

REGULAR CITY COUNCIL MEETING MINUTES
2:00 P.M., Monday, May 9, 2011
City Council Chambers, Legislative Building, 745 Fourth Street, Sparks, Nevada

1. *Call to Order (Time: 2:01:29 p.m.)

The regular meeting of the Sparks City Council was called to order by Mayor Geno Martini at 2:02 p.m.

2. *Roll Call (Time: 2:01:38 p.m.)

Mayor Geno Martini, Acting City Clerk Carrie Brooks, Council Members Julia Ratti, Ed Lawson, Ron Smith, Mike Carrigan, Ron Schmitt, City Manager Shaun Carey, Acting City Attorney Shirle Eiting, PRESENT. City Clerk Linda Patterson, City Attorney Chet Adams, ABSENT.

Staff Present: Neil Krutz, Tracy Domingues, Tim Thompson, Brian Alan, JoAnne Meacham, Brian Miller, Jeff Cronk, Chris Cobb, Steve Keefer, Armando Ornelas, Debi Hunt, Adam Mayberry, Heidi Shaw, Staci Hemmerling, Frank Frievault, John Martini, Chris Syverson, Joe Grogan.

Invocation Speaker: (Time: 2:01:59 p.m.)

The invocation was given by Bishop Clay Jorgensen from the Church of Jesus Christ of Latter Day Saints.

Pledge of Allegiance (Time: 2:03:28 p.m.)

The Pledge of Allegiance was led by Council Member Ed Lawson.

***Comments from the Public** (Time: 2:03:55 p.m.)

Ms. Jill Andrea thanked the Council for their support of the Washoe County Senior Center.

Approval of the Agenda (Time: 2:04:30 p.m.)

Consideration of taking items out of sequence, deleting items and adding items which require action upon a finding that an emergency exists.

A motion was made by Council Member Ratti, seconded by Council Member Carrigan, to approve the agenda as posted. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

3. Recommendation to Approve Minutes of:

3.1 City Council Workshop of March 21, 2011 and the Regular Meeting of April 25, 2011 (Time: 2:07:27 p.m.)

A motion was made by Council Member Ratti, seconded by Council Member Smith, to approve the minutes of the City Council Workshop of March 21, 2011 and the Regular Meeting of April 25, 2011, and the Joint Councils Meetings for March 30, 2010, May 3, 2010, and July 12, 2010. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

3.2 The Joint Councils Meetings for March 30, 2010, May 3, 2010, and July 12, 2010

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(Time: 2:07:27 p.m.)

A motion was made by Council Member Ratti, seconded by Council Member Smith, to approve the minutes of the City Council Workshop of March 21, 2011 and the Regular Meeting of April 25, 2011, and the Joint Councils Meetings for March 30, 2010, May 3, 2010, and July 12, 2010. Council. Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

4. Announcements, Presentations, Recognition Items and Items of Special Interest:

(Time: 2:08:01 p.m.)

NOT ON THE AGENDA – Mayor Martini presented a flag to Council Member Mike Carrigan in recognition of the 20 years he served in the United States Navy.

Mayor Martini read a proclamation naming May 15-21, 2011 as Emergency Medical Services Week in recognition of the dedication of REMSA and Care Flight’s employees and staff to the communities they serve. The proclamation was received by Jim Gubbels and Mitch Nowicki from REMSA.

4.1 Proclamation – Older Americans Month (Time: 2:10:17 p.m.)

Mayor Martini read a proclamation naming May, 2011 as Older Americans Month in recognition of the wisdom and enhancement that older Americans provide to their families and communities. The proclamation was received by Grady Tarbutton, Director of Washoe County Senior Services.

4.2 Proclamation – National Public Works Week (Time: 2:14:14 p.m.)

Mayor Martini read a proclamation naming May 15-21, 2011 as National Public Works Week “Serving you and your community” in recognition of the dedication personnel who staff public works departments and the importance of the work they perform. The proclamation was received by Deanna Gray, Chapter President of APWA Nevada and Community Services Director Neil Krutz.

