



MAYOR  
Geno Martini

CITY COUNCIL  
Julia Ratti, Ward I  
Ed Lawson, Ward II  
Ron Smith, Ward III  
Mike Carrigan, Ward IV  
Ron Schmitt, Ward V

CITY ATTORNEY  
Chet Adams

## REGULAR CITY COUNCIL MEETING

2:00 P.M., Monday, August 26, 2013

City Council Chambers, Legislative Building, 745 Fourth Street, Sparks, Nevada

1. **Call to Order** (Time: 2:00 p.m.)

The regular meeting of the Sparks City Council was called to order by Mayor Geno Martini at 2:00 p.m.

2. **Roll Call** (Time: 2:00 p.m.)

Mayor Geno Martini, Council Members Julia Ratti, Ed Lawson, Ron Smith, Mike Carrigan, Ron Schmitt, City Manager Shaun Carey, Acting City Attorney Shirle Eiting and City Clerk Teresa Gardner, PRESENT.

ABSENT: None

Staff Present: Brian Allen, Dave Vill, Andy Flock, Andy Koski, Bob King, Chris Cobb, Steve Driscoll, Chris Maples, Mary Jo Newton, Jeannette Martin, Tracy Domingues, Francine Burge, Jeff Cronk, Jill Valdez, Adam Mayberry, Armando Ornelas, Jim Rundle, Andy Hummel, Neil Krutz, John Martini, Tom Garrison, George Graham, Karen Melby, Rick Darby

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

Brent Roelofs, Church of Latter Day Saints, was not present. Mayor Martini led a moment of silence for all who serve our country.

**Pledge of Allegiance** (Time: 2:01 p.m.)

The Pledge of Allegiance was led by retired Fire Chief Bill Farr.

**Comments from the Public** (Time: 2:01 p.m.) - None

**Approval of the Agenda** (Time: 2:02 p.m.)

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

Mayor Martini recommended taking item 6.1 after item 3.1. A motion was made by Council Member Schmitt, seconded by Council Member Smith, to approve the agenda as amended. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

3. **Recommendation to Approve Minutes of the Concurrent Council Meeting of June 10, 2013 and the regular Sparks City Council Meeting for July 22, 2013. (FOR POSSIBLE ACTION)** (Time: 2:02p.m.)

**3.1 Consideration and possible approval of the minutes of the regular Sparks City Council Meeting for the Concurrent Council Meeting of June 10, 2013 and the regular Sparks City Council Meeting for July 22, 2013. (FOR POSSIBLE ACTION)**

A motion was made by Council Member Lawson, seconded by Council Member Schmitt, to approve the minutes of the Concurrent Council Meeting of June 10, 2013 and the regular Sparks City Council Meeting for July 22, 2013 as outlined by staff. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**4. Announcements, Presentations, Recognition Items and Items of Special Interest**  
(Time: 2:16 p.m.)

**4.1 Presentation by President/CEO of the Reno-Tahoe Airport Authority, Marily M. Mora, A.A.E.** (Time: 2:16 p.m.)

Community Relations Manager Adam Mayberry, serving as City of Sparks appointment to the Reno-Tahoe Airport Authority and Chair of the Airport Authority introduced President/CEO of the Reno-Tahoe Airport Authority, Marily M. Mora, who made a presentation:

**President / CEO Marily M. Mora**

- ✦ More than **25** years of airport management experience.
  - ❖ Mineta-**San Jose** International
  - ❖ **Oakland** International
  - ❖ **Reno-Tahoe** International
- ✦ Home Means Nevada
- ✦ Guiding principles:
  - ❖ ethical behavior, respect, communication, performance and trust

**Who we are: Reno-Tahoe Airport Authority**

- ✦ Financially self-sufficient
  - ❖ Operate on fees/rent collected from airport tenants (airlines, rental cars, parking, concessions, land leases)
  - ❖ 70% of revenues are generated by non-airline sources
    - ✓ Parking
    - ✓ Rental Cars
    - ✓ Concessions
    - ✓ Gaming
    - ✓ Leases
- ✦ \$2 billion annual economic impact
- ✦ Reno-Tahoe International Airport employs 2,500;  
RTAA 245



**New Air Service**

- ✦ Bellingham, WA
  - ❖ 20 minutes from Canadian Border
  - ❖ June 6, 2013
- ✦ Oakland, CA
  - ❖ Popular flight returns
  - ❖ August 30, 2013
- ✦ Portland, OR
  - ❖ Adds competition to market
  - ❖ November 8, 2013

**RTIA Has Exceptional Air Service Compared to Communities of Its Size**

Metropolitan Core Based Statistical Area (CBSA)	Fall 2010 Population (CBSA)	Airport/s	Departures	Seats	Destinations
Lexington, KY, US	478.5	LEX	31	1,893	13
Fayetteville – Springdale – Rogers, AR-MO	474.8	XNA	39	2,132	15
Pensacola, FL, US	457.5	PNS	34	2,613	10
Lansing, MI, US	452.6	LAN	14	1,006	10
Springfield, MO, US	436.3	SGF	23	1,280	9
<b>Reno, NV, US</b>	<b>423.6</b>	<b>RNO</b>	<b>54</b>	<b>6,155</b>	<b>16</b>
Flint, MI, US	419.1	FNT	20	1,526	8
Corpus Christi, TX, US	418.4	CRP	19	1,282	3
Asheville, NC, US	416.8	AVL	19	1,140	7
Fort Wayne, IN, US	416.6	FWA	17	1,011	8
Huntsville/Decatur, AL, US	415.6	HSV	29	2,126	9
Mobile, AL, US	415	MOB	18	1,078	4
Santa Barbara, Santa Maria, CA, US	410.3	SBA,SMX	34	1,557	7

\*All Airports listed experienced a reduction of at least 10% in flights and/or seats

\*The average seat size for most markets is 60 seats per departure (regional jets) as compared to 115 seats per departure for RNO (mainline jets).

Source: U.S. Census Bureau CBSA Estimates 2010 and U.S. DOT Schedule via APGDat March 2013

Gateway to the Region

- ✦ \$100M in terminal improvements in the last five years
  - ❖ Employed 500 local construction workers
  - ❖ Created an airport that provides a sense of place
  - ❖ You know you are in Reno-Sparks when you land

Planning for the Future

- ✦ New Strategic Plan to be unveiled this fall
  - ❖ Project is a six month process led by Airport Chair Adam Mayberry
  - ❖ Relies on six priorities – most important being Air Service
  - ❖ Plan will be our compass for the next five years
  
- ✦ New Strategic Plan to be unveiled this fall
  - ❖ Major part of the plan is community involvement – Sparks will be engaged
  - ❖ Watch for an invite to a community event unveiling the plan
  - ❖ It will include annual updates to the community
  - ❖ Glad to be back and look forward to working with you as we move forward

Council Member Ron Schmitt thanked Ms. Mora for reaching out to the Council and the community. He commended Ms. Mora and Mr. Mayberry for their contributions to the growth and prosperity of the airport.

