



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 MINUTES
2:00 P.M., Monday, May 28, 2013**

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

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

1. 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 (arrived at 2:05), Ed Lawson, Ron Smith, Mike Carrigan, City Manager Shaun Carey, City Attorney Chet Adams and City Clerk Teresa Gardner, PRESENT.

ABSENT: Council Member Ron Schmitt

Staff Present: Chris Syverson, Nancy Munson, Tim Thompson, Mark Meranda, John Martini, Mike Drinkwater, Jeff Cronk, Ron Korman, Armando Ornelas, Neil Krutz, Adam Mayberry, Dan Marran, Shirle Eiting, Brian Miller, Andy Flock, Tracy Domingues, Police Department Staff

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

The invocation was provided by Pastor Pete Vossler of Crosswinds Church.

Pledge of Allegiance (Time: 2:02 p.m.)

The Pledge of Allegiance was led by City Attorney Chet Adams.

Comments from the Public (Time: 2:02 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.

A motion was made by Council Member Carrigan, seconded by Council Member Lawson, to hear item 6.1 after item 3.1 and approve the agenda as amended. Council Members Lawson, Smith, Carrigan, YES. Council Members Ratti, Schmitt, ABSENT. Passed unanimously with those present.

3. **Recommendation to Approve Minutes of May 13, 2013** (Time: 2:03 p.m.)

3.1 **Consideration and possible approval of the minutes of the regular Sparks City Council Meeting for May 13, 2013**

A motion was made by Council Member Smith, seconded by Council Member Lawson, to approve the minutes of the Regular Meeting of May 13, 2013 as outlined by staff. Council Members Lawson, Smith, Carrigan, YES. Council Members Ratti, Schmitt, ABSENT. Passed unanimously with those present.

4. Announcements, Presentations, Recognition Items and Items of Special Interest
(Time: 2:13 p.m.)

4.1 Presentation from Total Creative Solutions, a full service design agency based in Reno. "Augmented Reality for Businesses" (Time: 2:13 p.m.)

Presentation by Total Creative Solutions CEO Sandra L. Silva and Michelle Calloway

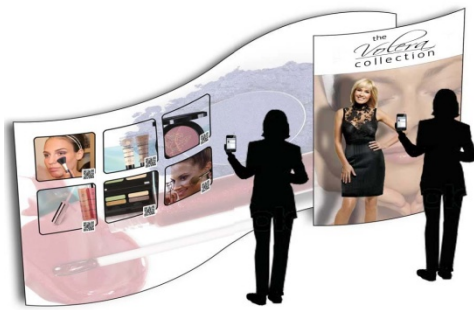
Augmented Reality with total creative solutions graphic design and beyond
www.tcsdesignreno.com

54% of US mobile subscribers own a Smartphone

How effective is Smartphone Marketing?

- 61% of mobile searches result in phone calls.
- Smartphone owners check their phones 150 times a day.
- 91% of smartphone owners have their phone with 24/7.
- 80% of smartphone owners use their device to shop.