4.3 Presentation on the activities of the Brand Leadership Team (Time: 2:04:25 p.m.)

Community Relations Manager Adam Mayberry and Kraig Knudsen, the chairman of the Brant Leadership Team, provided an update on the activities of the team as outlined below:

Brand Leadership Team Update - Presented by Kraig Knudsen, Chair - May 9, 2011

Accomplishments

- Implementation of Logo to Establish the Brand
- Streamlining Event Procedures and Event Producers FAM (Oct. 2010)
- New Tourism Focused Website

Special Event Calendar

- Victorian Square
- April 17: Wild West Rodeo
- May 8: Arts in Bloom Festival, presented by Sparks Florist
- May 22: Cool Cars/Kruzin (new location)
- June 3–5: Street Vibrations Spring Rally

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- June 9–Aug. 18: Sparks Farmer’s Market
- June 9-Aug. 18: New! Victorian Square Summer
- June 18-19: A Day on the Village Green (new location)
- June 25: Classic Rods for Mending Hearts (new location)
- July 4: Star Spangled Sparks, presented by John Asquaga’s Nugget
- July 23: New! Reno-Sparks Regional Chili Cook-off
- Aug. 8–13: Hot August Nights
- Aug. 31–Sept. 5: Best in the West Nugget Rib Cook-off, presented by John Ascuaga's Nugget
- Sept. 21–25: Street Vibrations, Fall Rally
- Dec. 2–3: Sparks Hometowne Christmas, presented by Intuit

Golden Eagle Regional Park

- May 28–June 5: Senior Softball USA
- June 30-July 3: Triple Crown Youth Baseball Western Nationals
- July 9-10: Boneyard Blast
- July 26-30: Triple Crown Youth Fast Pitch Softball Western Nationals
- Sept. 10–11: Balloon Race Softball Tournament
- Oct. 23-23: Blood n Guts Softball Tournament
- NOTE: Full schedule of tournaments available online

Sparks Marina

- June 4: Nevada Humane Society Walk for Animals
- June 11: Kids' Free Fishing Day
- June 12: Mark Wellman's Adventure Day
- July 4: Star Spangled Sparks, presented by Northern Nevada Chamber of Commerce
- July 9-10: **New!** Sandcastles are the Stars
- July 10: **New!** American Council of the Blind Charitable Walk
- July 30: Scheels Paddle, Pedal, Patter Kids' Triathlon
- Aug. 20: Northern Nevada Aids Walk
- Sept. 4: Beach Party Classic Car Show
- Sept. 18: Walk to Defeat ALS
- Sept. 24: Alzheimer's Association Fundraiser/Walk
- Sept. 25: Donate Life Awareness Walk
- Oct. 1: Buddy Walk
- Nov. 24: Scheels Turkey Trot

Other Venues

- Sept. TBA: Mayor's Cup Golf Tournament
- Nov. 25-27: Crafts for Christmas

2011 TourMark Approved Funding

- Local Advertising (\$35,200)
 - May – August
 - RGJ, outdoor billboards, reno.com, airport
- Event producers FAM Tour (\$10,000)

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- October 2010
- September 2011 (coinciding with the Best in the West Rib-cook Off)
- Special event banners (\$15,000)
 - Placement at kiosks, community venues and other regional events
- Mobile app (\$20,000)
 - July targeted completion date
- PR firm contract renewal (\$15,000)
 - 2011-2012

2011 Funding Implementation

- Complete development of the wayfinding program and sign install
- New Sparks sign next to Sparks Special Events Office and Train Display (former Chamber sign)

Ongoing Plans

- Event recruitment activity support
- Victorian Merchants support

Brand Leadership Team Members

- Businesses
 - Kraig Knudsen – Tanamera (Chairman)
 - Beth Cooney – John Ascuaga’s Nugget
 - Dennis McGovern – The Legends at Sparks Marina
 - Tom Young – Great Basin Brewery
 - Joe Lopez – Tanamera
 - Seth Sheck – Access Pass & Design
- Organizations
 - Len Stevens – Northern Nevada Chamber
 - Tray Abney – Reno Sparks Chamber
 - Jennifer Cunningham – RSCVA
 - Anthea Humphrey’s – Sparks Heritage Museum
- City Of Sparks
 - Adam Mayberry
 - Tracy Domingues
 - Greg Von Schottenstein
- Consultant
 - Ronele Klingensmith – RKPR Inc.

Thank you.

