

CARLIN CITY COUNCIL  
CITY OF CARLIN, STATE OF NEVADA  
REGULAR MEETING  
CARLIN CITY HALL  
101 SOUTH EIGHTH STREET  
CARLIN, NEVADA  
January 13, 2010, 7:00 p.m.

**Call to Order and Roll Call:**

Mayor Cliff Eklund called the meeting of the City Council to order at 7:00 p.m.

1. Council Members Present: Mayor Cliff Eklund  
Councilperson Lee Griswold  
Councilperson Lincoln Litchfield  
Councilperson David Trujillo  
Absent: Vice Mayor Donnetta Skinner
2. Administrative Staff: City Manager Glenn Trust, City Clerk LaDawn Lawson, Police Chief William Bauer, Public Works Director Carlos Esparza
3. Public Present: Aaron Sonerholm, Anna Dean, Jerri Norton, Bernardo Sandoval, Lloyd Myers, Diana DuBois, Lisa Wolf, Fred Montes de Oca

**Pledge of Allegiance**

Mayor Cliff Eklund reported there was a major disaster yesterday and the last estimates were 500,000 have died, expressing his condolences to the people of Haiti. He stated Vice Mayor Donnetta Skinner is in the hospital.

**I. Presentation by representatives of Broadbent and Associates, Inc and discussion of a Nevada Department of Environmental Protection project to research and locate orphaned or abandoned underground storage tanks, and all matters related thereto. (Non-Action Item)**

1. Aaron Sonerholm of Broadbent & Associates of Reno reported he is present to introduce a program developed by the Nevada Division of Environmental Protection and funded by the American Reinvestment Recovery Act of 2009. He stated the objective is to locate and inventory abandoned and orphaned storage tanks across the state. He stated the distinction between orphaned and abandoned as the Nevada Administrative Code defined abandoned as a tank not maintained and owner has not provided NDEP with a written statement to close the tank or a tank that is not in service and does not comply with 40CFR., whereas an orphaned tank is defined as one with no current registered owner and the current property owner is not aware of its existence when the property was purchased. He noted this is important because an orphaned tank has no liability assigned to anybody for the clean up, but an abandoned tank may have a liability for the owner. He stated the purpose of the program is not to put financial hardships on anyone who is not financially capable, including the community. He stated they are looking strictly for regulated fuel tanks, gasoline or diesel, and he was told originally it was for tanks that were for commercial use. He stated this includes anything over 1,100 gallons, but they are not interested in heating oil tanks or waste oil tanks. He stated if anyone tells them of an abandoned tank, they would take that information. He stated his interest is more for orphaned tanks. He explained that his assistant Diana DuBois would be contacting people. He suggested that those who do not want their property involved can tell her to take their name off the list and it will be deleted. He stated Ms. DuBois' region will cover just west of Valmy and north to Mountain City, and will not include federal lands. He stated there is a 5-page memo that covers everything and it gives contact information for the project manager and NDEP for any questions that are not answered. He stated they are interested in talking to

- people who have lived in the area who might know of old gas stations, dating back to the 20s and 30s to recent times.
2. Mayor Cliff Eklund clarified that this is strictly volunteer.
  3. Aaron Sonerholm agreed and they will provide the information to NDEP and they will seek bids from contractors throughout the region.
  4. Councilperson Lincoln Litchfield stated, "you do not know where the orphaned tanks are at this time".
  5. Aaron Sonerholm agreed because it was not known to the purchaser at the time, but may have discovered it later.
  6. Mayor Cliff Eklund inquired if they have to know where the sites are prior to going on the property.
  7. Aaron Sonerholm explained they are currently building a list of potential storage tanks. He noted if it is deemed a potential environmental or health risk, they might stop all investigative activities and conduct a Phase II Environmental Assessment of the property, including actual remediation.
  8. Mayor Cliff Eklund stated there was a gas station on 10<sup>th</sup> and Railroad and does not know if the tanks have been removed.
  9. Public Works Director Carlos Esparza stated the Barrick parking lot and car wash area used to be an old station.
  10. Councilperson Lincoln Litchfield inquired what year they started requiring testing for old storage tanks.
  11. Aaron Sonerholm stated he believes it during the Clean Water Act of 1983. He noted there might have been some that were not brought up to code after 1983 and if currently are in operation, they are not interested in these, and are less interested in the abandoned and more interested in orphaned.
  12. Councilperson Lincoln Litchfield inquired who oversees tribal-owned property.
  13. Aaron Sonerholm stated the EPA, but because this is a NDEP program, we are strictly interested in privately owned property.
  14. Councilperson Lee Griswold stated he recalls ranchers digging up old tanks 10 years ago.
  15. Aaron Sonerholm stated he understands the distrust of state and federal government on a small community level and this is a strictly a volunteer program.
  16. Mayor Cliff Eklund suggested he meet with Public Works Director Carlos Esparza who would know the potential sites of old stations.
  17. City Manager Glenn Trust inquired if they have other means of research rather than canvassing the community.
  18. Aaron Sonerholm stated the only records they can access are public records or talk to NDEP for the list of their registered tanks who have probably complied with 40CFR. He stated they would look at that list to delete some of the properties that have been pointed out.
  19. City Manager Glenn Trust inquired if there would not be a record somewhere of regulated fuel and their tanks.
  20. Aaron Sonerholm stated they probably would not before 1983.
  21. Mayor Cliff Eklund inquired about railroad property that had 2-3 service stations.
  22. City Manager Glenn Trust stated this is strictly volunteer; they will canvass the community and people who want to participate will allow them to look at the property. He asked if remediation is a possibility who would be responsible for the costs.
  23. Aaron Sonerholm replied the State of Nevada or federal government. He stated the Leaking Underground Storage Tank Program will cover the cost, if not the EPA would have to fund it.
  24. City Manager Glenn Trust inquired if there is residual liability for the City on an abandoned tank.
  25. Aaron Sonerholm does not think so, but will discuss this with the NDEP to get an answer. He stated the owner would have to send a letter to NDEP to close the tank, which would require a tightness test, pull the tank and do a soil test around the tank to determine if there was any