Interactive Micro Stores



Interactive Packaging



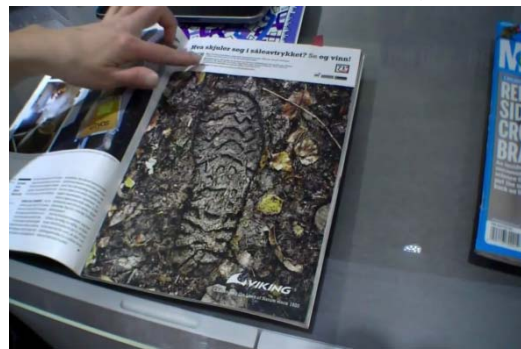
Interactive Retail



Interactive Publications



Interactive Advertising



Interactive Photo Books



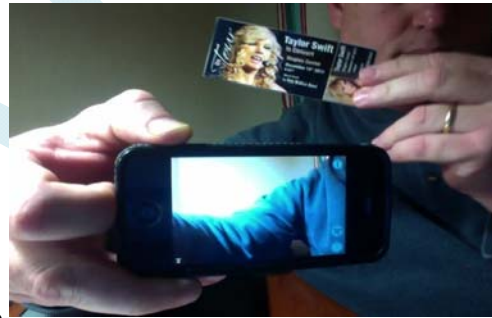
Interactive Greeting Cards



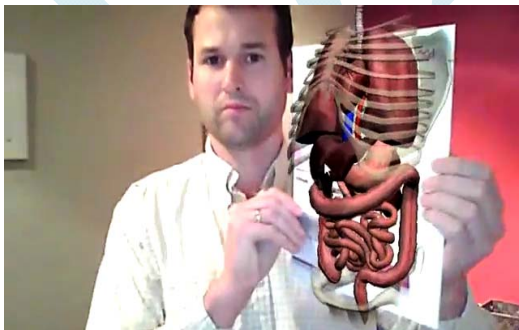
Interactive T-Shirts



Interactive Tickets



Education



Interactive Business Cards



4.2 Briefing on Nevada Foreign Trade Zone #126 (for Northwest Nevada)

(Time: 2:22 p.m.)

City Planner Armando Ornelas introduced Legacy Supply Chain Services Russ Romine who provided the following information:

Foreign Trade Zone
(FTZ) #126 Overview – City of Sparks

Russ Romine
Griffin Transport dba LEGACY Supply Chain Svcs.
Administrator of Zone 126
May 28, 2013

Agenda

- What is a Foreign Trade Zone (FTZ)
- Benefits of zone use
- Types of Activity
- Overview of FTZ 126 – Northern Nevada
 - General Information and stats
 - Oversight & Structure
 - Service Area & Users
 - Who are potential users?
 - Cost considerations & process to become a user
- Questions

What is a Foreign Trade Zone

- An FTZ is a site designated by the (FTZ) Board at which special customs procedures may be used.
 - Est. 1934 “New Deal” Legislation
 - Logical Extension of historical/global free zones
- Program designed to provide incentive to US Companies to perform some economic activity within the USA
 - Procedures allow domestic activity involving foreign items to take place prior to formal customs entry.

Benefits to Users

- Inverted Tariff
 - Allows US based operations to mfg or assemble products in the US with US labor as if products were produced overseas
 - Treats finished goods at equal tariff rate to those produced overseas)
- Export
 - No duty on re-exported goods
- Duty Deferral/Cash flow
 - Goods are not dutiable until exported from the FTZ
- Logistical Benefits
 - Quality Control (Waste/Scrap/ Defect) management
 - Exhibition
 - Direct Delivery
 - Merchandise Processing Fee Savings

Benefits of FTZ

- Cash Flow / Duty Deferral
- Exports
- Waste, Scrap Defects, Obsolescence
- Inverted Duty Savings
- No Duty on US Value Add
- Merchandise Processing Fee

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- Harbor Maintenance Fee
- Country of Origin Marking
- Direct Delivery (mitigates Customs Clearance delays)
- Spare Parts
- Quality Control
- Exhibition
- Zone to Zone Transfers
- Flexibility for Changing circumstances of US Law

Types of Activity

- General Purpose
 - A site designated within 60 miles/90 minutes from Customs Port of Entry
 - Typically Distribution activity
 - Located within the designated boundaries
- Production or Manufacturing
 - May be located within the general purpose zone boundaries or outside. If outside, established as a *Subzone*.
 - Application is more involved and specific to the activity of the applying company.

