

**THE HONORABLE CITY COUNCIL OF THE CITY OF LOVELOCK MET IN REGULAR SESSION ON OCTOBER 18, 2011 AT THE LOVELOCK CITY HALL AT 7:00 P.M.**

Present:	Mayor	Mike Giles
	Council members	Pat Rowe Tom Donaldson Dan Murphy
	City Clerk	Lisa Booth
	Public Works Director	Joe Crim
	Animal Control Officer	Sheri Crim
Absent:	Legal Counsel	Kent Maher
	Chief of Police	Michael Mancebo

Visitors: Felicia O'Carroll and Cindy Vance

Mayor Giles called the meeting to order at 7:00 p.m.

**APPROVAL-CORRECTION OF MINUTES:**

Councilman Rowe moved to approve the September 20, 2011 minutes as submitted.

Motion carried unanimously

**PUBLIC-PERSONAL COMMUNICATION-CORRESPONDENCE:**

Mayor Giles received letters: 1) from the Department of Commerce advising that they are conducting a government census survey to determine the number of government workers; and, 2) from BLB Resources explaining a program from the Department of Housing and Urban Development which allows the City to buy foreclosed homes for \$1.00, repair them, and then resell or lease them to the public.

There was no public comment.

**BUSINESS IMPACT DETERMINATION:**

The Council reviewed and considered the probable effect that each agenda item for this meeting could have on a "business" as defined by statute. Councilman Murphy moved to make a finding that no item on this meeting agenda appears to impose a direct and significant economic burden on a business or directly restricts the formation, operation or expansion of a business.

Motion carried unanimously

**SEWER-DISPOSAL ACCOUNT DELINQUENCIES / ADJUSTMENTS-REFUNDS:**

City Clerk Booth reviewed the delinquent list with Council.

The Council directed Staff to continue with delinquent account protocol.

**FISCAL YEAR 2010-2011 AUDIT OF CITY BUDGET FUNDS AND ACCOUNTS AND FINANCIAL OPERATIONS:**

Felicia O'Carroll, Kafoury, Armstrong & Co., presented the independent auditor's report and noted that an unqualified opinion on the financial statements was issued, which is the highest level of assurance for the Government Auditing Standards. O'Carroll briefly discussed the Management Discussion and Analysis (MD&A) prepared by City Clerk Booth which is a narrative presentation of the fiscal year financial activities.

O'Carroll reviewed the Statement of Assets which includes all City activities. In the Governmental section, which includes everything except the Utilities, total assets are \$2,124,616 and total liabilities are \$242,529 resulting in total net assets of \$1,882,087. The assets are what the City owns and the liabilities are what the City owes and the remaining amount is what the City has to work with. O'Carroll said on the Statement of Net Assets, the Business-type Activities Utility Fund the City has \$7,764,308 in assets, \$3,216,609 in liabilities and a remainder of \$4,547,699. The Income statement for the Governmental activities reflects total expenses of \$1,093,225, and Program revenues of \$366,016 dedicated to a particular expense, leaving a net excess expense amount of \$727,209. O'Carroll said with the added General revenues of \$748,037, the City ended up with a positive change in that asset of \$20,828. The Income statement for the Business type account has total expenses of \$670,559, and program and general revenue of \$801,523, for a net amount of \$130,964. Overall, the City ended with a healthy positive balance.

In the Governmental Funds, the fund balances are \$313,470 for the General Fund, and \$271,731 in the Capital Projects Fund. The General Fund is the general operating fund and the Capital Projects Fund is a reserve fund. The Street and Road Funds balance is \$16,678 and Ad Valorem Capital Projects Fund balance is \$47,566.

O'Carroll stated the Governmental Funds General Fund decreased by \$13,426, Street and Road Special Revenue Fund decreased by \$15,676, Capital Projects Fund decreased by \$11,941, and the Ad Valorem Capital Projects Fund increased by \$5,505. O'Carroll said in light of the depressed economy, it is fortunate there is only a decrease of \$35,538 for the year.

O'Carroll reviewed the Notes to Financial Statements which are required for full disclosure. Note 2 states that the City conformed to all significant statutory constraints on its financial administration during the year. Also included in the Notes is additional information about the City cash balances, capital assets, and investments. The City conformed to all other significant statutory requirements for financial administration during the year.

