements.

Mayor Franzoia noted this has been out there for some time and historically when mistakes have happened the city has been the one to rectify those mistakes and absorb those responsibilities.

**\*\* A motion was made by Councilman Rice, seconded by Councilman Johnson to accept the Dotta Drive public improvements and refund the retained security in the amount of \$7,111 back to the developer.**

**Motion passed unanimously.**

### **III. UNFINISHED BUSINESS**

- A. Consideration and possible authorization to solicit statements of qualifications for conducting a wildlife hazard assessment at the Elko Regional Airport, and matters related thereto. **ACTION ITEM**

On September 22, 2009, the Elko City Council accepted a grant offer from the FAA to conduct a wildlife hazard assessment. At that time, Staff intended to utilize the services of the current airport consultant, Kimley-Horn and Associates. Recently Staff discovered that since "wildlife assessments" was not specifically mentioned in Kimley-Horn's statement of qualifications, the airport is required to solicit SOQs for this project. In accordance with CFR Title 49, Section 18.36, if the project cost does not exceed \$100,000, a simplified acquisition method may be used. TM

Mayor Franzoia questioned whether Kimley Horn, as the airport consultant, had any say.

Mr. Moyers stated they did not as that issue was not specifically identified in their original scope of work.

**\*\* A motion was made by Councilman Elquist, seconded by Councilman Rice authorizing Staff to solicit statements of qualifications for conducting a wildlife hazard assessment at the Elko Regional Airport.**

**Motion passed unanimously.**

### **IV. NEW BUSINESS**

- A. Review and approval of pending Special Events, and other matters related thereto. **ACTION ITEM**  
This item has been added to the agenda in order to consider any application for Special Events received by the Clerks Office. Staff will report on any application on file. SO

There were no special events.

- B. Review, consideration, and possible approval of 1 of 3 different water/sewer connection fee deferral options, and matters related thereto. **ACTION ITEM**

The City Council considers requests to defer water/sewer connection fees on a case by case basis. On October 27, 2009, City Council requested Staff bring back to Council other options to consider for future deferral requests.

The three options I am proposing for discussion and possible action are as follows:

- a) No Deferrals
- b) Deferrals considered without a formal agreement, but with the addition of a deferral fee of \$1,000.00 to defer the fees until just prior to final acceptance or certificate of occupancy.
- c) Require an advance from the party requesting the deferral to cover City expenses (approximately \$3,500.00) including Staff time and considerable legal fees related to the development of the deferral agreement including the title search, deed of trust, promissory note, and formal deferral agreement. RL

***Councilman Conner arrived @ 5:27 p.m.***

Utilities Director Limberg indicated this was a result of developers with a large project that come before the Council asking to defer their water and sewer connection fees and possibly other related fees. Staff's issue is they work with legal counsel; go through the process of drafting all the necessary documents and then the developers don't build and the city is out the money, time and effort we put into developing the connection fee deferral agreement.

Mr. Limberg reviewed each option A) No deferral. Support for that option would be that the building code states "*a permit shall not be valid until the fees prescribed by law have been paid nor shall an amendment to a permit be released until the additional fee, if any, has been paid*". B) Changing language in building code to say that a deferral of water/sewer connection fees only (not tap or meter fees) would be allowed for a deferral fee; however these fees must be paid in full prior to a final inspection taking place or a certificate of occupancy being issued. Mr. Limberg believed in this instance Staff would not go through the current process with legal counsel; there would simply be a fee. C) Continue on with the deferral agreement as is. With this scenario Mr. Limberg believed we need to begin charging some form of non-refundable advance so the cost doesn't come out of the city's pocket if the developer changes their mind. Mr. Limberg estimated the fees at \$3,500 (\$500 for Staff and Admin time, \$1,000 for the deferral agreement \$500 for deed of trust, \$500 for promissory note and \$1,000 under title search and related).

Mr. Limberg advised the matter was discussed with legal counsel and they had no further suggestions. If council has a preferred action Staff will work on drafting any necessary changes to the language in code, resolution or ordinance to make that effective.