General Stats

- How many FTZs exist
 - General Purpose Zones: 265 (approx)
 - Subzones: 500 (approx)
- Primary Commodities handled
 - Nationally
 - Petroleum, Automotive, Electronics, Consumer Goods, Pharmaceuticals
- FTZ 126:
 - Consumer Electronics, Ink & Chemicals, Guns & Accessories, Books/Media & Reading Devices, Aerospace

Structure & Oversight

- FTZ Board
 - National oversight & authority of program
 - Reports to Dept. Commerce & Treasury
- US Customs & Border Protection
 - Local Oversight & Enforcement
 - Activation & Audit/Inspection authority
- Grantee
 - Grant of Authority from FTZ Board to Oversee local/regional activity
 - Usually a Port, City, Econ Development entity
- Operator
 - Responsible for activity of a specific site
 - Some Grantees contract with a master operator (Administrator) to provide oversight & reporting for each specific zone operation

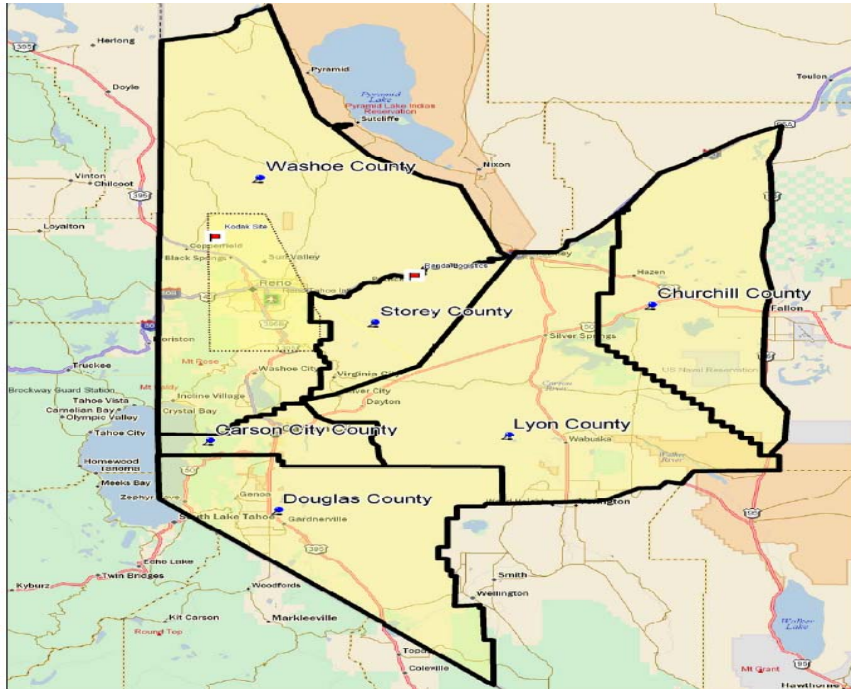
Local Structure

- FTZ Board
 - Washington DC
- US Customs & Border Protection
 - Reno Airport
- Grantee
 - EDAWN
- Master Operator / Administrator
 - LEGACY

How our zone is set up

- *Alternative Site Framework (ASF)* - An optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single-operator/user locations.
- Activation Limit: 2000 acres

Service Area



Users

- Active Users
 - Audiovox via Bender Warehouse
 - Barnes & Noble
 - Legacy Sports
 - Schlosser Forge (Viking)
 - US Ordinance
 - Taiyo America
- De-activated Users
 - Kodak
 - Michelin
- Potential Activations
 - Randa Accessories
 - Urban Outfitters

Who are potential users?

- High *Volume* importers & distributors
- High *Value* Importers or Importers with *high duty liability*
- Manufacturers importing component parts for assembly
- Manufacturers doing foreign assembly of goods for import to the USA
- Companies engaged in *import & re-export* of merchandise

The basic question ...

- What is your total import duty & fees liability?
 - Represents the maximum potential savings
 - Offset against administration & compliance costs

Note: Use FTZ savings calculator

Cost Considerations

- Application & Activation
 - Inventory Management & Operating Manual
 - Facility Security & Personnel Background Checks
 - Above are internal costs or consulting costs
 - Est: \$25k min + (Dist.) or \$50k min + (Mfg.)
- Annual Operating Fee
 - \$5000 Distribution or \$7500 Manufacturing activity
- Internal Maintenance & Oversight
 - Internal Training & Staff: Est. Min \$10,000/annually +

How do companies hear about the FTZ?