5. Consent Items: (Time: 2:33:45 p.m.)

A motion was made by Council Member Smith, seconded by Council Member Ratti, to approve Consent Items 5.1 and 5.2. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

5.1 Report of Claims and Bills approved for payment and appropriation transfers for the period April 7, 2011 through April 20, 2011

An agenda item from Finance Director Jeff Cronk recommending approval of the Report of

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Claims and Bills as outlined.

5.2 Consideration and possible award of the Rock Boulevard Sewer Rehabilitation Project, Informal Quote, to Stampede Construction, in the amount of \$73,800.00

An agenda item from Capital Projects Manager Chris Cobb recommending the City Council award the informal quote for a construction contract to Stampede Construction. This project will replace the existing sanitary sewer main and laterals on Rock Boulevard from Shaber Avenue south to Glendale Avenue. To minimize traffic impacts and the cost of rehabilitation, this project will be constructed using trenchless technology of burst in place. Funding was budgeted in the CIP for this project.

6. General Business:

6.1 Consideration and possible approval to terminate the Agreement for Sale of Treated Effluent with Washoe County for service at five (5) parks in unincorporated Spanish Springs, and subsequently service the five parks under the terms and conditions set forth in Sparks Municipal Code 13.85, Effluent Service (Time: 2:33:16 p.m.)

Utility Manager JoAnne Meacham stated this was a request to cancel five separate agreements governing effluent service to five parks in the unincorporated Spanish Springs area. There has been an ordinance in place since 2009 that will govern how the City provides this service and it is the City's desire to migrate all effluent contracts to the ordinance. There is a net savings of \$900 less per month for Washoe County and the Washoe County Commission has approved the termination of these agreements. The five parks include Desert Winds Park, Eagle Canyon Park, Gator Swamp Park, Lazy 5 Park and Sky Ranch Park.

Council Member Carrigan asked how much effluent water we have left that we can sell. Ms. Meacham stated that in terms of supply, we have joint ownership of 6,700 acre feet with the City of Reno. We have slightly over one third of that capacity committed to effluent customers in Sparks.

A motion was made by Council Member Ratti, seconded by Council Member Lawson, to approve the termination of the Agreement for Sale of Treated Effluent with Washoe County for service at five (5) parks in unincorporated Spanish Springs, and to subsequently service the five parks under the terms and conditions set forth in Sparks Municipal Code 13.85, Effluent Service. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

6.2 PCN10020 – Discussion and possible action on a request for Final Approval of an amendment to a planned development handbook (Legends at Sparks Marina) to revise development standards, including but not limited to, landscaping, signage, special events, phasing, infrastructure improvements, side maintenance, and other matters properly relating thereto, for a site approximately 148 acres in size in the NUD (New Urban District—Legends at Sparks Marina) zoning district generally located northwest of the Sparks Boulevard/Interstate 80 interchange and east of the Sparks Marina Park, Sparks, NV (Time: 2:36:37 p.m.)

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Senior Planner Tim Thompson stated this is a request for final approval of an amendment to the Legends at Sparks Marina Planned Development Handbook. He said the City Council granted tentative approval of this amendment in January. At that time there was some discussion regarding the requirement of having the hotel rooms constructed with any non-restricted gaming operation, which resulted in one change to the tentative approval, as follows: any non-restricted gaming operation shall include the construction of more than 200 rooms available for sleeping accommodations and any other requirements set forth in Nevada Revised Statutes for a resort hotel. A non restricted gaming operation that does not meet these requirements shall not be approved. The sleeping accommodations shall be constructed and operated in conjunction with a non-restricted gaming operation. Mr. Thompson stated this change was to address some of the concerns that the Council had at the tentative approval meeting. There are no other changes to the tentative handbook that would alter any of the five criteria in state law and staff is recommending approval.

A motion was made by Council Member Ratti, seconded by Council Member Smith, to approve PCN10020 as the final draft is in substantial compliance with the City Council's action on the Tentative Approval of the Legends at Sparks Marina Planned Development Handbook and the facts supporting these findings as set forth in the staff report. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

6.3 Progress Report on the design for "Scope of Services EMS (Emergency Medical Services) System Analysis" (Time: 2:51:36 p.m.)

Deputy Fire Chief Frank Frievalt stated that staff was originally given guidance to participate on the design committee for this analysis and staff is recommending that the City proceed with the next phase of the study.