**4.2 Special recognition to three businesses, Belfor Property Restoration; Sims Metal Management; ABC Fire and Extinguisher Co., as the Title Sponsors for the 2013 Sparks Fire Department Project SAFE Golf Fundraiser. (Time: 2:25 p.m.)**

Fire Marshall Bob King thanked the title sponsors and each volunteer and donation group for the \$13,000 in contributions to the 4th annual Project SAFE Golf Fundraiser. Mayor Martini thanked the volunteers and presented commemorative plaques to

- Chris Nelson and Michelle Turner of Belfor Property Restoration
- Ned Brown of ABC Fire Extinguisher
- Matt Carroll of Simms Mail Management

**4.3 Presentation of a new business, Innovolux, Inc., Larry Martin - President**  
 (Time: 2:28 p.m.)

Larry Martin, Manager and CEO of Innovolux made a presentation about development of audio and visual technologies.

**Innovolux**

RGB LED & A/V technologies  
 "Beautifully Efficient Light, Sound & Video"  
<http://www.innovolux.com>

Processor / Scaler – Design Manufacture  
 Walls & Displays – Sales, Leasing & Rentals  
 Lighting – LED & Plasma Fixtures  
 Consulting – Solutions & A/V Systems Integration

Larry R. Martin, CEO, Managing Director  
 300 East 2nd Street, Suite 1405  
 Reno, NV 89501-1500  
[larry@innovolux.com](mailto:larry@innovolux.com)

**58 Products & Services – 9 Being Marketed Now**

- Head worn microphone
- Earbuds
- Hearing aids
- Plasma "Point-Source" lighting
- LED tubes
- LED displays
- Ultra small HD camera Lens
- Audio/Video systems integrations

**Our "Game Changer" Processor / Scalers**

- Vermeer Optimizer™
- Vermeer Optimizer 1.0™

LED & Large Digital Display Problems



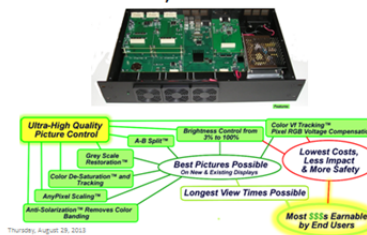
Thursday, August 29, 2013

**Innovolux Team**

- Art Yeap - Co-Founder, CTO
  - Hewlett-Packard Research Labs - early LCD and LED Driver Research
  - SMPTE Study Group, HDTV Standards
  - iTV Corp – Consumer Products
  - UC Berkeley – Principal Development Engineer for Real-Time 3-D Video, Audio and Structured Lighting Defense Research Program
  - 10+ years new start-up, product development and manufacturing
  - 40 Years R&D, Engineering & Marketing for Silicon Valley Hi-Tech and Start-ups
- Robert Herenden, Engineer
  - LED lighting R&D - HP Labs
  - RGB LEDs exclusively for signage
- Larry R. Martin – Co-Founder, Interim CEO, Managing Director
  - 44 years Technical Facilities Development & Construction
  - 10+ years New Start-up
  - Market Analysis
  - New Business Management & Development

Innovolux's **Vermeer Optimizer™**

Processor/Scaler Solutions

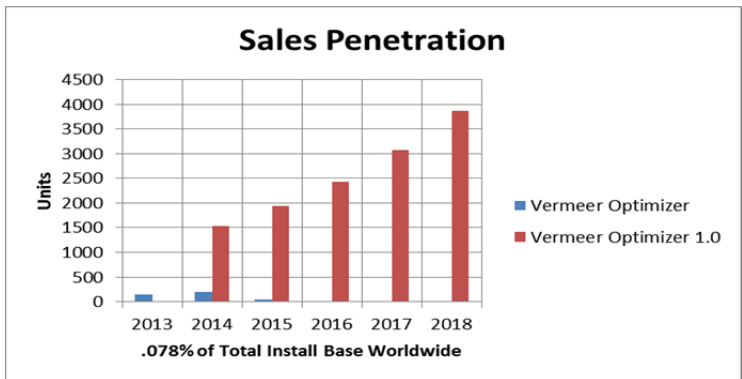
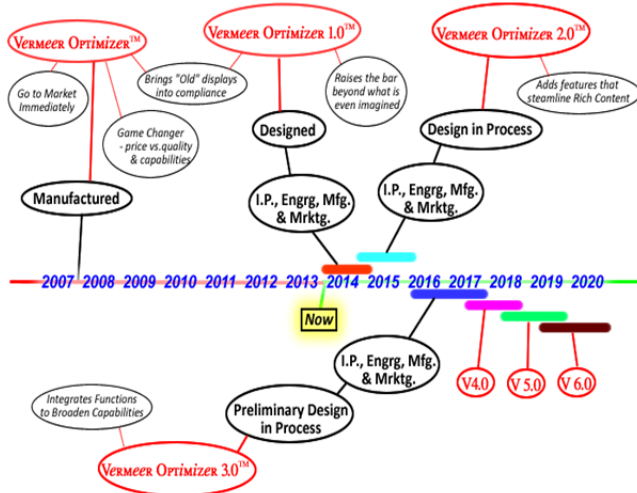




**Innovolux's answer**

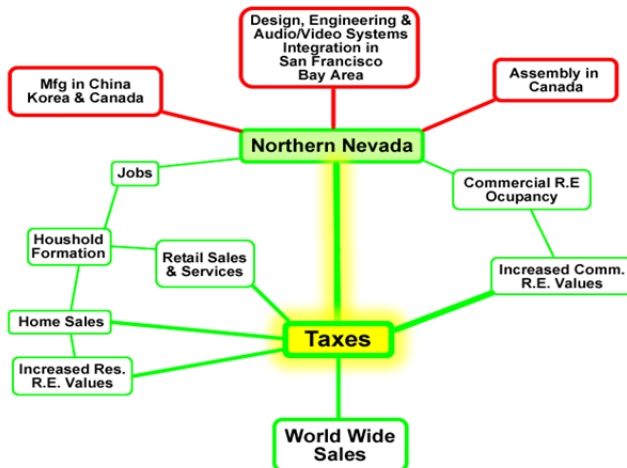
- Satisfies rising demand for a dedicated, highly reliable, ultra-high image quality processor / scaler
- Specifically addresses and corrects LED and large display video projection image idiosyncrasies
- The ultimate, low cost solution

**Today & Beyond**



\$15.4 M in sales projected for the year 2018

**Our Goals for Northern Nevada**



**Innovolux**

RGB LED & A/V technologies  
 "Beautifully Efficient Light, Sound & Video"  
<http://www.innovolux.com>

Processor / Scaler – Design Manufacture  
 Walls & Displays – Sales, Leasing & Rentals  
 Lighting – LED & Plasma Fixtures  
 Consulting – Solutions & A/V Systems Integration

Larry R. Martin, CEO, Managing Director  
 300 East 2nd Street, Suite 1405  
 Reno, NV 89501-1500  
[larry@innovolux.com](mailto:larry@innovolux.com)

**4.4 Presentation of Sewer, Storm Drain, and Effluent Rate Study Preliminary Results (Time: 2:37 p.m.)**

Utilities Manager Andy Hummel introduced Karen Johnson, from FCS Group, who made a presentation.