- contamination. That could potentially be paid for by the property owner.
26. Councilperson David Trujillo stated many of the stations closed because of that cost in the 1980s.
  27. Chief William Bauer inquired if they could let the Police Department know whom they will be contacting so they can assure the citizens that it is legitimate.

**II. Presentation, review and possible approval of the City of Carlin's Annual Audit by Kafoury, Armstrong and Co, and all matters related thereto. (Action Item)**

1. Jerri Norton of Kafoury Armstrong reported they are required by government accounting standards and they have submitted a letter explaining what they found. She stated they found nothing that had a lack of authoritative guidance; accounting estimates are depreciation, compensated absences and non-collectable accounts. She stated the staff was very helpful and there were things that had proposed adjustments and the net effect of those. She noted the remainder is self-explanatory. She stated they would talk about some things that can be improved.
2. Mayor Cliff Eklund stated they had a meeting in prior years about lack of adequate accounting practices that increased the expense and time, inquiring if it has improved.
3. Jerri Norton replied in the affirmative. She stated there were still significant adjustments this year, but it has been a learning process, but management has been making some of the adjustments themselves. She stated the Auditor's Opinion is a 'clean opinion'. She noted Page 3 shows the current assets were \$7.7 million last year and \$7.1 million this year, a big share of that, \$800,000 is a note that the City had to foreclose on.
4. Mayor Cliff Eklund stated the \$800,000 was extended credit, which they did not have the money, but retained the land.
5. Jerri Norton stated they wrote the note down to the actual cost of that land. She stated Page 4 shows Revenues up \$581,000 from \$402,000 in Program Revenues with expenses showing \$3.1 million to \$2.1 million and where the \$800,000 was written off.
6. Discussion was held on the reimbursement for the Equestrian Park.
7. Jerri Norton explained that after the transfers to the Governmental Fund to the business-type activities, there was a deficit of \$575,000 and last year it was a positive \$426,000.
8. City Manager Glenn Trust stated the \$800,000 was not cash; it was a receivable on paper.
9. Jerri Norton stated that over a 3-year period, the City still recognized \$500,000 in rent for use of the land.
10. Councilperson Lee Griswold stated it went back into the base assets of the City.
11. Jerri Norton agreed, noting Chart 13 shows the revenues and expenses, which was a break-even in 2009. She stated Page 3 shows an increase in assets in Business-Type activities, as they put a lot of money into the water and sewer lines. Page 4 shows the total Program Revenues increased \$140,000, with the largest of that is the garbage increase and they got money for the County for the Industrial Park Utilities. The Expenses were \$723,000 in 2008 and 2009 were \$600,000 as General Services and Supplies decreased. She noted a transfer of \$200,000 from the General Fund showing a net change of Business-Type Activities showing net assets at \$543,000 with a deficit of \$32,000. She stated Page 17 is a detailed analysis of the Utility Fund with revenue up \$100,000, expenses are down. Chart 7 shows the Revenues and Expenses Comparison over a 5-year period. Chart 8 shows the expenses over a 5-year period, which decreased. Page 12 shows all of the Governmental Funds on modified accrual, a checkbook basis of the accounting and shows the total net of the Fund Balance is \$52,000 with reconciliation on Page 13 that shows the \$52,000 breaking it down to the \$575,000 from the County. She stated the General Fund on Page 14 shows a detailed snapshot with Revenue at \$2.2 million as opposed to last year's \$2.1 million. She stated building permits went up about \$50,000 and the City got regional and street highway money, \$25,000 that the City did not have in the prior year. She noted that Sale of Fixed Assets shows sale of land and transfers of \$473,000 to other funds that did not have enough income to support their