Council Member Schmitt expressed concern regarding the paragraph in the staff report: "During design meetings for this analysis, which occurred under open meeting laws, it was uncertain if all parties would be providing the data needed to conduct the analysis." According to Chief Flock's notes, at least one of the groups may not be willing to provide data that appears to be necessary for the analysis. Therefore staff is recommending that we participate with the study and provide all data that is public record, but that our contribution of \$20,000 to this analysis should not be paid unless all the parties provide the data necessary to do the analysis.

A motion was made by Council Member Schmitt, seconded by Council Member Smith, that the City of Sparks continues participation in the "Scope of Services Emergency Medical Services System Analysis," including a \$20,000 contribution toward the cost of analysis, provided that all regional agencies (i.e. local governments, hospitals, private ambulance providers) provide the requisite data for such analysis. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

6.4 Consideration and possible adoption of Resolution No. 3193 to abolish the Sparks Parking District fund, a special revenue fund, and providing for other matters properly relating thereto (Time: 2:44:03 p.m.)

Accounting Manager Debi Hunt stated that the Government Accounting Standards Board (GASB) issued Statement 54, which redefined what a special revenue fund was. Under their

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new definitions, a substantial portion of the revenues need to be restrictive or committed and using this new definition, the Sparks Parking District no longer qualifies. This fund has been in existence for 30 years and it is funded from transfers from the general fund to pay electric fees. There is \$6,000 currently in this fund and upon adoption of this resolution, the money will be returned to the general fund.

A motion was made by Council Member Schmitt, seconded by Council Member Ratti, to adopt Resolution No. 3193 to abolish the Sparks Parking District fund, a special revenue fund, and providing for other matters properly relating thereto. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

6.5 Consideration and possible adoption of Resolution No. 3194 to establish a Special Revenue fund called “Sparks Grants & Donations” (Time: 2:46:27 p.m.)

Accounting Manager Debi Hunt stated that this fund would be to account for the numerous grants the City receives from various entities. Currently grants are recorded in the general fund, revenues and expenses. If the revenues and expenses were separate, there would be a more linear progression of departmental spending.

A motion was made by Council Member Smith, seconded by Council Member Schmitt, to adopt Resolution No. 3194 to establish a Special Revenue fund called “Sparks Grants & Donations.” Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

6.6 Consideration and possible approval of allocating \$10,000 to the Northern Nevada Chamber of Commerce, \$95,200 for the Brand Leadership Team 2011 budget, and \$1,800 to Young Electric Sign Company from the Tourism & Marketing Fund (Time: 2:48:29 p.m.)

Community Relations Manager Adam Mayberry noted that all the allocations were below the \$25,000 threshold for Council approval; however the members of the Tourism and Marketing Committee felt it was important to bring these allocations to the Council for their approval. He noted the \$1,800 to Young Electric Company was to replace the sign at the old Chamber of Commerce building, and was not an allocation.

Council Member Lawson stated he would be abstaining from the vote on this item because he worked for Young Electric Sign Company (YESCo)

A motion was made by Council Member Ratti, seconded by Council Member Smith, to approve allocations from the Tourism & Marketing Fund, as outlined in the staff report. Council Members Ratti, Smith, Carrigan, Schmitt, YES. Council Member Lawson, ABSTAIN. Motion carried.

6.7 Consideration and possible approval of FY 2011-12 expenditures for city memberships and contributions (Time: 2:50:25 p.m.)

City Manager Carey stated that prior to the adoption of the budget, this item would give the Council an opportunity to review the memberships and contributions that the City makes from its general government account. He stated no changes are proposed this coming year from last year.

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The recommended funding level is \$45,787. This will go toward the Economic Development Authority (EDAWN) (this will come back to the Council for approval); the Alliance for Innovation (an Innovation sharing system in the United States); continued funding of the IIMC Comparative Performance Measurements (for measurements of our outcomes); and a contribution to Keep Truckee Meadows Beautiful. He stated other opportunities are listed in the staff report and staff is requesting input/approval from Council.

Council Member Lawson asked why our contributions were not being lowered by 6% to accurately reflect what we are asking the City of Sparks employees to do. Mr. Carey stated this could be direction from Council. Mr. Lawson stated he would like to see the contributions reduced by 6%.