**City of Sparks Sewer, Storm Drain and Effluent Rate Study**  
 Preliminary Results - August 26, 2013  
 FCS Group / Solutions-Oriented Consulting

**Agenda**

- Fiscal Policies
- Revenue Requirements
  - Status Quo – maintains current utility practices
  - Recommended – revisions to fiscal policies
- Cost of Service Rates
- Connection Charges

**Fiscal Policies**

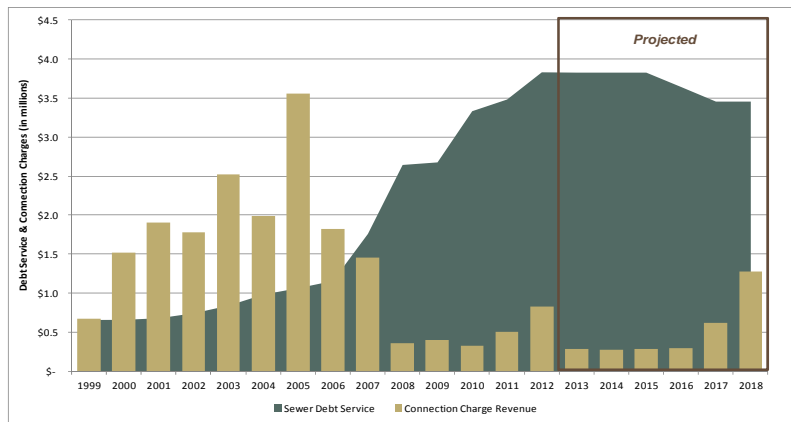
Recommended changes from current practice

<b>Description / Objective</b>	<b>Recommendation</b>	<b>Comments</b>
<i>Use of Connection Charges</i>		
Mitigate risk	Use connection charges to only fund capital projects; pay all debt service through rates (phase-out strategy included in current study)	Current practice is to use connection charges to pay debt service
<i>System Reinvestment Funding</i>		
Maintain rate stability and ensure ongoing system integrity	Annual fund from rates an amount equal to annual depreciation expense; phase-in funding over study period	Currently funded with excess of minimum operating reserves when available

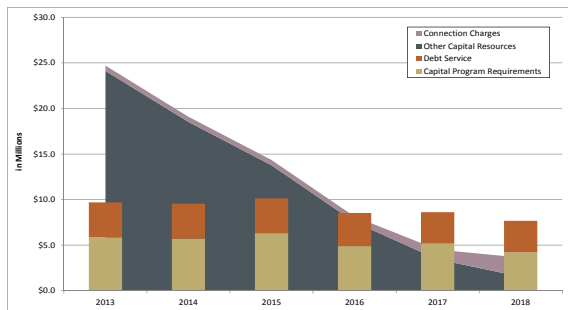
Funding Resources

	Operating Fund	Capital Fund
<b>Current Practice</b>	<p><b>Sources of Funding</b></p> <ol style="list-style-type: none"> <li>Rate Revenues</li> <li>Other Operating Revenues</li> <li>Operating Cash Reserves</li> </ol> <p><b>Uses</b></p> <ul style="list-style-type: none"> <li>O&amp;M Expenses</li> <li>Routine Capital</li> <li>Transfers to Capital</li> </ul>	<p><b>Sources of Funding</b></p> <ol style="list-style-type: none"> <li>Connection Charges</li> <li>Transfers from Operating</li> <li>Capital Cash Reserves</li> <li>Grants</li> <li>Reimbursements</li> <li>Debt Proceeds</li> </ol> <p><b>Uses</b></p> <ul style="list-style-type: none"> <li>Debt Service</li> <li>Capital Projects</li> <li>Capital Projects</li> </ul>
<b>Recommended</b>	<p><b>Sources of Funding</b></p> <ol style="list-style-type: none"> <li>Rate Revenues</li> <li>Other Operating Revenues</li> <li>Operating Cash Reserves</li> </ol> <p><b>Uses</b></p> <ul style="list-style-type: none"> <li>Debt Service</li> <li>System Reinvestment Funding</li> <li>O&amp;M Expenses</li> <li>Routine Capital</li> <li>Transfers to Capital</li> </ul>	<p><b>Sources of Funding</b></p> <ol style="list-style-type: none"> <li>Grants / Reimbursements</li> <li>Connection Charges</li> <li>System Reinvestment Funding</li> <li>Transfers from Operating</li> <li>Capital Cash Reserves</li> <li>Debt Proceeds</li> </ol> <p><b>Uses</b></p> <ul style="list-style-type: none"> <li>Capital Projects</li> </ul>

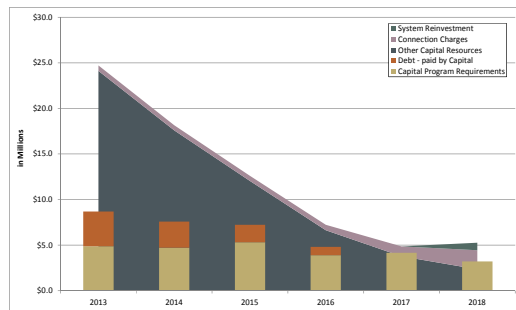
Use of Connection Charges



Capital Funding Resources – Status Quo



Capital Funding Resources - Recommended





**REVENUE REQUIREMENTS**

**Revenue Requirement Scenarios**

- **Status quo** maintains current utility practices
  - Impacts
    - Draw down of capital reserves over study period
    - Insufficient cash to pay debt in current study period
    - Higher rate increases required in next study period
- **Recommended**
  - Phase-out use of capital funds for debt service
  - Phase-in system reinvestment funding policy

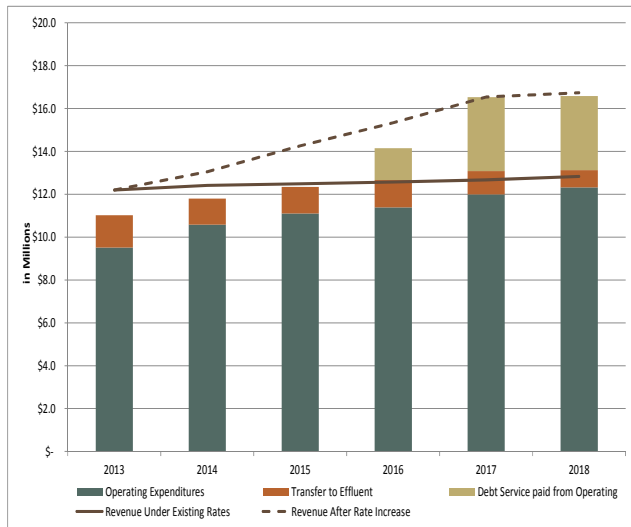
Both scenarios assume existing levels of environmental control fees and connection charges