Councilman Elquist supported option #C. Make sure the fee covers all the expenses then it is up to the developer if they want to put up some non-refundable money to defer those costs. If it is worth it to them we give them that option. It is good for us; we stay whole and we stay developer friendly but we aren't out the money. Councilman Elquist believed it would filter out the smaller projects; it would only be worth it to the larger projects.

Councilman Johnson believed the city should stay with no deferral. The developer has to pay the connection fees in the end. It is important for the city to deal with each developer the same; stay within the code. It isn't saving that much money whether the city gets the money up front or in the end, the most important thing is that the city gets paid; it isn't going to make or break a project.

Councilman Rice supported adopting a policy for deferrals; currently there is no policy and we handle them arbitrarily. Adopting a policy puts everyone on an even playing field.

Mayor Franzoia advised a policy will simplify the issue.

**\*\* A motion was made by Councilman Johnson, seconded by Councilman Conner to support option 'A' No Deferrals.**

**Motion passed 4 to 1  
Councilman Rice voted against.**

After the motion and before a vote was taken Councilman Rice questioned if there would be an appeal process.

Mayor Franzoia stated that is always an option; but this sets a policy of no deferrals.

Councilman Elquist questioned if option 'A' was Staff's preference.

Mr. Limberg indicated it was his recommendation; from a Staff level he believed most preferred that option also.

- C. Review, consideration, and possible authorization of Staff to begin the process of selecting a consultant and conducting a feasibility study for a Recreation Center in the Elko area, and matters related thereto. **ACTION ITEM**

The need for a Recreation Center in the Elko area was identified in the "Report of the City of Elko Recreation Advisory Committee" in the spring of 2003. More recently, the Parks and Recreation Advisory Board has identified this issue as a priority and is recommending that Council authorize Staff to conduct a feasibility study to investigate the idea. In the FY 2009/2010 budget for the Recreation Fund, \$75,000 was set aside for planning and design. \$50,000 of this line item has been allocated to the completion of the Parks and Recreation component update of the Master Plan. The Advisory Board is recommending that Council authorize Staff to use the remaining funds for the feasibility study. EH

Parks & Recreation Director Howes advised members of the board were present; Andy Cole, Chairman and Wade Finlinson.

Mr. Howes noted the original Recreation Advisory Committee was created to look at the park and recreation needs of the community. As a part of that study the interest in the citizens in this area for a recreation center was one of the priorities identified. The Parks and Recreation Advisory Board created in 2008 has been looking at those same issues and trying to determine the best way to make this happen.

Mr. Howes gave a cost estimate presentation based on information from an architectural company specializing in design, development and construction management of recreation centers, see Exhibit 'A'. Much of the information the board has been looking at has been based on this information. Presently the board is recommending five elements to be addressed in the feasibility study, see Exhibit 'B'; 1) what programs exist that can be used in the facility 2) benchmarking with comparable size communities with recreation centers 3) demand; based on information from the public as to what additional programs they want to see and priorities for development, 4) revenue and expenditure analysis and 5) capital cost and funding.

Mr. Howes noted \$75,000 of the Recreation Fund Budget is for planning and design; \$50,000 has been designated for updating of the master plan leaving \$25,000. The \$25,000 was intended to design the parking lot area around Newton Field etc; Staff believes that can be done in-house by the end of the current fiscal year thereby saving those funds for this project. That would be one option for funding; the second option to fund the feasibility study would be to discuss the matter as part of the budget for the next fiscal year.

Andy Cole advised the board would like to see some architectural renditions out of the study; a visual concept would get more of the public behind the project. Citizens have expressed strong desire for recreation center in the community; a feasibility study will take it to the next level.

Wade Finlinson believed it would be advantageous to work in conjunction with the master plan consultant; especially in terms of the out reach of what he hopes will appear on the master plan level of services analysis. The polling that will take place as a result of that will answer many questions as far as public demand.