Council Member Carrigan asked if EDAWN merges with the Reno/Sparks Chamber of Commerce and the Northern Nevada Chamber of Commerce, where would the funding go? Mr. Carey stated this is in the works between those three organizations. He emphasized that approval of this item would simply put this amount in the budget and it would come back in the next fiscal year for final approval.

Council held a discussion on whether we had to be a member of the Northern Nevada Chamber of Commerce in order to make a contribution and whether our contribution (sponsorship) also included membership. Mr. Carey stated that last year our corporate sponsorship included membership, but he did not know about this year. Mr. Mayberry stated that membership was not part of the negotiations for the corporate sponsorship. Mr. Carey requested that membership in the Northern Nevada Chamber of Commerce be included in the budget, with the provision that it be returned to the Council for specific action prior to any membership being paid.

Council Member Schmitt said it was important to recognize those organizations that have allowed us to take a reduction in our membership costs, due to the economy and to let them know we appreciate them.

A motion was made by Council Member Carrigan, seconded by Council Member Schmitt, to allocate \$43,039.78 for our memberships, with what memberships to be worked out at a later date. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

6.8 Consideration and possible approval of the City's Five-Year Capital Improvement Plan (CIP) for Fiscal Years 2011/2012 through 2015/2016, beginning July 1, 2011 (CONTINUED FROM THE MEETING OF 4/25/11) (Time: 3:02:20 p.m.)

Capital Projects Coordinator Chris Cobb noted that the total CIP for the next fiscal year is approximately \$21 million--\$4.8 million in our transportation fund; \$1.9 in our capital projects 1404 and 1405 funds; \$1.5 million in our parks fund 1402; \$2.4 million in our three parks districts; \$600,000 in our Victorian Square room tax fund; \$325,000 in Municipal Court projects; \$7.8 million in our utility funds; \$900,000 in our motor vehicle fund; and \$400,000 in CDBG (yet to be determined).

A motion was made by Council Member Ratti, seconded by Council Member Lawson, to

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approve the City's Five-Year Capital Improvement Plan (CIP) for Fiscal Years 2011/2012 through 2015/2016, as presented. Council Members Ratti, Lawson, Smith, YES. Council Members Carrigan, Schmitt, NO. Motion carried.

6.9 Consideration and possible approval of the City Manager's recommendations for the City of Sparks' Final Budget for Fiscal Year 2011-2012 (Time: 3:05:01 p.m.)

Finance Director Jeff Cronk presented the City Manager's final budget recommendations as outlined below:

City of Sparks - FY '12 Budget Presentation - City Manager Recommendations - May 9, 2011

Fiscal Policies

- To maintain an ending fund balance equal to 8.3% of departmental expenditures (NAC 354.660)
- Establish a budget for contingencies in an amount not to exceed 3% of expenditures exclusive of transfers (NRS 354.608)
 - Approx. 1% (\$550k) planned for FY '12
- Transfer an amount equal to 2% of departmental expenditures from the General Fund to the Capital Projects Fund
 - \$1.1 million for FY '12
- Rebuild and maintain a Stabilization Fund balance to be available for declared disasters or when revenues drop more than 4% from the previous fiscal year
 - Balance not to exceed 10% of General Fund expenditures per NRS 354.6115
 - \$200k of Business License Revenue Committed as part of the FY '12 recommended budget
- Reduce General Fund personnel costs so that they don't exceed 78% of General Fund Base Revenues
 - City Manager recommends achieving this goal over time and would be 83.2% for FY '12
- Consider funding the Other Post Employment Benefit (OPEB) liability
 - Pay-as-you-go funding to be continued in FY '12

General Fund Base Revenues

- Revenues from Property Taxes, Consolidated & Fair Share Taxes, and Licenses & Permits are expected to make up 86.9% of total General Fund Revenue for FY '12
- Property Taxes
 - Expected to decline by 8.8% in FY '11 and by another 5.7% in FY '12 (Down 18.5%, or \$4.4M from FY '09 peak)
- Consolidated & Fair Share Taxes
 - Expected to increase 1.5% in FY '11 and by another 1.0% in FY '12 (Down 33.3%, or \$9.1M from FY '06 peak)
- Licenses & Permits
 - Expected to decline 10.5% in FY '10 and by another 4.0% in FY '11 (Down 25.6%, or \$3.1M from FY '07 peak)