Current practice is January 1 rate implementation

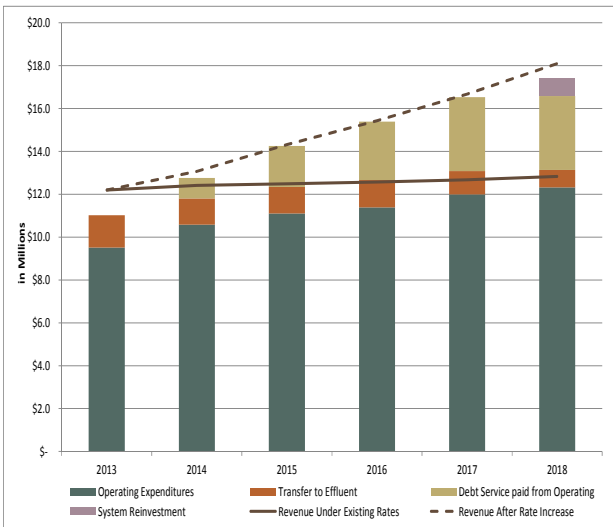
Assumes FY 2013-14 increases will be implemented October 1 (subsequent years July 1)

**SEWER UTILITY**

Revenue Requirement – Status Quo



Revenue Requirement -- - Recommended



**Rate Impacts**

**Status Quo**

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Monthly Residential Sewer Rate	\$ 15.85		\$17.12	\$18.49	\$19.97	\$21.56	\$21.56
Annual Rate Adjustment			\$1.27	\$1.37	\$1.48	\$1.60	\$0.00
Cumulative Rate Increase			\$1.27	\$2.64	\$4.12	\$5.71	\$5.71

**Recommended**

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Monthly Residential Sewer Rate	\$ 15.85		\$17.16	\$18.57	\$20.11	\$21.76	\$23.56
Annual Rate Adjustment			\$1.31	\$1.42	\$1.53	\$1.66	\$1.80
Cumulative Rate Increase			\$1.31	\$2.72	\$4.26	\$5.91	\$7.71

**Ameresco Capital Project Impacts**

- Energy savings project for TMWRF
- Assumed if final 2 years occur, they will be debt financed

	2014	2015	2016	2017	2018
<b>Cost of Project</b>	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,500,000	\$ 22,000,000
<b>Sparks' Share (32%)</b>	\$ 640,000	\$ 640,000	\$ 640,000	\$ 1,120,000	\$ 7,040,000

**Ameresco Rate Impacts**

Comparison: Recommended

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Monthly Residential Sewer Rate	\$	15.85	\$17.16	\$18.57	\$20.11	\$21.76	\$23.56
Annual Rate Adjustment			\$1.31	\$1.42	\$1.53	\$1.66	\$1.80
Cumulative Rate Increase			\$1.31	\$2.72	\$4.26	\$5.91	\$7.71

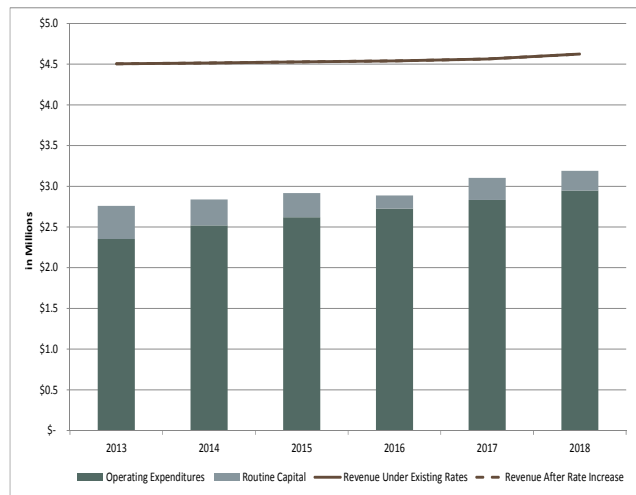
Sparks' Share (32%): 3 yrs

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Monthly Residential Sewer Rate	\$	15.85	\$17.28	\$18.83	\$20.53	\$22.37	\$23.60
Annual Rate Adjustment			\$1.43	\$1.55	\$1.69	\$1.85	\$1.23
Cumulative Rate Increase			\$1.43	\$2.98	\$4.68	\$6.52	\$7.75

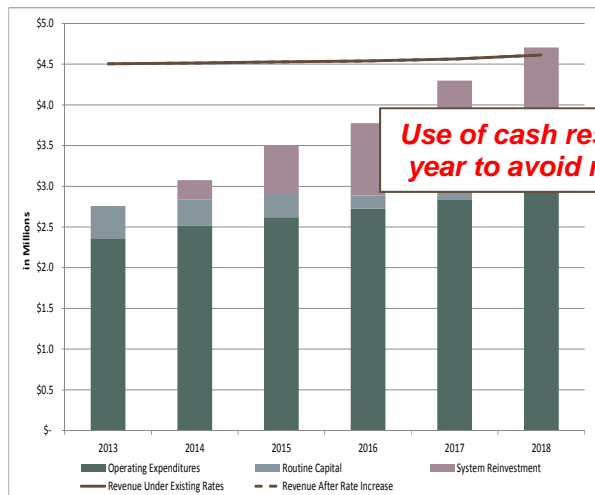
Sparks' Share (32%): 5 yrs

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Monthly Residential Sewer Rate	\$	15.85	\$17.28	\$18.83	\$20.53	\$22.37	\$24.39
Annual Rate Adjustment			\$1.43	\$1.55	\$1.69	\$1.85	\$2.01
Cumulative Rate Increase			\$1.43	\$2.98	\$4.68	\$6.52	\$8.54

**STORM DRAIN UTILITY**  
 Revenue Requirement – Status Quo



**Revenue Requirement -- - Recommended**



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**Rate Impacts**

Status quo & Recommended:

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Monthly Residential Storm Rate	\$ 8.32	\$ 8.32	\$ 8.32	\$ 8.32	\$ 8.32	\$ 8.32	\$ 8.32
Annual Rate Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Flood Residential Rate	5.41	5.41	5.41	5.41	5.41	5.41	5.41
Monthly Total Residential Rate	\$ 13.73	\$ 13.73	\$ 13.73	\$ 13.73	\$ 13.73	\$ 13.73	\$ 13.73
Annual Rate Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**Combined Residential Rate Impacts**

Status Quo:

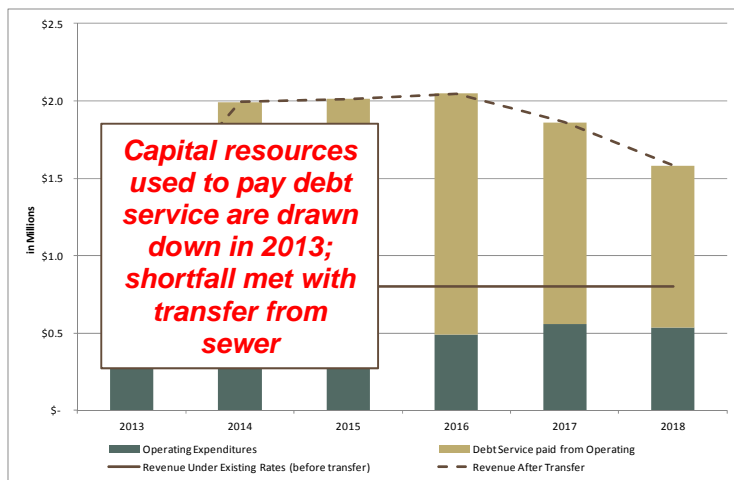
Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
<b>Monthly Residential Rate</b>							
Sewer	\$ 15.85	\$ 17.12	\$ 18.49	\$ 19.97	\$ 21.56	\$ 21.56	\$ 21.56
Storm	13.73	13.73	13.73	13.73	13.73	13.73	13.73
<b>Total</b>	<b>\$ 29.58</b>	<b>\$ 30.85</b>	<b>\$ 32.22</b>	<b>\$ 33.70</b>	<b>\$ 35.29</b>	<b>\$ 35.29</b>	<b>\$ 35.29</b>
Total Annual Rate Adjustment		\$1.27	\$1.37	\$1.48	\$1.60	\$0.00	\$0.00