Mr. Howes noted the traditional method of funding a recreation center would be bonding which would require a vote of the public. Because of our location and the proximity of Elko in relation to Spring Creek and other close communities this would be a regional facility and would be best supported by the region and not just by the city. There is interest in that; to what level is unknown, the county would have to initiate the process of forming a recreation district that would, ideally, fund the operation long-term.

Mayor Franzoia question if \$25,000 was too much; could it be done for less? The big issue that hasn't been addresses is where do you put it? The feasibility should take into consideration that the design will have everything to do with where it is located.

Mr. Howes indicated the board's position is they have done the basic analysis; not of location although that has been part of the discussion. The study will give us a basic size for the footprint which is an essential piece of information.

Mayor Franzoia indicated another question is; what is currently being provided in the community and what are others doing to provide things we could eliminate and not duplicate? Mayor

Franzoia believed that was something that should be addressed before hiring a consultant; it would streamline their process.

Mr. Howes advised some of those discussions have been made. The board has tried to identify some of the people or organizations that would be partners i.e. Boys and Girls Club and the Igloo; there has been some basic discussion.

Councilman Elquist believed benchmarking will clear things out. There are communities this size; we aren't re-inventing the wheel. Councilman Elquist also noted we have a mining industry that is doing very well; it could be a legacy that they leave. It hasn't been mentioned tonight but the board has likely discussed the public/private partnership. Councilman Elquist supported the recreation center; it is a great idea and there are ways to offset the cost.

Councilman Conner believed a recreation center is important to a lot of people. We need to fund the study and see if it's something we can do. Stop talking about why we can't do it and find a way to do it; as a community we can build a recreation center.

Terry Hritz spoke in support of a recreation center; if you build it they will come. Identify if we can afford it or not; get the feasibility study done.

Mayor Franzoia stated before moving ahead he would first like Staff to determine the cost of hiring a consultant. What is a realistic number for identifying a land location either local or regional, identify the finances both ways, the operating costs and identify a reasonable size based on population you are serving which is consistent to other locations.

Mr. Hritz believed that is what a feasibility study does.

Mayor Franzoia stated we need to tell them this is what we are looking for and the city needs to know how much to budget for it.

Mr. Hritz stated that is what the board has been working on for quite some time.

Mayor Franzoia stated there was nothing in front of the Council that shows what the board has been working on. The city likes to have things budgeted and identified as we go forward; this is not something currently in this fiscal year's budget. If council decides to go forward he would like to have Staff find out the consultant cost for this type of work so we have a realistic idea of what to budget for; \$25,000 may not be sufficient.

Councilman Rice believed the consultant will ask questions to help us get to the next step. We don't have to be discussing money at this point; we need to discuss giving Staff the direction to go forward with looking for a consultant and conducting a feasibility study.

Mayor Franzoia advised everyone needs to be aware the budget is down 16% in the room tax.

Councilman Elquist commented the park department is willing to do some work in-house to save money for the feasibility study. We have a good group of volunteers that have had lengthy discussions and selected a list of priorities they feel is important to get of the \$25,000. Councilman Elquist stated in looking over the budget some projects come in below the budgeted

amount. We will have to trust them like we do every other department with budgets, with the \$25,000, to get as much done as they can to meet their priorities with a feasibility study. Councilman Elquist did not want to do anything to stop the momentum of what the advisory board has done and the dollars aren't that big; it seems like money well spent.

**\*\* A motion was made by Councilman Elquist, seconded by Councilman Rice authorizing Staff to begin the process of selecting a consultant and using the \$25,000 budget amount to conduct a feasibility study for a recreational center in the Elko area.**

After the motion and before a vote was taken Administrative Services Director Stout referred to the Recreation Fund and stated room taxes are down 16% for the first four months of this year; if that trend continues that would put the city's revenues down \$85,000 as opposed to what we budgeted at the beginning of the year. Looking at the revenues and seeing how they are coming in Ms. Stout indicated there may not be funds available to pay the consultant with the other projects currently on the books. Ms. Stout believed it would be more prudent to work this into the budget next year.

