

CARLIN CITY COUNCIL
CITY OF CARLIN, STATE OF NEVADA
PUBLIC HEARING of the TENTATIVE BUDGET FOR FISCAL YEAR 2009/2010
CARLIN CITY HALL
101 SOUTH EIGHTH STREET
CARLIN, NEVADA

May 19, 2009, 5:30 p.m.

Call to Order and Roll Call:

Mayor Cliff Eklund called the meeting of the City Council to order at 5:30 p.m.

1. Council Members Present: Mayor Cliff Eklund
Vice Mayor Donnetta Skinner
Councilperson Lincoln Litchfield
Councilperson David Trujillo
Absent: Councilperson Lee Griswold
2. Administrative Staff: City Manager Glenn Trust, City Clerk LaDawn Lawson
3. Public Present:

PLEDGE OF ALLEGIANCE

- I. **Presentation of the City of Carlin's Tentative Budget for Fiscal Year 2009/2010. (Non-Action Item)**
 1. No public present.
- II. **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. Mayor Cliff Eklund stated they would go directly to a Special Session. Since there were no "public" present the Council moved to the next agenda item.

SPECIAL SESSION OF THE CARLIN CITY COUNCIL

- I. **Discussion and review of the City of Carlin's Tentative Budget for Fiscal Year 2009/2010 and possible approval of the Tentative Budget as the Final Budget, or approval of the Tentative Budget, as amended by the City Council during the Special Session as the Final Budget and all matters thereto. (Action)**
 1. Councilperson Lincoln Litchfield reported he had discussed this with Police Chief Bauer and Carlos Esparza, Director of Public Works who were satisfied.
 2. Mayor Cliff Eklund inquired about changes.
 3. City Manager Glenn Trust reported changes are made in the Ending and Beginning Balances, as they were not entered into the system. On Page 8, the Beginning Fund Balance is \$2,017,339 as a result of entering the audited beginning balances from last year. "As a matter of record, a previous audit issue was the Senior Citizen's Fund, which will begin with a negative balance of \$5,517 and will end next fiscal year at \$905. We have been able to balance the budget and not to budget a negative balance. All of the funds will be positive at the end of the next fiscal year. On the front page, \$291,859 is the property tax estimate revised from an additional budget projection from the state. Other than that everything has remained as discussed".

4. Mayor Cliff Eklund inquired if there has been any other indication there would be reduction in funding from the state.
5. City Manager Glenn Trust stated he inquired about the Consolidated Tax, which is not anticipated at this time, the same for the property tax. "The majority of our tax comes from the Consolidated Tax. The gaming tax could go down and the budget will still remain the same".
6. Mayor Cliff Eklund stated he understood that the cuts would affect the unmandated funding, such as gaming, cigarette and alcohol tax. "I'm glad that the budget has been done in a conservative manner".
7. City Manager Glenn Trust stated the Consolidated Tax projected is \$1,308,994, 10% less than the state's projection.
8. Mayor Cliff Eklund stated the sales tax has dropped in Elko County.
9. City Manager Glenn Trust stated they would monitor the projections closely.
10. **Vice Mayor Donnetta Skinner moved for approval of the City of Carlin's Tentative Budget for Fiscal Year 2009/2010 as the Final Budget. Councilperson Lincoln Litchfield seconded the motion. The motion carried.**

Ia. Discussion and review of the default status of payments due from NV Developers, and required performance under the Purchase and Development Agreements and possible authorization for the City Attorney and City Manager to proceed with foreclosure on the property parcels specified in the Deed of Trust for funds unpaid to the City, and all matters related thereto. (Action Item)

1. Mayor Cliff Eklund stated the City will need to begin foreclosure on the property and there will be a land sale. "We are going to have to take legal action in the form of repossessing our property. They owe the City \$870,000 plus interest with the bank's foreclosing on them with the other parties. We are first lien holders and we need to protect ourselves according to Bob Goicoechea".
2. Councilperson David Trujillo inquired how much the land is worth.
3. City Manager Glenn Trust stated, "It is close to \$1,400,000. They gave us \$500,000 as a first payment and owed us \$450,000 last year with the balance due June 2009. We stopped the foreclosure last summer with the intent to resolve the issue of the road and the performance issues they have not met. They still owe us the money, the only exception was that they proceed with the entry road by March 2009 and they have not done that and therefore are in default. We recommend foreclosure and we are first lien holders. Mr. Goicoechea will proceed tomorrow if the Board approves".
4. Discussion was held on the property, Phase 1, Phase II and the default status.
5. City Manager Glenn Trust stated they would have to pay the City first if they sold the property. "The Notice of Foreclosure form their Investors said the purchaser has to assume all of the agreements, and I am skeptical whether that will go".
6. **Councilperson Lincoln Litchfield moved for approval to proceed against NV Developers for required performance under the Purchase and Development Agreements and authorization for the City Attorney and City Manager to proceed with foreclosure on the property parcels specified in the Deed of Trust for funds unpaid to the City, and all matters related thereto. Councilperson David Trujillo seconded the motion. The motion carried.**

II. 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. City Manager Glenn Trust stated there were legal notices in the paper showing property taxes that were unpaid, showing the City of Carlin delinquent in the amount \$1,331, property that

- Brian Knowles and Diamond K purchased. He spoke to the City Attorney and Brian Knowles still owes the City \$20,000 from a \$40,000 purchase. He has paid \$20,000, but still owes the remaining amount and had asked the Council for a year extension to get his building permits and financing together. "He is already in default, because the final \$20,000 was to be paid to the City on or before nine (9) months after the close of escrow. Escrow closed in 2006. The City has been generous in allowing him to wait for NV Developers and other developers, but the reality is that he owes \$20,000 and has not paid the taxes on the property. The City Attorney says it does not require Council approval to proceed with foreclosure process unless you want it agendaed at a later date".
2. Mayor Cliff Eklund stated this does not need a vote.
 3. Discussion was held on when the year extension lapses.

III. Adjournment. (Action Item) The meeting was adjourned at 5:50 p.m.

APPROVED:

CLIFF EKLUND, MAYOR

ATTES T:

LADAWN LAWSON, CITY CLERK