General Fund FY '12 Budget Summary

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- Declining revenues and upward cost pressures has resulted in a budget gap of about \$4.6 million for FY '12 broken down as follows:
 - Net Operating Exp's over Revenues \$1,850,000
 - Contingency Budget \$ 550,000
 - Transfer to the Capital Projects Fund \$1,100,000
 - Transfer to the Stabilization Fund \$1,100,000
 - Net FY '12 Budget Gap \$4,600,000
- City Manager's recommended actions to balance the \$4.6 million FY '12 budget gap:
 - SSSI Savings \$2,265,000
 - Employee Development \$ <200,000>
 - Splitting PERS Rate Increase 50/50 w/Employees \$ 384,000
 - Health Insurance Savings \$ 300,000
 - Service & Supplies Reductions \$ 250,000
 - Position Freeze \$ 701,000 *
 - Reduce Stabilization Transfer \$ 900,000
 - Total Recommended Savings \$4,600,000
 - *If position freeze doesn't produce desired savings, the City Manager is seeking authority to reduce the transfer to the Capital Projects Fund accordingly.
- Key Components of the City Manager's Recommendations:
 - Achieve a General Fund ending fund balance equal to at least 8.3% of department expenditures
 - Implement a High Deductible Health Plan w/Health Savings Account effective January, 2012 and utilizing Health Insurance Fund reserves to implement and transition to the new plan
 - No further layoffs other than what has been approved as part of the Sparks Sustainable Services Initiative (SSSI)
 - No further wage concessions as implementing the new health plan would be in lieu of wage concessions
 - Reducing the contribution to the Stabilization Fund from \$1.1M to \$200k by committing a portion of Business License revenues and building this Fund up over time
 - Implement a City Manager freeze on vacant positions (except SSSI approved positions) ~ OR ~ reducing the planned transfer to the Capital Projects Fund should the position freeze not produce the desired savings
 - Seeking authority to pursue negotiations with employee Business Units to implement the new health plan, or wage concessions, or layoffs as needed to balance the budget

What the City Manager is Seeking Today

- Approval of the City Manager's recommended actions to balance the FY '12 budget, or direction on alternative actions, as outlined today;
- Authority to work with the Health Care Committee and all Business Units to implement a new High Deductible Health Plan (HDHP) w/Health Savings Account (HSA) for all City employees in lieu of a 6% wage decrease;

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- Authority to seek wage and benefit concessions equal to a 6% wage decrease from all those Business Units that do not agree to implement a new high deductible health plan;
- Authority to implement layoffs from within those Business Units that do not agree either to implementing a new high deductible health plan or equivalent wage and benefit concessions

Council held a discussion regarding concerns with building into the budget three future vacancies. Mr. Cronk noted that past history has shown that the City has at least three positions become vacant each year.

Sparks Citizen's Advisory Committee Chairman Ed Bonine spoke in support of the budget recommendations.

Council Member Schmitt stated he would not be supporting the budget recommendations and outlined his reasons.

Council Member Ratti stated she agreed with Council Member Carrigan that this budget did not include all the things she wanted, but she could live with it and she will be supporting the City Manager's budget recommendations.

Council Member Lawson stated he would be supporting the budget recommendations because the budget was flexible and that is what we need.

A motion was made by Council Member Carrigan, seconded by Council Member Smith, to approve the City Manager's recommendations for the City of Sparks' Final Budget for Fiscal Year 2011-2012, including 1) Authority to work with the Health Care Committee and all Business Units to implement a new High Deductible Health Plan (HDHP) w/Health Savings Account (HSA) for all City employees in lieu of a 6% wage decrease; 2) Authority to seek wage and benefit concessions equal to a 6% wage decrease from all those Business Units that do not agree to implement a new high deductible health plan; and 3) Authority to implement layoffs from within those Business Units that do not agree either to implementing a new high deductible health plan or equivalent wage and benefit concessions. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, NO. Motion carried.

6.10 Discussion and possible approval of a Joint Meeting motion to designate the Shared Services Advisory Committee to oversee preparation of a plan to transition management of the Community Assistance Center (CAC) to a qualified nonprofit agency and other matters related to the operation of the CAC (Time: 3:49:29 p.m.)