Mr. Howes advised there are two projects this could affect; an overlay of the parking lot by the horse shoe pits at Johnny Appleseed Park and the picnic shelters upgrade.

Mayor Franzoia believed we would have more leeway if we put this in next year's budget.

Councilman Elquist stated at this point we have to take a step back and revisit the priorities of the remaining budget; based on the new projections and figure out where to spend it. Councilman Elquist advised he would pull the motion if the \$25,000 was not available. An alternative would be to put some funds toward this and get a couple of items started.

A member of the Park and Recreation Advisory Board indicated it was their understanding the money is there. The council talks of setting priorities and this is one; given the scope of work we can get the study moving forward with that amount of money.

Police Sergeant Will Lehman as a member of the Police Athletic League spoke in support of a recreation center.

Mr. Hritz noted no one made any objection to the \$17,500 to paint a water tank; where is that money coming from.

Mayor Franzoia advised it was from the water fund; a restricted fund.

Mr. Hritz believed all the money comes from the same "kitty". As a citizen he pays his water/sewer bill plus his property taxes.

Mayor Franzoia advised state law mandates the water/sewer departments are enterprise funds and cannot offset or subsidize the city's other funds. There is a section of the population that wants "this" and another section wants "this" i.e. the mural; our issue is trying to accommodate and do something with what the public wants with the limited resources that we have.

Councilman Rice expressed caution in pitting one project against another. All we are trying to do is improve the quality of life in Elko; it costs money to do that.

Mayor Franzoia advised the projects identified by Mr. Howes would be cut back to compensate for this study; as long as everyone is aware of that we can move forward with the study.

Mr. Howes advised this is an on-going situation in the Parks and Recreation Department; there are a number of projects out there and everyone is important. It comes down to; how do we best serve the citizens of the community.

Councilman Johnson acknowledged the need for a recreation center in Elko is absolute. Mr. Johnson believed we were past the feasibility study and looking at a broader picture. Whether or not the council decides to fund the feasibility study certainly doesn't put any light on whether or not the council is in support of a recreation center. When you talk about feasibility studies there is a broad range of what you want there. Mr. Johnson noted Elko built the convention center and there is a group of people that know how they put all that together. To get this off the ground is going to take complete community support. With all the enthusiasm from the recreation board Mr. Johnson believed there was enough energy generated within the community to get behind the recreation center. Mr. Johnson did not believe a feasibility study; without more definition of that study would be to move forward. Mr. Johnson recommended going back in history and looking at what Elko did to get the convention center built; it is going to take an army of people to say this is what we want for our community but it is doable. Mr. Johnson also believed the funds would be better spent to market the recreation center.

Councilman Elquist believed you do need some level of detail to get renditions to show the citizens. With dollar figures in hand, we need to know who is going to pitch in to fund this and how it is going to be this great public/private partnership. Councilman Elquist stated .1% of the budget can accomplish that; a group of volunteers with full time jobs will have a hard time. Councilman Elquist believed the funds should be spent in the name of selling it to the public door to door; we want a product, pamphlet, renditions to take door to door that answer these questions; not necessarily turning numbers. These programs are going to use it, here is what it is going to look like, here are the people that are willing to invest in it, here are the tax dollars, here is how it is going to be operated, here are the communities that have done it successfully; the dollar amount is small to get that information out.

**\*\* Councilman Elquist amended the motion to include; to spend it on the priorities the advisory board has already put together, including the programs that would benefit, other communities that have done is successfully, the priorities of the features, some renditions of the plan, and how the operational and capital costs will be handled, and to consider tonight's comments from the City Council as they put the feasibility study together, Councilman Rice's second stood.**

**Motion passed 4 to 1.  
Councilman Johnson voted against.**

Under further discussion Councilman Johnson stated if we have doubts we can get the community to go and sell it then we better take a hard look at it; we are not going to be able to put a tax increment on the ballot and have voters vote for it. Voters are not going to vote for taxes. The only way we are going to get it done is taking it in a broader stance and what it would

take to get it voter approved. Councilman Johnson was confident the need is there; he doesn't need a feasibility study to tell him that. It is going to take people talking to people to get it done. Let's look at it in a broader stroke before we allocate funds and sacrifice other park projects.