Recommended:

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
<b>Monthly Residential Rate</b>							
Sewer	\$ 15.85	\$ 17.16	\$ 18.57	\$ 20.11	\$ 21.76	\$ 23.56	\$ 23.56
Storm	13.73	13.73	13.73	13.73	13.73	13.73	13.73
<b>Total</b>	<b>\$ 29.58</b>	<b>\$ 30.89</b>	<b>\$ 32.30</b>	<b>\$ 33.84</b>	<b>\$ 35.49</b>	<b>\$ 37.29</b>	<b>\$ 37.29</b>
Total Annual Rate Adjustment		\$1.31	\$1.42	\$1.53	\$1.66	\$1.80	\$1.80

**Total difference between scenarios is \$2.00 over 5 years**

**EFFLUENT UTILITY**  
**Revenue Requirement**



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**Rate Impacts**

- Draw down of capital reserves resulting in the majority of debt service funded from sewer rates
- No financial policies implemented

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018	
Annual Rate Adjustment			0.00%	0.00%	0.00%	0.00%	0.00%	
Cumulative Rate Increase			0.00%	0.00%	0.00%	0.00%	0.00%	
Annual Transfer from Sewer	\$ 367,540	\$	1,210,424	\$ 1,230,142	\$	1,265,920	\$ 1,080,836	\$ 802,888

Existing debt service reduces

**Eliminate Sewer Transfer to Effluent**

Based on "Recommended" scenario

Sewer rate increases:

Cumulative savings of ~\$210/month

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Monthly Residential Sewer Rate	\$ 15.85		\$16.84	\$17.89	\$19.01	\$20.20	\$21.46
Annual Rate Adjustment			\$0.99	\$1.05	\$1.12	\$1.19	\$1.26
Cumulative Rate Increase			\$0.99	\$2.04	\$3.16	\$4.35	\$5.61

Effluent rate increases:

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
Annual Rate Adjustment			296.03%	0.00%	0.02%	0.00%	0.00%
Cumulative Rate Increase			296.03%	296.03%	296.10%	296.10%	296.10%
Annual Transfer from Sewer	\$ 367,540	\$	320,000	\$ -	\$ -	\$ -	\$ -

Note: partial subsidy in 2014 to adjust for 9 month implementation period

**Sewer Cost of Service Results**

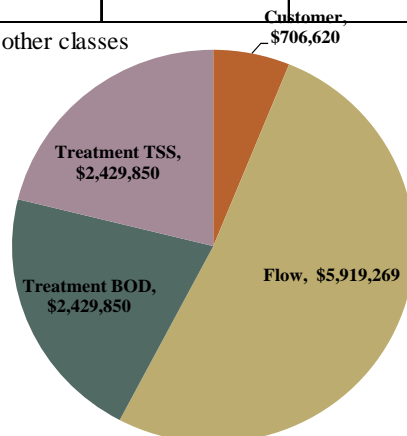
**Under "Recommended" Scenario**

Sewer – Cost Allocations by Class

Functional Categories:	Customer	Flow	Treatment		Total
			BOD	TSS	
<i>Allocation Basis:</i>	<i>No. of Units</i>	<i>Billed Volume (kgal) [a]</i>	<i>Weighted Strength [a]</i>	<i>Weighted Strength [a]</i>	
Single Family Residential	75.7%	60.8%	57.2%	57.2%	60.2%
Multifamily Residential	20.1%	15.9%	14.9%	14.9%	15.7%
Commercial: Base	4.2%	23.3%	21.9%	21.9%	21.6%
Commercial: Extra-Strength	0.0%	0.0%	6.0%	6.0%	2.5%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

[a] Volume is winter water average for Single Family, actual water use for all other classes

**Compared to previous study, the SFR flow per unit increased & commercial flow per unit decreased**





**Sewer – Class Cost of Service Results**

Customer Classes	FYE 2014 Revenue under Existing Rates	FYE 2014 Cost of Service	Indicated Increase / (Decrease)		
Single Family Residential	\$ 6,129,531	\$ 6,912,795	12.78%	Combined Res. Increase:	12.39%
Multifamily Residential	1,626,992	1,804,468	10.91%		
Commercial: Base	2,562,008	2,476,294	-3.35%	Combined Comm. Increase:	-2.99%
Commercial: Extra-Strength	291,713	292,031	0.11%		
<b>TOTAL</b>	<b>\$ 10,610,244</b>	<b>\$ 11,485,588</b>	<b>8.25%</b>		

- Multifamily Residential contributes ~ 80% of Single Family
- Significant changes in water use (surrogate for flow)

**Sewer Rate Options: FY 2013 / 2014**

	Schedule A Systemwide Across-the-Board Increase	Schedule B Class-Specific Cost of Service	Schedule C Combined Cost of Service (Residential/Commercial)
<b>Single Family Residential</b>	8.25%	12.78%	12.39%
<b>Multi-Family Residential</b>	8.25%	10.91%	12.39%
<b>Commercial - Base</b>	8.25%	-3.35%	-2.99%
<b>Commercial - Extra Strength</b>	8.25%	0.11%	-2.99%

**Combined Residential Bill Impact**

Schedule A: Across-the-Board Increase

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
<b>Monthly Residential Rate</b>							
Sewer	\$ 15.85	\$	17.16	\$ 18.57	\$ 20.11	\$ 21.76	\$ 23.56
Storm	13.73	13.73	13.73	13.73	13.73	13.73	13.73
<b>Total</b>	<b>\$ 29.58</b>	<b>\$</b>	<b>30.89</b>	<b>\$ 32.30</b>	<b>\$ 33.84</b>	<b>\$ 35.49</b>	<b>\$ 37.29</b>
Total Annual Rate Adjustment			\$1.31	\$1.42	\$1.53	\$1.66	\$1.80

Schedule B: Class-Specific Cost of Service

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018
<b>Monthly Residential Rate</b>							
Sewer	\$ 15.85	\$	17.88	\$ 19.35	\$ 20.95	\$ 22.67	\$ 24.55
Storm	13.73	13.73	13.73	13.73	13.73	13.73	13.73
<b>Total</b>	<b>\$ 29.58</b>	<b>\$</b>	<b>31.61</b>	<b>\$ 33.08</b>	<b>\$ 34.68</b>	<b>\$ 36.40</b>	<b>\$ 38.28</b>
Total Annual Rate Adjustment			\$2.03	\$1.47	\$1.60	\$1.73	\$1.87