O'Carroll discussed the Compliance section of the audit report. Because this year the City expended more than \$500,000 in federal money, the City is required to do a single audit on those funds. The single audit is specific to the City's compliance with that grant agreement. There were no findings related to the single audit. There were two findings reported in the financial statements, that is: (i) the first related to the General Operation because the Council has willingly arranged with Kafoury to prepare the City's financial statement and make occasional adjustments to the General Ledger; and, (ii) the second has to do with a unique aspect of the USDA Loan that requires the City to have a separate construction account. Payments to the contractor were made in July that should have been posted in June resulting in a significant material adjustment to the Financial Statements and General Ledger to correct it.

Councilman Rowe moved to accept the 2010-11 audit as presented.

Motion carried unanimously

**LOT LINE ADJUSTMENT / FOUR (4) PARCELS / WEST BROADWAY-MAIN STREET:**

City Clerk Booth stated she sent an e-mail last week to the Family Dollar Store asking if there was a request for a lot line adjustment, but no response was received. This item will be put back on an agenda when the request is received.

**ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROJECTS FOR CITY HALL WINDOWS REPLACEMENT, CITY HALL HEATING AND AIR CONDITIONING UPGRADE AND MAIN STREET LIGHTING RETROFIT / SCOPE OF WORK AND SERVICES, EXPENDITURE OF FUNDS FOR WORK OR SERVICES RELATED TO THE PROJECTS AND PROPOSALS FOR COMPLETION, INSTALLATION OR CONSTRUCTION OF PROJECTS:**

Mayor Giles reported the hot water heaters are installed at both fire houses and the electrician should be done by the end of the week with the original fire house. The City is waiting on quotes for the appliances needed in the fire houses. Giles said the City is moving forward with the heating and air conditioning for the Depot and all paperwork has been submitted to SHPO. Triumph is still working on the retrofit duct work in City Hall. All work must be done by the end of December 2011 to take advantage of the energy grant.

**ENGINEERING, PROJECT DESIGN, PROPOSED CONSTRUCTION AND COSTS FOR INSTALLATION OF WASTEWATER TREATMENT PLANT EXPANSION-MEADOWS LANE LIFT STATION REHABILITATION-FRANKLIN AND 17<sup>TH</sup> STREET BRIDGE PROJETS / PROCEEDING WITH PROJECTS CONSTRUCTION AND OBTAINING BIDS TO UNDERTAKE PROJECTS WORK AND SERVICES / OBTAINING AND EXPENDING FUNDS FOR WORK OR SERVICES RELATED TO THE PROJETS AND ACCEPTANCE OR APPROVAL OF AGREEMENTS, AMENDMENTS AND FUNDING DOCUMENTS:**

Mayor Giles reported the final paperwork for the Lift Station and Bar Screen project has been submitted. Giles met with K7 and Shaw Engineering and was told K7 had secured a restraining order which required the building to remain on site after it was delivered. Giles said the colors for the interior of the building were selected. The canopy progress and the wainscoting colors were discussed. Giles said he, Public Works Director Crim, Shaw Engineering Construction Inspector Gordon Cole, and K7 Supervisor Robin Brennan will have a teleconference weekly on Tuesday morning with Shaw Engineering's Dave Kitchen to track all submittals for the building. The next USDA site meeting is November 9, 2011 at 11:30 a.m. K7 has an ongoing problem with payments from USDA because K7 does not want to pay up front and submit the paid invoice to USDA for reimbursement. The conduit for the phone and electrical lines was installed. The City received a packet from NV Energy for the electrical installation. The estimated allowance for the Line Extension Project is \$21,672 (twenty one thousand six hundred seventy two dollars) and the City must pay \$7,813 (seven thousand eight hundred thirteen dollars) upon delivery of the signed agreement. Barbara Allen of USDA suggested submitting an Owner Initiated Change Order to USDA for this payment and in the interim pay the \$7,813, and then request reimbursement from USDA. Giles suggested the Council allow him to sign the NV Energy contract and send the required check for \$7,813. The Council concurred by consensus.