City Planner Armando Ornelas stated that this was on the agenda for the joint meeting last week and was approved by the City of Reno and the Washoe County Commission. However, the City of Sparks did not have a quorum and was therefore unable to approve it. He stated the discussion at the joint meeting centered around the operations of the Community Assistance Center and how to transition operations to a non-profit organization; what role an oversight committee might play in the transition; and the roles and responsibilities of the local governments. He stated the discussion resulted in a couple of motions, which were passed by

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both Reno and Washoe County: 1) to assign the Community Assistance Center to issue to the Shared Services Elected Officials Committee (amongst those two boards, they wanted elected officials to remain involved in the oversight of the operations of the Community Center, but did not want to create another board; and 2) The second motion was to continue with the City of Reno as the lead agency for purposes of overseeing the operator of the Community Assistance Center. Due to a lack of a quorum at the joint meeting, the City of Sparks was being asked to approve these same motions.

Council Member Schmitt asked who owns the Community Assistance Center right now. Mr. Ornelas stated the facility was built by the City of Reno, using monies from Washoe County and the City of Sparks. The City of Reno has been serving as the lead entity; which means they have responsibility for the maintenance of the facilities and they administer the contract with the current operators—the Volunteers of America.

In response to additional concerns, Mr. Ornelas stated that presently there is no board that currently “oversees” the operations of the center, other than the three elected bodies making decisions about funding for the center. Reno contracts with the operator of the facility. Eventually the plan is to have the Community Assistance Center become its own non-profit organization with its own board. The idea is to appoint some type of interim board to support this goal.

Council expressed concern that the shared services board was not set up to oversee this type of a transition. Mayor Martini said that while shared services may not be the best place for the oversight, it is a board that already exists and we won’t have to create another board or committee. He said the Shared Services Board can make recommendations to the elected officials.

Council Member Carrigan commented that it made more sense to have the County as the lead agency, since so many of the services provided at the center we done by Washoe County anyway. Mr. Ornelas stated that Washoe County is certainly the local agency that has the most direct roll in providing social services to the population that is serviced by the Community Assistance Center, and there has been discussion between Reno and the County regarding this issue. He noted that the County has taken the lead in putting together the Request for Proposals (RFP) to select the operator of the center for the next two years. Presumably if the contract is awarded by the County, they will at least have a larger role in managing the operator of the facility. Mr. Carrigan asked if it would make sense for this Council to simply make a motion to follow the lead from Reno and Washoe County. Mr. Ornelas stated that is the recommendation from staff—to refer the issue to the Shared Services Elected Officials Committee.

Council Member Schmitt, who sits on the Shared Services Committee, asked for clarification that the committee would not be involved in the supervision or day-to-day operations of the center, and that they would only be working on a transition plan. Mr. Ornelas stated that was his understanding of the committee’s duties.

A motion was made by Council Member Carrigan, seconded by Council Member Lawson, to approve the two motions that were approved at the joint meeting. Council Members Ratti,

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Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

6.11 Consideration and possible approval to terminate the Agreement for the Sale of Treated Effluent with D'Andrea Nevada Golf Club, LLC for service at D'Andrea Golf Course, and subsequently, service the golf course under the terms and conditions, including rates and fees, set forth in Sparks Municipal Code 13.85, Effluent Service, with the exception of the Infrastructure Fee principal balance which is addressed in a promissory note (Time: 4:01:26 p.m.)

Utility Manager JoAnne Meacham stated this was a request to terminate the agreement for effluent service at D'Andrea Golf Course. The benefit to the City in terminating the agreement is that it will continue with our policy to transition customers from contract to ordinance, so that all customers are treated equally and it will ease the administrative burden to staff. However, there is a detriment to D'Andrea in that the ordinance rate for service is higher than what they currently pay and will result in an increase in cost of approximately \$50,000 per year.

Ms. Meacham stated that D'Andrea has agreed to the termination of the contract and they have signed a promissory note for the renegotiation of their outstanding balance on the infrastructure fees and they have agreed to move to the ordinance. She noted that D'Andrea has fallen into arrears on their effluent payments a couple of summers in a row and they are offering the promissory note in lieu of termination of effluent service to the golf course.

Director of Community Services, Neil Krutz, explained that one of the reasons staff is stressing administration of this program under the ordinance instead of individual contracts is that once all customers are under the ordinance, they will be treated the same. He said agreeing to charge one user less than the all other users will make the system inequitable.