activities. Total Other Financing Sources is negative \$350,000 this year. She stated they ended the year with a decrease in the Fund balance of \$208,000, but still ended up with a Fund Balance of \$2+ million. Chart 3 shows Revenues by Source and Chart 4A shows percentages by the different categories of the expenses, which vary from year to year depending on the projects. Chart 5 and 6 show more information on the General Fund. Page 15 is the Senior Citizen Fund \$46,000 more was spent than taken in with the transfer making the Fund Balance \$3,000. Page 60 is the Government Auditors Standards, which details those things that need to be corrected, noting four (4) deficiencies that have to be addressed. Page 62 details those deficiencies in control, but she stated until there is a lot more training, "I cannot see your staff preparing this on their own because of the complexities and I do not see this to be a significant problem, but we are required to write it up". She stated the Fixed Asset portion could possibly not be in the report next year as much of that has been corrected. She suggested the reconciliation be done on a monthly basis and the management has been working on this. She noted that the City may be vulnerable because of the passwords and management has implemented this for the accounting software. Page 26 shows compliance with Nevada State Statutes has three (3) violations, as opposed to seven (7) last year. She stated the most important thing for upcoming year is Page 45 GASB dealing with post-employment benefits and that the City is going to have to hire an actuary to look at liabilities the City has. The actuary determines how much it will cost the City for each retiree for their remaining years. She stated this would be phased into the audit as an expense and liability over a 30-year period.

12. Bernardo Sandoval reported the Management Letter on Page 68 pertaining to the Ambulance Fund, which account receivable were not being accounted for. He stated they want someone to review those monthly to make sure they are consistent. He noted the checks that are paid should match invoices and there were a few isolated instances. He stated they require more documentation. He noted in purchase orders there were three (3) instances where there was no invoice, but there was a purchase order, noting there should be an invoice to support the price. He noted that journal entries should be reviewed by someone other than the person making the entries. He stated Information Technology pertained backups, but they are locked in the safe right next to the server and should be held at a different location for security. He stated the portion on Page 69 to 71 in the "stars" are last year's findings and most of them were not repeated.
13. Mayor Cliff Eklund complimented the auditors.
14. Discussion was held on the training and possible classes at the college.
15. Bernardo Sandoval stated he plans to come out once a month to assist.
16. **Councilperson Lincoln Litchfield moved for approval of the City of Carlin's Annual Audit by Kafoury, Armstrong and Co, and all matters related thereto. Councilperson Lee Griswold seconded the motion. The motion carried.**

**III. Briefing and discussion by City Administration regarding the reporting of Insurance claims and lawsuits in accordance with requirements of the Nevada Public Agency Insurance Pool, and all matters related thereto. (Non-Action Item)**

1. City Manager Glenn Trust stated POOL/PACT want to make sure that claims and lawsuits are reported to them in a timely fashion. He stated he would prefer that they come directly to him in a timely fashion telling him they might have a possible claim or lawsuit instead of finding out later. This allows the City and POOL/PACT to respond and prepare any necessary defense.

**IV. Discussion and possible approval of a proposal to change utility billing to a post card format as part of the City's expense control initiatives, and all matters related thereto. (Action Item)**

1. City Clerk LaDawn Lawson reported this is a cost-saving measure and explained they will be perforated. She stated there have been no negative responses.
2. **Councilperson Lincoln Litchfield moved for approval of a proposal to change utility billing to a post card format as part of the City's expense control initiatives, and all matters related thereto. Councilperson David Trujillo seconded the motion. The motion carried.**

**V. Review, discussion and possible approval of the City's "Expense and Purchasing Management Control Policy", and all matters related thereto. (Action Item)**