- Many potential users are aware of the FTZ program
- New companies looking at the region will hear about the zone thru EDOs or other sources
- Periodic Seminars
- Presentations to local/regional groups
- EDawn website <http://www.edawn.org/images/uploads/docs/FTZ.pdf>

How do companies participate?

- Determine potential cost savings
 - Recommend a min of \$50k/annual savings
- Assess annual operating costs
- Apply for user approval
- Setup
 - Operating Manual, Background Checks, Facility Security
 - User agreement
- Activation
- Timeline
 - Distribution: 30 days + Setup
 - Processing/Manufacturing: 12+ months + setup
 - Subzone (designated zone area): 3-5 months + setup

Questions?

LEGACY Supply Chain Svcs.
5360 Capital Ct, Ste 100
Reno, NV 89502
Phone: 775-336-2859
Contact: Russ Romine

5. Consent Items (Time: 2:47 p.m.)

A motion was made by Council Member Ratti, seconded by Council Member Lawson, to approve the consent items 5.1 through 5.18 as submitted. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

5.1 Report of Claims and Bills approved for payment and appropriation transfers for the period April 25, 2013 through May 8, 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 Consideration and possible approval to rescind Mike Carrigan's March 25, 2013 appointment to the Western Regional Water Commission; rescind his previous term approved on November 5, 2012, and confirm the appointment made by the Truckee Meadows Water Authority on January 16, 2013. (FOR POSSIBLE ACTION)

An agenda item from Administrative Assistant Cyndi Boggan recommending Council rescind the two previous appointments made in error, and confirm the appointment made by the Truckee Meadows Water Authority on January 16, 2013. There is no impact to the general fund.

5.3 Consideration and possible approval of a two year time extension for presenting a successive Final Map for Pioneer Meadows 7B & 7C. (FOR POSSIBLE ACTION)

An agenda item from Senior Planner Tim Thompson recommending Council approve the two year time extension for presenting a successive Final Map as submitted. Due to changes in the economy and the housing market, Lennar Homes is requesting the consideration and possible approval of a two year extension for presenting a successive Final Map for Village 7B & 7C of the Pioneer Meadows Planned Development. The two year time extension is allowed per NRS 278.360. NRS states that the extension can only be granted after the 2-year period has expired. This approval shall be effective on November 7, 2013 and shall be valid until November 7, 2015. Plan checking fees and a performance bond are not required until the next successive Final Map is submitted for review. There is no impact to the general fund.

5.4 Consideration and possible acceptance of a purchase of in-car video cameras from WatchGuard in the amount of \$166,389.00 (FOR POSSIBLE ACTION)

An agenda item from Acting Chief of Police Brian Allen recommending Council approve the purchase of in-car cameras from WatchGuard from Drug Forfeiture budget. The Police Department performed a research process for the purchase on an in-car camera solution. Through this process, WatchGuard video was selected as the preferred in-car camera solution for the Sparks Police Department. The City of Sparks would be utilizing the "joinder" provision allowed under NRS 332.195, allowing for the use of another government agency contract, foregoing the requirement to bid the product ourselves.

5.5 Consideration and possible approval to up fit two Chevrolet Tahoe patrol vehicles, four Chevrolet Caprice patrol vehicles, and to purchase six mobile data terminals and mounts from Lehr Auto Electric and Emergency Equipment in the amount of \$120,581.64. (FOR POSSIBLE ACTION)

An agenda item from Fleet and Facilities Manager Ron Korman recommending Council approve the purchase of this equipment from Lehr Auto Electric and Emergency Equipment which will be mounted in police vehicles. Funding: \$120,581.64 in Motor Vehicle Maintenance Fund 1702. \$1,377,500 was approved for project #13-7500, Vehicle and Equipment Replacement Plan in the FY13 CIP and \$596,385.44 of budget authority is currently available.