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Schedule C: Combined Residential Cost of Service

Rate Adjustment	Existing	FYE	2014	2015	2016	2017	2018				
<b>Monthly Residential Rate</b>											
Sewer	\$ 15.85	\$	17.81	\$	19.28	\$	20.87	\$	22.60	\$	24.46
Storm	13.73		13.73		13.73		13.73		13.73		13.73
<b>Total</b>	<b>\$ 29.58</b>	<b>\$</b>	<b>31.54</b>	<b>\$</b>	<b>33.01</b>	<b>\$</b>	<b>34.60</b>	<b>\$</b>	<b>36.33</b>	<b>\$</b>	<b>38.19</b>
Total Annual Rate Adjustment			\$1.96		\$1.47		\$1.59		\$1.72		\$1.86

**CONNECTION CHARGES**

	Customer Category	Existing	Proposed
<b>Sewer</b>	Single Family, per unit	\$ 3,969	\$ 3,661
	Multifamily, per unit	\$ 3,969	\$ 2,929
	Commercial, per WFU [c]	\$ 183.32	\$ 169.11
<b>Storm</b>	Single Family, per unit	\$ 1,009	\$ 860
	Multifamily, per unit	\$ 1,009	\$ 688
	Commercial, per WFU [c]	\$ 46.62	\$ 39.72
<b>Combined</b>	Single Family, per unit	\$ 4,978	\$ 4,521
	Multifamily, per unit	\$ 4,978	\$ 3,617
	Commercial, per WFU [c]	\$ 229.94	\$ 208.83

[c] Based on 21.65 weighted fixture units per ERU

	Customer Category	Existing	Proposed
<b>Effluent</b>	Zone 1 (per ac-ft)	\$ 9,067	\$ 7,098
	Zone 2 (per ac-ft)	\$ 11,334	\$ 8,873

**Connection Charges – Ameresco**

	Customer Category	Existing	Proposed	Ameresco 3 yr	Ameresco 5 yr
<b>Sewer</b>	Single Family, per unit	\$ 3,969	\$ 3,661	\$ 3,702	\$ 3,874
	Multifamily, per unit	\$ 3,969	\$ 2,929	\$ 2,962	\$ 3,099
	Commercial, per WFU [c]	\$ 183.32	\$ 169.11	\$ 170.99	\$ 178.95

[c] Based on 21.65 weighted fixture units per ERU

**Areas for Future Study**

- Stormwater:
  - Currently charges same as sewer flow (based on water use)
  - Issue: Flow has no direct correlation to stormwater runoff
  - Charge basis alternatives
    - Impervious surface area
    - Run off coefficients
    - Land use
- Sewer Strength
  - Adding strength categories to customer rates (e.g., nitrogen)
  - Simplifying sewer commercial customer classes (low / medium / high strength)
- Effluent benefit / true cost of nitrogen removal

**Summary**

- Next steps:
  - Choice of revenue requirement scenario
  - Rate adjustment implementation FY 2013 / 14: October 1
    - July 1 subsequent years
  - Choice of customer class proposed rates
  - Choice of connection charge levels

The question and answer period disclosed:

- In the past five years connection charges were paid from capital funds. An increase of 5% was built in.
- There has been no sewer tax increase since January 2012.
- Rate increases are recommended because in order to continue capital program, City will likely need to incur debt service / more debt.
- Operating expenses are increasing and maintaining what we did five years ago will not cover current and future expenses.
- Capital projects and improvements include replacement, expansion, upgrades to the treatment facilities. Bulk of capital increases is TMWRF; sewer plant is the largest cost expenditure.
- An 8% increase in the sewer tax is recommended in one of the scenarios; an 8.25% increase is recommended in another scenario.

Council Member Ron Schmitt called for consideration of sewer plant operations be revamped to address the issues that cause sewer rate increases to be greater than the cost of inflation.

Council Member Ed Lawson requested more explanation for the capital improvements required to justify the rate increases.

Deputy City Manager for Community Services Neil Krutz requested the presentation be drawn to a close; his group will return at a future time with additional information to answer Council's questions.

**5. Consent Items (Time: 3:31 p.m.)**

Council Member Carrigan pulled item 5.6 for discussion. A motion was made by Council Member Schmitt, seconded by Council Member Ratti, to approve consent items 5.1 through 5.5 as submitted. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**5.1 Report of Claims and Bills approved for payment and appropriation transfers for the period July 4, 2013 through July 24, 2013 (FOR POSSIBLE ACTION)**

An agenda item from Finance Manager Jeff Cronk recommending the City Council approve the report of claims and bills as presented in the staff report.

**5.2 Report of Claims and Bills approved for payment and appropriation transfers for the period July 25, 2013 through August 7, 2013 (FOR POSSIBLE ACTION)**

An agenda item from Finance Manager Jeff Cronk recommending the City Council approve the report of claims and bills as presented in the staff report.



**5.3 Consideration and possible approval of the annual operating plan (AOP) between the Sparks Fire Department and the Reno Fire Department. (FOR POSSIBLE ACTION)**

An agenda item from Fire Chief Andy Flock recommending Council approve the proposed annual operating plan between the Sparks Fire Department and the Reno Fire Department. The annual operating plans provide an opportunity to update information in regards to agency contacts, reimbursement rates, radio frequencies or policy and procedural changes that may have occurred during the past year. There is no impact to the general fund.

**5.4 Consideration and possible award of Golden Eagle Regional Park (GERP) Softball Building Deck Coating Project Informal Quote to Spectra Contract Flooring, in the amount of \$59,951.00. (FOR POSSIBLE ACTION)**

An agenda item from Capital Projects Manager Chris Cobb recommending Council award the contract to Spectra Contract Flooring in the amount of \$59,951.00. The installation of this floor system will prevent porous leaks through the concrete to the lower floor of the building. This is budgeted in capital improvement fund and there is no impact to the general fund.

**5.5 Consideration and possible approval of Impact Fee Agreement #22 with Michael D. Merchant to allow for participation and use of credits in the Service Area Number 1 Impact fee program. (FOR POSSIBLE ACTION)**

An agenda item from Assistant Community Services Director John Martini recommending Council approve the agreement as submitted. Impact Fee Agreement #22 is a master agreement that will allow Michael D. Merchant to participate in the impact fee program. There is no impact to the general fund.

**5.6 Consideration and possible approval of an application for a Gaming license for The Bullpen at Aspen Glen, Inc., located at 5215 Vista Boulevard, Sparks, NV 89436, submitted by Mr. Daniel Joseph Serafini. (FOR POSSIBLE ACTION)**

An agenda item from Police Chief Brian Allen recommending Council approve Mr. Serafini's application for a Gaming license contingent upon the location being inspected and approved by every city, county, district, and state agency having jurisdiction over the matter and upon fingerprints being returned from the FBI/CJIS that do not reflect any disqualifying arrests/convictions, and upon issuance of a Gaming license by Gaming Control Board. There will be thirteen multiple denomination Poker/slot machines with an estimated income of \$1560 annually.