Ms. Stout clarified as the convention center was being used as a comparison that facility is a district. In addition to the events held they receive other forms of revenues in the form of property tax sales and room tax. The city would potentially be looking at the same type of thing for this facility; there are a lot of similarities. Ms. Stout noted the city has other facilities we are looking at currently i.e. police station which would also require a voter approved tax. We have a lot of competing projects out there and we only have so much resource available.

Councilman Conner questioned if the projects in question were going to happen this year or can they be done in the next fiscal year. If the projects cannot be completed Councilman Conner supported the feasibility study; we've talked about it for eighteen months; we need to know what we need in the facility.

Mr. Howes indicated it was a council decision whether or not the projects moved forward. We don't know what the revenues are going to be in the recreation fund three months from now and we may find out we don't have the funds to do either of the projects.

Councilman Elquist believed we could do it all; find out how the convention center was done, find the dollars and use the enthusiasm and capabilities of the advisory board and do a parallel path to get to the level of rounding the people up and hit the streets.

Councilman Johnson wanted a broader motion; a vote against the study does not mean we are against the recreation center. Councilman Johnson requested 1)define the feasibility study, 2) get the history of the convention center and see how they put that project together; we can learn from that and 3) get information and visit other recreation centers 4) make good use of our dollars and keep this moving forward.

## **V. 6:00 P.M. PUBLIC HEARINGS**

### **A. Public comment period. ACTION WILL NOT BE TAKEN**

This agenda item is to provide time for the general public to address the City Council regarding items of concern. Action cannot be taken at this time, but a matter can be set on the agenda for a future meeting, as appropriate.

There was no public comment.

## **IV. NEW BUSINESS**

- D. Review, consideration, and possible approval of Map of Reversion to Acreage No. 1-09 filed by Ken Phillips on behalf of Edwin Enterprises, LLC for the purpose of reverting to acreage Lots 1 and 2 of the Parcel Map for Edwin Enterprises, LLC recorded on April 18, 2001, as File No. 468972, located generally on the south side of Ruby Vista Drive approximately 1,650 feet east of East Jennings Way, and matters related thereto. **ACTION ITEM**

Staff requested this item be withdrawn from the agenda.

Mayor Franzoia recommended the council take no action.

**\*\* No action was taken on this item.**

- E. Review, consideration, and possible appointment of a member of the Elko City Council to participate in the Requests for Qualifications (RFQs) process for the selection of a qualified engineering firm to perform professional engineering services related to a regional road repair plan, and matters related thereto.

**ACTION ITEM**

City Staff is requesting that the Council appoint a member to participate in the RFQ process for this project. DS

**\*\* Mayor Franzoia appointed Councilman Elquist to participate in the Requests for Qualifications (RFQs) process for the selection of a qualified engineering firm to perform professional engineering services related to a regional road repair plan.**

- F. Presentation and possible approval of the Consolidated Annual Financial Report and Audit for the City of Elko for the Fiscal Year ending June 30, 2009, and matters related thereto. **ACTION ITEM**

Teri Gage with Kafoury, Armstrong & Co. will be in attendance to present the City of Elko's fiscal year 2008/2009 Financial Report. DS

Terri Gage, Kafoury, Armstrong & Co. gave a presentation of the Consolidated Annual Financial Report and Audit for the City of Elko for the Fiscal Year ending June 30, 2009, see Exhibit 'C'.

Ms. Gage stated the city received a clean opinion which is the highest level that can be achieved. Ms. Gage directed everyone's attention to page nine of the audit; under non-current liabilities there is a line item entitled Annual Required Contribution; this is the city's other post-employment benefits. Governmental accounting standards required beginning 6/30/2009 we begin recording those costs for providing health care to future retirees. The current year cost is approximately \$865,000; the total cost over thirty years that the actuarial report had on it was approximately 10 million. That is a new number on the statements this year and did impact the total net assets.