5.6 Consideration and possible approval for a contract in the amount of \$36,300.00 to Resource Development Company to supply material, labor and equipment for the installation of Fire System Connection Improvements at the Truckee Meadows Water Reclamation Facility (TMWRF). (FOR POSSIBLE ACTION)

An agenda item from Plant Manager Michael Drinkwater and Crew Supervisor Dave Brant recommending Council enter into a contract with Resource Development Company in the amount of \$36,300.00. Appropriations from either the contingency or re-alignment of existing appropriations will be shifted to fund this project. Overall budget is available.

5.7 Consideration and possible approval of an application for a Gaming license for Woody's Entertainment, Inc. dba Bob & Lucy's, located at 1515 Oddie Blvd., Sparks, NV, 89431, submitted by Mr. David Scott Tate. (FOR POSSIBLE ACTION)

An agenda item from Acting Chief Brian Allen recommending Council approve Mr. Tate'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. There is no impact to the general fund.

5.8 Consideration and possible approval of renewing the city's financial support for the Economic Development Authority of Western Nevada (EDAWN) for fiscal year 2012-13. (FOR POSSIBLE ACTION)

An agenda item from City Manager Shaun Carey recommending Council approve the funding request to support EDAWN. At the April 9, 2012 City Council meeting, the City Manager recommended approval of city sponsorships and memberships in several organizations for fiscal year 2012-13. Council approved funding and requested that any items over \$25,000 be brought back for consideration when the expenditure was due. We have received a request from EDAWN for financial support in the amount of \$32,275.00.

6. General Business

6.1 Consideration and possible approval to appoint a new Police 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 Brian Allen to the position of Police Chief, and approve the Employment Agreement as outlined by staff.

A motion was made by Council Member Lawson, seconded by Council Member Smith, to approve the Employment Agreement for Police Chief Brian Allen. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

Chief Allen was sworn in by Municipal Court Judge Barbara McCarthy. Chief Allen's co-workers, friends, and family observed.

Mayor Gino Martini called a brief recess for Chief Allen to accept congratulations at 2:10pm.

6.2 Consideration and approval of Resolution No. 3238, a Resolution authorizing the Financial Services Director to request advance distributions of property taxes apportioned to the City of Sparks in an amount allowed by Nevada Administrative Code (NAC) 354.280 as necessary. (FOR POSSIBLE ACTION) (Time: 2:48 p.m.)

An agenda item from Financial Services Director Jeff Cronk recommending Council approve the resolution authorizing the Financial Services Director to request advance distributions of property taxes as necessary. There is no impact to the general fund.

Financial Services Director Jeff Cronk presented a resolution to formalize an established practice to request advance distribution of up to 75% of property taxes collected by the treasurer to date.

Councilman Ed Lawson asked if advance notice of distributions could be provided to Council as they are being made. Mr. Cronk confirmed.

A motion was made by Council Member Smith, seconded by Council Member Ratti, to approve Resolution No. 3238. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

6.3 Consideration and possible approval of changing sewer rate structure placed on 321 9th Street. CONTINUED FROM THE 5/13 COUNCIL MEETING. (FOR POSSIBLE ACTION) (Time: 2:51 p.m.)

An agenda item from Assistant City Manager Steve Driscoll recommending Council consider whether to change the sewer rate structure on 321 9th Street. There is no impact to the general fund.

Property Owner Mr. Aboumrad presented Washoe County records demonstrating land use code change in 2009, which designates the property as a rooming house. Mr. Aboumrad disputes the property is a rooming house.

Administrative Secretary Nancy Munson confirmed the definition of rooming house provides for lodging of three or more guests.