Council Member Carrigan pulled this item for discussion and commented on the owner's past history as a major league baseball player, providing an entertaining new venue in the city.

A motion was made by Council Member Carrigan, seconded by Council Member Schmitt, to approve consent item 5.6 as submitted. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**6. General Business**

**6.1 Consideration and possible approval to appoint a new Fire Chief for the City of Sparks, and consideration and possible approval of the applicable employment contract. (FOR POSSIBLE ACTION) (Time: 2:03 p.m.)**

An agenda item from City Manager Shaun Carey recommending Council confirm the appointment of Thomas R. Garrison to the position of Fire Chief, and approve the Employment Agreement. With the retirement of Fire Chief Andy Flock, it is necessary to appoint a new Fire Chief, and to finalize an employment agreement with the new Fire Chief. There is no impact to the general fund.

A motion was made by Council Member Smith, seconded by Council Member Ron Schmitt, to confirm the appointment of Thomas R. Garrison to the position of Fire Chief, and approve the Employment Agreement, as recommended by the City Manager. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

Mayor Martini issued the oath of office to the new Sparks Fire Chief, Tom Garrison.

**6.2 Consideration and possible acceptance of Interlocal Agreement between the Washoe County Sheriff's Office and Sparks Police Department on Extradition Services. (FOR POSSIBLE ACTION) (Time: 3:34 p.m.)**

An agenda item from Police Chief Brian Allen recommending Council approve the Interlocal Agreement. The Washoe County Sheriff's Office performs all extraditions for and with the Sparks Police Department. The Washoe County Sheriff's Office provides this service and appropriately bills the Sparks Police Department for the services on a quarterly basis. This process began in 2003 with an Interlocal Agreement between both agencies and their respective government entities. To date, this agreement has been beneficial to the City of Sparks and the Police Department specifically, as this is a cost effective method for extraditing subjects with Sparks Police Department warrants. There is a \$30,000 impact to the general fund.

A motion was made by Council Member Smith, seconded by Council Member Lawson, to approve the Interlocal Agreement with the Washoe County Sheriff's Office as recommended by staff. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**6.3 Consideration and possible approval of an amendment to extend the Interlocal Agreement between the City of Sparks and the City of Reno by six months (until March 1, 2014) to complete the construction of improvements to the Community Assistance Center (CAC Homeless Shelter) located on Record Street in the City of Reno. (FOR POSSIBLE ACTION) (Time: 3:36 p.m.)**

An agenda item from Housing Specialist George Graham recommending Council approve a six month extension of time of the Interlocal Agreement between the City of Sparks and the City of Reno. This is a proposed amendment for improvements currently in progress at the Community Assistance Center (CAC Homeless Shelter) located on Record Street in the City of Reno. It provides for a six month extension of time to complete said improvements to enhance security. There is no impact to the general fund.

Mr. Graham said additional time is needed in order to complete the reimbursement to the City of Reno. An environmental study needed to be completed and when the study was completed, it needed to be approved before they could continue working on the project. They now have the approval and are moving forward. There is no cost increase.

Council Member Lawson said he has toured the facility and is impressed with the progress.

A motion was made by Council Member Ratti, seconded by Council Member Carrigan, to approve the proposed Amendment of the Interlocal Agreement between the City of Sparks and the City of Reno to extend the time of completion by six months to complete improvements to the Community Assistance Center on Record Street in the City of Reno. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**6.4 Consideration and possible approval of the Interlocal Cooperative Agreement for Reimbursement between the City of Sparks and the Truckee Meadows Water Authority (TMWA), for the C Street Sewer Rehabilitation Project. (FOR POSSIBLE ACTION) (Time: 3:39 p.m.)**

An agenda item from Utility Manager Andrew Hummel recommending Council approve the agreement. TMWA has agreed to reimburse the City for all costs related to the replacement of their water line, located within the project area. During design of the C Street Sewer Rehabilitation Project all utility companies within the roadway were notified of the work to ensure new streets are not compromised after asphalt replacement. Since the existing water line was nearing its service life, TMWA determined they would replace it. The City and TMWA agreed that the most efficient and cost effective way to accomplish this task was to include the TMWA portion in the City of Sparks bid. There is no impact to the general fund.

Capital Projects Manager Chris Cobb said the C Street sewer rehabilitation has already been approved by the TMWA board. If approved, work will begin in September / October.

A motion was made by Council Member Ratti, seconded by Council Member Carrigan, to approve the Interlocal Cooperative Agreement for Reimbursement between the City of Sparks and the Truckee Meadows Water Authority (TMWA), for the C Street Sewer Rehabilitation Project. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**6.5 Consideration and possible approval of the C Street Sewer Rehabilitation Project, to Campbell Construction Co., Inc., in the total amount of \$339,254.80. (FOR POSSIBLE ACTION) (Time: 3:42 p.m.)**

An agenda item from Utility Manager Andrew Hummel recommending Council award the C Street Sewer Rehabilitation Project, to Campbell Construction Co., Inc. Upon review of the storm sewer video a portion of the line was caved in and partially blocked on C Street between 18th and 19th street. In order to prevent further deterioration of the line and possible failure it was determined that the pipe needed to be replaced. \$124,600 of the cost is applicable to TMWA for water main replacement which will be constructed with this contract and reimbursed. Funds are available in the CIP. There is no impact to the general fund.

A motion was made by Council Member Ratti, seconded by Council Member Schmitt, to award the C Street Sewer Rehabilitation Project, to Campbell Construction Co., Inc., in the total amount of \$339,254.80. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**6.6 Consideration and possible approval of the City Hall Electrical Upgrade Project, to Briggs Electric, Inc., in the total amount of \$736,700. (FOR POSSIBLE ACTION) (Time: 3:43 p.m.)**

An agenda item from Capital Project Manager Chris Cobb recommending Council approve the contract. The City Hall electrical system is outdated, inefficient, lacks code compliance, and

continually has problems providing enough power to various areas of the building. This project will improve safety, efficiency, functionality, and bring the existing system up to current code standards. Funds are available in the CIP. There is no impact to the general fund.

Capital Projects Manager Chris Cobb said the electrical system installed at City Hall in 1968 is a mixture of wiring and systems that need to be upgraded and tied together. If approved, all of city hall will be in the system. The work to be done will include moving the switch gear closer to the parking lot, new panels, new grounds. This project will be the first step for the HVAC mechanical upgrades and will provide two electrical car charging stations in the front parking lot.

A motion was made by Council Member Ratti, seconded by Council Member Smith, to approve a contract for the City Hall Electrical Upgrade Project, to Briggs Electric, Inc., in the total amount of \$736,700. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**6.7 Consideration and possible approval of payments totaling \$417,371 to five (5) property owners for Temporary Construction Easements and Storm Drain Pipeline Easements for the North Truckee Drain Project. (FOR POSSIBLE ACTION) (Time: 3:46 p.m.)**

An agenda item from Utility Manager Andrew Hummel recommending Council approve the payments as presented. Construction of the North Truckee Drain realignment project will require substantial acquisition of easements and right-of-way for both construction access and permanent facilities. The five (5) property owners associated with this item are affected by the project, and individual offers totaling \$417,371 for easements was presented and accepted by the subject property owners. The funds are available in the CIP. There is no impact to the general fund.