Ms. Gage referred to page thirty which addresses possible statute violations; 1) the airport fund had an \$832,726 over-expenditure compared to budget. Of that \$397,000 is depreciation, \$480,000 is for the apron failure costs and \$25,000 was for the OPEB costs 2) the golf fund was approximately \$2,500 due to the OPEB costs 3) the narcotics task force fund is completely grant funded; there was an excess ending fund balance back on 6/30/2008 of \$26,000 that was used this year with salaries and benefits but it wasn't budgeted for. 4) State statute requires every two years you take a physical inventory count of fixed assets and that hasn't been done in the last two years.

Ms. Gage continued and referred to page ninety-four of the compliance section. This shows the city received and spent 3.6 million in federal grants. Approximately 3.3 million was the FAA grant. This year the city had no findings in relation to the grants. There were two other findings (see page ninety-seven) not grant related. New auditing standards went into effect 6/30/2008 which require findings to be reported differently than in the past; the two instances found were non-routine type transactions 1) there was a sale at auction of a piece of equipment that was not deleted from the fixed asset records and 2) seizure revenues are being spent out of the deferred revenue account versus getting recognized as revenue with the expense.

Councilman Elquist requested clarification on the liability cost for post-employment benefits.

Ms. Gage advised it is under non-current liabilities and is the estimated cost to provide the retiree's health insurance for one year. The actuaries are projecting the cost today of when all the employees retire; they earned it this year but the city is recognizing it over the next thirty years. Ms. Gage advised it will go up each year and down by what the city funds.

Ms. Stout advised the numbers in the audit are based on the actuarial study we had done two years ago. We did another one this year but those numbers won't be effective until our next audit. Just the difference between the reductions in the state subsidy levels was approximately \$400,000 for one year; as the state reduces the subsidy levels that liability will continue to go down. This is just a picture in time of what that is right now in present value.

Councilman Elquist believed the number should be higher.

Ms. Gage advised this is one year's cost; each year that will accumulate and will be reduced by what the city pays in. What the city currently pays in is just for current retirees; not everybody.

Ms. Stout stated that is why you have to look at the actuarial study and where they project you will be in twenty years. That number changes as the subsidy changes as well; it is a two year picture in time.

Ms. Gage stated they are required to record the annual required contribution; the city is not required to fund it.

Ms. Stout advised the city is funding as we go for the current retirees; those who retired prior to August 2008 and should the city remain in the program; for anyone who retires after that; but only as long as the city is in the program.

Ms. Gage stated this particular GASB the state has had people implement is very controversial because it is large numbers.

Ms. Gage continued and presented graphs for the various funds. The numbers shown include depreciation with the exception of the airport fund. The airport fund shows the city's portion of depreciation, which you are not funding, it does not include the federal portion which is the majority.

Councilman Elquist questioned whether the cost of the apron failure and depreciation were included.

Ms. Gage advised the apron failure for this year was \$480,000 and the city's portion of depreciation was \$269,000; both numbers are included in the graph.

Ms. Gage now addressed the required auditor's communication which included their findings etc. and the Management Letter. The items in the Management Letter were not deemed of a significance to be included in audit report; minor housekeeping items they recommend Staff work to improve upon; 1) Contract retainage payables and accounts payable that were missed in the year end procedure and were not recorded 2) Payroll processing; employee processes payroll also has rights to change employee data or pay rates if Human Resources is not available 3) Timesheet of employee who processes payroll was not approved by supervisor 4) No formal process in place to notify IT regarding computer access when employee terminated 5) Bank accounts need reviewed monthly by someone other than preparer 6) Sweep account closed during year and should have gone before council; no issues noted.

Ms. Gage thanked staff for all their help and thanked everyone for the continued support.

Councilman Elquist again addressed the controversial Gatsby to express his concern.