Council Member Smith stated he had no problem with moving them to service under the ordinance, but he did not like the fact that it would cost them more for effluent service. He also said D'Andrea might have felt they had no choice but to terminate the contract because they were behind on their payments.

It was noted that when water rights were selling high, D'Andrea sold off 107 acre feet of water for about \$4.8 million and went to effluent.

Council Member Lawson said he would like to hear from D'Andrea regarding this issue, stating if they are behind in their payments at a rate of \$.67, then it is unlikely that they will be able to keep current on their payments at the rate of \$.96 and he would like to continue this item and explore other options.

Council Member Ratti stated that if we are cutting costs and asking staff for wage and benefit concessions, then we should not be cutting a special deal with a developer... we need to follow the rules because we do not have the resources to give folks a break.

Mayor Martini said this is an equity issue and everyone should pay the same. Ms. Meacham noted that if a customer does not pay their sewer bill, the City has the ability to collect those fees

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through the property tax system. Once a customer converts from an agreement to the ordinance, the City will have the ability to collect overdue payments the same way.

Council Member Carrigan asked if we had any more customers who were being serviced under an agreement and not the ordinance. Ms. Meacham said there are several customers that staff is working with to get them to migrate to the ordinance. Mr. Carrigan said to him this was an equity issue and all effluent customers should be paying the same rates and if they don't pay, then the City will work with them like they do with people who are behind on their sewer bills.

Council Member Ratti said she would support looking at the rate as a whole. Ms. Meacham noted that a rate study and cost recovery study is scheduled for 2012.

A motion was made by Council Member Ratti, seconded by Council Member Carrigan, to approve the termination of the Agreement for the Sale of Treated Effluent with D'Andrea Nevada Golf Club, LLC for service at D'Andrea Golf Course, and subsequently, service the golf course under the terms and conditions, including rates and fees, set forth in Sparks Municipal Code 13.85, Effluent Service, with the exception of the Infrastructure Fee principal balance which is addressed in a promissory note. Council Members Ratti, Carrigan, YES. Council Members Lawson, Smith, Schmitt, NO. Motion carried.

Mayor Martini noted that today was the last day with the City for Ms. Meacham and thanked her for her dedicated service to the citizens of Sparks. It was noted that Ms. Meacham has accepted a position with NV Energy and she will continue as a citizen/soldier as a Colonel in the Nevada National Guard.

7. Public Hearings and Action Items Unrelated to Planning and Zoning:

7.1 Public Hearing, Consideration and Possible approval of the FY 2011-12 Community Development Block Grant (CDBG) and HOME Consortium Action Plan (Time: 4:18:16 p.m.)

City Planner Armando Ornelas asked the Council to approve the action plan for the 2011/2012 fiscal year plan for CDBG and HOME Consortium funds for submittal to the U.S. Department of Housing and Urban Development. He stated that communities that received these funds are required to submit an annual action plan that outlines the activities we will undertake with our funding.

He stated the estimated amount for next year's grant is conjecture at this point as the HUD budget and the CDBG budget will almost certainly be cut. The President's budget calls for a 20% cut to CDBG. That being said, staff is proposing the following activities for the CDBG fund: \$113,298 for planning and administrative activities-including funding the contracts we have with Silver State Fair Housing and the Continuum of Care; \$160,000 the City sponsored single-family owner-occupied housing rehabilitation and emergency grant program; \$275,816 for pedestrian improvements (per the City's adopted CIP); and \$84, 974 to fund the provision of services for the homeless at the Community Assistance Center.

Mr. Ornelas noted that the notice was published and staff has not received no comments to date.

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Mayor Martini opened the public hearing and asked if anyone wished to comment on the action plan. There being no comment, the public hearing was closed.

A motion was made by Council Member Ratti, seconded by Council Member Carrigan, to approve submittal to the U.S. Department of Housing and Urban Development the FY 2011-12 Action Plan and proposed project funding allocations. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Motion carried.

8. Planning and Zoning Public Hearings and Action Items: (Time: 4:22:20 p.m.)

None.

9. Comments:

9.1 *From the Council and City Manager (Time: 4:22:20 p.m.)

None.

10. *Adjournment (Time: 4:22:27 p.m.)

There being no further business, the meeting was adjourned at 4:22 p.m.

Mayor

City Clerk

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