A motion was made by Council Member Smith, seconded by Council Member Carrigan, to uphold the rate structure as identified in Title 13 of the Sparks Municipal Code and to deny the appeal. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

7. Public Hearing and Action Items Unrelated to Planning and Zoning

7.1 Public Hearing, 2nd reading, discussion and possible action on Bill No. 2657, an ordinance amending Chapter 2.25 of the Sparks Municipal Code to align more closely with the Nevada Revised Statutes and to update the City Council approval requirement from \$25,000.00 to \$50,000.00; providing other matters properly related thereto. (FOR POSSIBLE ACTION) (Time: 3:00 p.m.)

An agenda item from Contracts and Risk Manager Dan Marran recommending Council approve the proposed update to the City of Sparks Municipal Code Chapter 2.25. There is no impact to the general fund.

Contracts and Risk Manager Dan Marran presented bringing Sparks Municipal Code closer to NRS by striking redundant code.

Public Hearing opened at 3:04. No comments. The Public Hearing was closed.

A motion was made by Council Member Ratti, seconded by Council Member Smith, to adopt Bill No. 2657 amending Chapter 2.25 of the Sparks Municipal Code. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

7.2 Public Hearing, 2nd reading and possible action of Bill Number 2658, an ordinance adopting the 2012 International Building Codes and other matters properly related thereto. (FOR POSSIBLE ACTION) (Time: 3:05 p.m.)

An agenda item from Building Official Mark Meranda recommending that Council approve Ordinance adopting the 2012 editions of the International codes and other matters properly related thereto effective September 1, 2013. There is no impact to the general fund.

Building Official Mark Meranda spoke on adopting the amendments. The cities of Reno and Carson City and Washoe County will adopt the Ordinance on September 1.

Public Hearing opened at 3:08:

- Frank Lepori of the Enterprise Fund and owner of a construction company spoke in support of the Ordinance.
- John Madole, representing the Associated General Contractors and Nevada Association of Mechanical Contractors, spoke in support of the Ordinance.
- Mark Meranda relayed support of the Ordinance by the representative from BANN.

Public Hearing closed at 3:12.

A motion was made by Council Member Smith, seconded by Council Member Lawson, to approve Bill Number 2658 an ordinance adopting the 2012 International Building Codes effective September 1, 2013. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

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

9. Closed Door Sessions

9.1 Consideration and possible motion to adjourn to a closed door session as provided in NRS288.220 to receive information from management representatives. (FOR POSSIBLE ACTION) (Time: 3:20 p.m.)

An agenda item from Assistant City Manager Steve Driscoll recommending Council adjourn to a closed door labor session per NRS 288.220 at the conclusion of the Council meeting.

A motion was made by Council Member Lawson, seconded by Council Member Ratti, to adjourn to a closed door labor session per NRS 288.220 at the conclusion of the Council meeting. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member Schmitt, ABSENT. Passed unanimously with those present.

10. Comments

10.1 Comments from the Public (Time: 3:14 p.m.)

Michelle Vranken requested action from the City Council regarding memorial bricks which do not yet have a final resting place in the city.

10.2 Comments from City Council and City Manager (Time: 3:18 p.m.)

City Manager Shaun Carey congratulated Financial Services Director Jeff Cronk and Accounting Manager Debi Hunt for receiving the Excellence in Financial Reporting certificate from the Government Finance Officer Association.

City Manager Shaun Carey announced terms that will expire on June 30, 2013 on the following:

- Civil Service Commission, 1 member for a 3 year term
- Reno Tahoe Airport Authority Board of Directors, 1 member for a 4 year term
- Parks and Recreation Commission, 2 members for a 3 year terms and 1 member to fill a term ending June 30, 2014.

Applications will be accepted until the close of business Friday, June 14, 2013.

11. Adjournment (Time: 3:21 p.m.)

Council was adjourned at 3:21 p.m.

GENO R. MARTINI, Mayor

ATTEST:

Teresa Gardner, City Clerk

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