Ms. Gage acknowledged the concerns and believed there would be changes over the next few years.

Ms. Stout advised an actuarial study is required every two years and will address how much the employers have to pay.

**\*\* A motion was made by Councilman Conner, seconded by Councilman Elquist to approve the Consolidated Annual Financial Report and Audit for the City of Elko for the Fiscal Year ending June 30, 2009.**

**Motion passed unanimously.**

- G. Review, consideration, and possible selection of CRSA to provide professional services in conjunction with completing a comprehensive update for the Land Use, Streets and Highways, and Parks, Recreation, Open Space Plan components of the City of Elko Master Plan, including the integration of the recently adopted Redevelopment Plan and development of a Public Arts and Cultural Plan, and matters related thereto. **ACTION ITEM**

After review of a recommendation from the selection committee, the Planning Commission took action to forward a recommendation to select CRSA to provide professional services in conjunction with the referenced update of the City of Elko Master Plan. DA

Assistant City Manager Andreozzi advised several members of the selection committee were present at tonight's meeting and publicly thanked them for their time and effort.

Mr. Andreozzi noted there had been a great response to the SOQ. The top five firms were invited back for oral interviews; because of a tie six firms were actually invited to give their presentation. After completion of the oral interviews the committee force ranked the six firms

and then commingled their score from the SOQ and oral interview; we gave the SOQ a value of 30% and weighted the oral interview at 70%. The information was taken before the Planning Commission and they approved CRSA. Mr. Andreozzi stated there was a one-point difference between first and second and also the second and third.

Councilman Conner questioned how CRSA considered the parks component.

Parks and Recreation Director Howes expressed confidence CRSA would do a good job on that component.

Mayor Franzoia read a letter of recommendation from Elaine Barkdull-Spencer. Ms. Spencer believed special consideration should be given due to the one-point difference and the fact the second place company, Wood Rogers, was a Nevada business; see Exhibit 'D'.

Councilman Rice questioned if consideration was made for Nevada business.

Mr. Andreozzi indicated for project of this magnitude he was not aware of anything like that. Mr. Andreozzi advised when the SOQ was developed it did not include preference would be given to in-state businesses.

Councilman Elquist advised he too received calls regarding Wood Rogers but supports the decision of the Planning Commission.

Mayor Franzoia supported the process and the decision of the Planning Commission also.

Development Manager Wilkinson believed Wood Rogers is California firm with a Reno office; that would need to be confirmed.

**\*\* A motion was made by Councilman Elquist, seconded by Councilman Conner to select CRSA to provide professional services in conjunction with completing a comprehensive update for the Land Use, Streets and Highways, and Parks, Recreation, Open Space Plan components of the City of Elko Master Plan, including the integration of the recently adopted Redevelopment Plan and development of a Public Arts and Cultural Plan.**

**Motion passed 4 to 1.  
Councilman Johnson voted against.**

After the motion and before a vote was taken Councilman Johnson advised he was hesitant at the beginning to support this; however the process was excellent. Due to current economics and the fact this is cutting into the core of city services he was opposed.

## **I. APPROPRIATIONS**

### **A. Review and possible approval of Warrants. ACTION ITEM**

**\*\* A motion was made by Councilman Elquist, seconded by Councilman Rice to approve the warrants.**

**Motion passed unanimously.**

## **VI. REPORTS**

- A. Mayor and City Council
  - 1. Councilman Elquist – compliments to road crew and public safety
  - 2. Councilman Rice – round table discussion
- B. City Clerk
  - 1. Financial Disclosures due by Dec. 23<sup>rd</sup>
- C. Administrative Services Director
  - 1. Update on Sales Tax projections
- D. Development Manager – Update on BLM Hot Shot & Public Improvement
  - Update on Solid Waste Facility Air Permit
  - Update on Solid Waste Facility Lateral Expansion

## **ADJOURNMENT**

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

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Mayor Michael J. Franzoia

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Shanell Owen, City Clerk