Giles met with Shaw Engineering's Dave Kitchen and USDA's John Nelson on Phase 2 of the USDA sewer project. There is a question if the City can use the third tank from the SBR on the Meadow Lane Lift Station. Nelson said the City must build a tank per the original letter of conditions. Giles will research the matter further.

Giles read an e-mail from Lepori Construction outlining the status of the new truck stop. They are hoping to break ground January 1, 2012.

**BUSINESS LICENSES / BUILDING PERMITS:**

The following business licenses were reviewed:

- Steve's Stoves – Stove Repair & Cleaning - Steve Pilon
- J&K Llamas Landscape Nursery, Inc. – Landscaping – Gerald Llamas
- Scrub Bro's Carpet Cleaning – Carpet cleaning – Pierre Erasmus

Edwards Management – Rental Management – Craig Edwards  
Griffin Co. – Blanket Sales – Rock Griffin  
Design Build Electric, Inc. – Electrical Contracting – Bob Godfrey

The following building permits were reviewed:

Dorothy Tover - #1330 – Re-roof – 1340 Dartmouth  
Golden Gate Petroleum - #1331 – Truck Stop – 163 E. Main St.

There were no other business licenses or building permits for review.

**PROCLAMATIONS AND AWARDS:**

There were no proclamations or awards.

**STAFF-COUNCIL REPORTS AND PROPOSALS:**

Mayor Giles reported: (i) a survey dealing with Nevada State Rail Plan was completed; (ii) the Family Dollar Store could not work out a deal with Janet Davenport, owner of the Mercantile building, so they are in discussion with NDOT to consider removing the island on Main Street to allow entrance into the parking lot; (iii) he attended the teleconference last Thursday for Pershing General Hospital and the State gave the Hospital Board until mid-December to come up with a plan; (iv) the Chamber of Commerce is attempting to work out an arrangement with Dan Crofoot, lessee of the Depot Building, to use the building; (v) Public Works Director Crim is waiting to hear back from painter Shannon Jensen regarding the power washing and painting the Depot Building; (vi) the letter of intent was submitted to Black Rock Solar for the installation of solar panels at the sewer plant; and, (vii) Shaw Engineering Planner Dora Blossom is looking at the conditions of Senior Center Door grant to determine if it is possible to convert the grant to materials only and have the County or City crew do the labor.

Councilman Rowe attended: (i) League of Cities--next year they are planning on holding the meeting in Elko; (ii) WNDD and discussed Economic Development and various projects; (iii) Home Consortium and reviewed reports; and, (iv) Community Coalition--they are working on suicide prevention and child drug intervention.

Councilman Murphy had no report.

Councilman Donaldson had no report.

City Clerk Booth had no report.

Public Works Director Crim reported the new garbage truck will be going back to the body shop in Sacramento to work on hydraulic problems. There is no set date for completion of the repairs. The City has spent \$5,000 out of the RTC budget for the sewer project on Sierra Place; there is a total of \$100,000 for the RTC budget. Mayor Giles reviewed a quote from CW Excavating for \$4,000 to back fill, grade and compact Sierra Place in preparation for paving. The Mayor will authorize CW Excavating to proceed with dirt work on Sierra Place.

Animal Control Officer Crim reported Fast Glass completed the window installation at the Animal Shelter. This Saturday, October 22, 2011 there will be an Open House at the Shelter from 10:00 a.m. to 3:00 p.m. A veterinarian will be on site to do vaccinations and the City will be there to license dogs. Saturday evening there will be a Fund Raiser to be held at Sturgeon's Center Club from 7:00 p.m. to 10:00 p.m.

**VOUCHERS / PAYROLL:**

Councilman Donaldson moved to approve vouchers and payroll through number 38882.

Motion carried unanimously

**PUBLIC-PERSONAL COMMUNICATIONS-CORRESPONDENCE:**

There was no public or personal communications or correspondence.

There being no further business the meeting was adjourned at 8:26 p.m. until the next scheduled City Council meeting on November 1, 2011 at 7:00 p.m.

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Michael R. Giles, Mayor

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Lisa Booth, City Clerk