Utility Manager Andrew Hummel said there were two scanning errors in the packet: labels titled Corey Easements should say Washoe County School District. Mr. Hummel distributed a flier to the council and dais members depicting the businesses involved in the process to date. Two easements are yet to be negotiated, with MMK being the largest impacted and still unsigned.

Contract / Real Property Agent David Vill said a hold-up is that multiple MMK tenants will experience difficulty for their trucks to come in and out of the property during the project. When the manner to get the trucks in and out is settled, it is likely the tenant will sign. The other tenant lives out of the area and will likely sign. All other parties have agreed to the easements.

A motion was made by Council Member Carrigan, seconded by Council Member Lawson, to approve the payments totaling \$417,371 to five (5) property owners for Temporary Construction Easements and Storm Drain Pipeline Easements for the North Truckee Drain Project. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, NO. Motion carried 4 – 1.

**6.8 Consideration and possible adoption of Resolution No. 3245 authorizing the transfer of the City of Sparks's 2013 State Volume Bond Capacity of \$4,787,115.21 to the Nevada Department of Business and Industry for the First Time Homebuyers Program offered by the Nevada Housing Division (NHD) in the City of Sparks. (FOR POSSIBLE ACTION) (Time: 4:01 p.m.)**

An agenda item from Housing Specialist George Graham recommending Council authorize the transfer. There is no impact to the general fund.

A motion was made by Council Member Ratti, seconded by Council Member Schmitt, to adopt Resolution No. 3245 to authorize the transfer of the City's 2013 tax exempt bond volume capacity to the Nevada Department of Business and Industry to be allocated to the Nevada Housing Division (NHD) for the purpose of supplementing their first time homebuyer program. Council Members Ratti, Lawson, Smith, Carrigan, Schmitt, YES. Passed unanimously.

**6.9 Review and possible approval of recommendation to plant a living Christmas Tree in Victorian Square. (FOR POSSIBLE ACTION) (Time: 4:03 p.m.)**

An agenda item from Parks & Recreation Director Tracy Domingues recommending the city purchase a living Christmas Tree to be installed in Victorian Square and implement cost saving measures related to the Hometowne Christmas event. In a continuing effort to be innovative and efficient, the following recommendations were provided for 2013 and 2014:

**Option #1:** For 2013, eliminate the transport and use of the Garibaldi Color Guard (actual cost of \$680).

**Solution #1:** Use the local Color Guard at no cost.

**Option #2:** For 2013, eliminate the reception provided by John Ascuaga's Nugget (estimated value of \$875). Due to waning interest and attendance, the Nugget staff has suggested this recommendation in recent years and states they will support the City's direction. Attendance numbers and costs related to the reception were unavailable upon request.

**Solution #2:** Although the reception would be discontinued, Nugget staff has stated they would continue to extend discounted room rates to visitors from Garibaldi.

**Option #3:** For 2014, eliminate and/or reduce the annual costs related to the tree.

- Eliminate transport, permits and lodging related to the Christmas tree (actual cost of \$1,016)
  - Reduce estimated labor of \$3,750 for tree set-up and removal.
- Eliminate YESCO provides a truck to assist in the tree installation at no cost (estimated value of \$1,000).
- The Nugget provides rooms free of charge for the truck drivers (estimated value of \$700).

**Solution #3:** Install a living Giant Sequoia tree. Staff recommends a tree that has been selected near Placerville, CA that will cost \$2,000 to transport and plant. (A picture is attached to the staff report.) The tree is approximately 22' – 25' tall. The City of Reno is implementing this option with a potential transplant in October, 2013.

There is a \$5,446 estimated annual savings with a onetime cost of \$12,000 for a living Christmas Tree.

A motion was made by Council Member Smith, seconded by Council Member Schmitt, to table item 6.9; Council Member Schmitt requested the motion be amended to send to the TourMark Committee for review. After discussion, Council Member Smith withdrew the motion.

A motion was made by Council Member Lawson, seconded by Council Member Carrigan, to pursue a live Christmas tree donated by Placerville and installed in location 4. Council Members

Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

A motion was made by Council Member Ratti, seconded by Council Member Lawson, to continue with the Garibaldi tree, color guard and reception in 2013 and request the TourMark Committee review Garibaldi activities in the future. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

A motion was made by Council Member Lawson, seconded by Council Member Carrigan, to pursue a live Christmas tree donated by Placerville and installed in location 4. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

A motion was made by Council Member Ratti, seconded by Council Member Lawson, to continue with the Garibaldi tree, color guard and reception in 2013 and request the TourMark Committee review Garibaldi activities in the future. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

**6.10 FIRST READING, of Bill No. 2659 amending Chapter 9 of the Sparks Municipal Code revising the definitions of drug paraphernalia; providing other matters properly related thereto. (Time: 4:46 p.m.)**

City Clerk Teresa Gardner read the Bill by title; the Second Reading was scheduled for the September 9, 2013 Council meeting.

**6.11 FIRST READING and possible discussion of Bill No.2660, an Ordinance amending Chapter 14 of the Sparks Municipal Code to adopt the 2012 International Fire Code; and providing other matters properly related thereto effective September 10, 2013. (Time: 4:46 p.m.)**

City Clerk Teresa Gardner read the Bill by title; the Second Reading was scheduled for the September 9, 2013 Council meeting.

**6.12 FIRST READING of Bill No. 2661 CA-1-13 an Ordinance amending the Sparks Municipal Code, Chapter 20.49, Section 20.49.010; to change off-site parking requirements in the Industrial District and allowing Alternative Parking requirements for Nonresidential Developments and providing other matters properly related thereto. (Time: 4:46 p.m.)**

City Clerk Teresa Gardner read the Bill by title; the Second Reading was scheduled for the September 23, 2013 Council meeting.

**7. Public Hearing and Action Items Unrelated to Planning and Zoning – None**

**8. Planning and Zoning Public Hearings and Action Items - None**

**9. Closed Door Sessions - None**

**10. Comments**

**10.1 Comments from the Public (Time: 4:47 p.m.) - None**

**10.2 Comments from City Council and City Manager** (Time: 4:47 p.m.)

City Manager Shawn Carey announced one vacancy on the Truckee River Fund Advisory Committee, which meets every two months to review projects for potential benefits of the river. Deadline to apply for this position is Monday, September 16, 2013. Interested persons can contact the City Manager's office. Applications are also available at the City Clerk's office or at [www.cityofsparks.us](http://www.cityofsparks.us), click on board commissions to get involved.

**11. Adjournment** (Time: 4:49 p.m.)

Council was adjourned at 4:49 p.m.

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GENO R. MARTINI, Mayor

ATTEST:

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Teresa Gardner, City Clerk

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