1. City Manager Glenn Trust reported this policy is one that the City has been using for the past year and a half, but it has never been ratified by the Council. He explained nothing is spent without a Purchase Order attached to the Invoice and establishes the signature authorities for the Departments. He stated they could approve an expense of \$500 that is budgeted as the Council has already approved the budget. As long as the purchase is not over \$500 and is within the budget, the Department Head is authorized to purchase; if it is more, they bring it to the City Manager for approval. He stated they have a Purchase Order form. He noted the City Manager's level is from \$1000 to \$15,000 and anything over that is approved by the Mayor and anything above the statutory limit of \$24,999 is put out to bid with Council approval. He noted it addresses credit cards and criteria set up for their use and that they follow the same Purchase Order procedure. He stated if the aggregate expense for a purchase or service exceeds the statutory limit it has to go out to bid.
2. Mayor Cliff Eklund stated it cannot be circumvented and has to conform to the aggregate amount.
3. City Manager Glenn Trust stated for purchases of \$502 to \$10,000; they can get verbal quotes, but have to have three (3) verbal quotes documented by the Department Head, which could be a faxed quote. For purchases of \$10,001 to \$24,999 three (3) written quotes are required. Purchases of \$25,000 or more require that the full bid process be employed. He directed their attention to the Spirit and Intent of the Policy. The intent being to adhere to the strictest interpretation and level of control for any purchase. He discussed the violations.
4. **Councilperson Lincoln Litchfield moved for approval of the City's "Expense and Purchasing Management Control Policy", and all matters related thereto. Councilperson Lee Griswold seconded the motion. The motion carried.**

**VI. Designation of the position of Chief of Police of the Carlin Police Department as a position for which there is a critical labor shortage due to the limited number of qualified candidates for the position and William Bauer as the candidate to continue to fill this position pursuant to NRS 286.523, and all matters related thereto. (Action Item)**

1. Mayor Cliff Eklund reported they have to do this every two (2) years as he is on PERS retirement. He stated this is a plan to capitalize on the experience of retired police officers and declare a critical labor shortage for this position.
2. **Councilperson Lincoln Litchfield moved to approve the designation of the position of Chief of Police of the Carlin Police Department as a position for which there is a critical labor shortage due to the limited number of qualified candidates for the position and William Bauer as the candidate to continue to fill this position pursuant to NRS 286.523, and all matters related thereto. Councilperson Lee Griswold seconded the motion. The motion carried.**

**VII. Review discussion and possible approval of City Council Regular Meeting Minutes for 10/07/09, and all matters related thereto. (Action Item)**

1. **Councilperson Lincoln Litchfield moved for approval of City Council Meeting Minutes for the CDBG Public Hearing on 10/07/09, and all matters related thereto. Councilperson Lee Griswold seconded the motion. The motion carried.**

**VIII. Review, discussion and possible approval of payments for the period 12/10/09 to 1/13/10, and all matters related thereto. (Action Item)**

1. **Councilperson Lee Griswold moved for approval of payments for the period 12/10/09 to 1/13/10, and all matters related thereto. Councilperson David Trujillo seconded the motion. The motion carried with Councilperson Lincoln Litchfield abstaining from One-Stop Auto Parts.**

**IX. City Council Members Report. (Non-Action Item)**

1. Councilperson Lee Griswold had no report.
2. Councilperson David Trujillo commended the Public Works and Honor Camps during the adverse weather.
3. Councilperson Lincoln Litchfield reported the Planning Commission is working on Title 3, at least an hour in the meeting and it should come to the Council in a couple of months. He stated the Fire Chief is coming up for election in February. He stated the Lions Club is now a viable club in Carlin.
4. Mayor Cliff Eklund reported he was at the Lions Club and looks forward to working with them. He stated he suggested they have a Yard of the Month contest for the year with the City putting up \$500 for the Yard of the Year and \$500 for the most improved yard.
5. Councilperson Lincoln Litchfield stated the Lions Club is looking at the feasibility or a Garden Club in Carlin.
6. Mayor Cliff Eklund complimented Public Works Director Carlos Esparza on the streets and cemetery and stated City Clerk LaDawn Lawson is doing a great job.

**X. City Clerk's Report. (Non-Action Item)**

1. City Clerk LaDawn Lawson had no report.

**City Manager's Report (Non-Action Item)**

1. City Manager Glenn Trust reported City Clerk LaDawn Lawson has done a great job and would like to thank the Department Heads on their improvement. He stated the new building is up over the reservoir and encouraged everyone to go look at it.
2. Mayor Cliff Eklund complimented all of the City employees.

**XI. Comments by the General Public: Pursuant to NRS 241.020(2C) this time is devoted to comments by the general public and discussion to those comments. No action may be taken upon a matter raised under this item until the matter has been included on a successive agenda and identified as an action item. (Non-Action Item)**

1. None.

**XII. Adjournment. (Action Item)**

**The meeting was adjourned at 9:45 p.m.**

**APPROVED:**

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**CLIFF EKLUND, MAYOR**

**ATTEST:**

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**LADAWN LAWSON, CITY CLERK**