CITY OF WEST WENDOVER
P.O. Box 2825 • 1111 N. Gene L. Jones Way • West Wendover, NV 89883
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WEST WENDOVER CITY COUNCIL, MINUTES OF THE
REGULAR MEETING OF MAY 07, 2019

1. CALL TO ORDER AND ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
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<tbody>
<tr>
<td>Jerry Anderson</td>
<td>Councilman</td>
<td>Present</td>
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<tr>
<td>Kathy Durham</td>
<td>Councilwoman</td>
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<tr>
<td>Nick Flores</td>
<td>Councilman</td>
<td>Present</td>
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<tr>
<td>Izzy Gutierrez</td>
<td>Councilman</td>
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<td>Jasie Holm</td>
<td>Councilwoman</td>
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<tr>
<td>Daniel J. Corona</td>
<td>Mayor</td>
<td>Remote</td>
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<tr>
<td>Bryce Kimber</td>
<td>Public Works Director</td>
<td>Present</td>
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<td>Cal Kunz</td>
<td>Chief of Police</td>
<td>Present</td>
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<tr>
<td>Chris Melville</td>
<td>City Manager</td>
<td>Present</td>
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<td>Debbie Sanchez</td>
<td>Chief Financial Officer</td>
<td>Present</td>
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<tr>
<td>Jeff Knudtson</td>
<td>Fire Chief</td>
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<tr>
<td>Anna Bartlome</td>
<td>City Clerk/Records Officer</td>
<td>Present</td>
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Mayor Pro-tem Anderson explained that Mayor Corona was attending the meeting by phone.


Mayor Pro-tem Anderson called the meeting to order at 7:00 p.m. in the West Wendover City Hall, Council Chambers #137. All those present and excused are noted above.

2. PLEDGE OF ALLEGIANCE

Mayor Pro-tem Anderson led those present in the pledge of Allegiance.

3. COMMENTS FROM THE GENERAL PUBLIC

J.F. Cannon asked if there would be time to talk under agenda item 6a. It was explained that there would be time for him to make comments at that time.

4. APPROVAL OF THE MINUTES (For Possible Action)

   a. City Council - Regular Meeting - Apr 16, 2019 7:00 PM Accepted

“The City of West Wendover is an equal opportunity provider.”
Council Member Holm made a motion to approve the minutes of the regular meeting of April 16, 2019. The motion was seconded by Council Member Gutierrez and passed unanimously.

5. CONSENT CALENDAR

a. Discussion and Decision to Adopt Resolution #2019-03; a Resolution of Intent, Proposing the Issuance of, and Authorizing the Publication of Notices Relating to General Obligation (Limited Tax) Water Refunding Bonds (Additionally Secured by Pledged Revenues) in the Principal Amount of Up to $2,200,000 for the Purpose of Refinancing Water Projects for the City; Providing the Manner, Form and Contents of the Notices Thereof; Authorizing the Sale of Such Bonds; Providing Other Matters Properly Related Thereto; and Providing the Effective Date Hereof (For Possible Action)

Report By City Manager
Review/Comment/Action: City Council

Chris Melville explained that this resolution is the next step in the process of the refinancing. Chris stated that if approved a public hearing would be published and held on June 4th.

Council Member Gutierrez made a motion to adopt Resolution #2019-03; a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to General Obligation (Limited Tax) Water Refunding Bonds (additionally secured by pledged revenues) in the principal amount of up to $2,200,000 for the purpose of refinancing water projects for the City; providing the manner, form and contents of the notices thereof; authorizing the sale of such bonds; providing other matters properly related thereto; and providing the effective date hereof. The motion was seconded by Council Member Holm and passed unanimously.

6. NEW BUSINESS

a. Discussion and Possible Decision Related to the Request of Jeff Cannon/Value Mortgage Investors with Regard to the City of West Wendover Agreeing to Pay for and Install the Required Public Improvements of the Silverado Estates Subdivision Due to Asserted Equitable Considerations or Other Grounds and Other Matters Appropriately Related Thereto (For Possible Action)

Report By City Manager and Legal Counsel
Review/Comment/Action: City Council

Chris Melville stated that he provided the information by J.F. Cannon and legal counsel and would turn the time over to J.F. Cannon.

J.F. Cannon gave thanks for allowing him time to speak at this meeting even though he wanted to be at the last meeting but the City wanted their attorneys involved. J.F. stated that he is representing potential buyers. J.F. stated that they are looking to get equitable treatment that other people have gotten in other subdivisions. J.F. stated that there is no infrastructure in Silverado Estates Unit 1 as the City Council in 2007 approved the recording of the subdivision without the requiring the financial guarantees that are supposed to be provided. J.F. stated that there is a group of people interested in buying lots and building homes but would have to pay for the required infrastructure themselves unless the City is willing to step up and provide the infrastructure. J.F. stated that the potential buyers would have to pay for services
that the City normally provided which the City has provided to other subdivisions.
J.F. stated that the property owners would have to pay for the infrastructure and then
pay connection fees to get service. The cost of infrastructure is approximately
$30,000.00 per lot. J.F. explained that he had 3 proposals for the Council to consider.
J.F. stated that once the potential buyers have built their home the taxes collected for
each lot will go from $24.00 per year to over $1,100.00 per year. The first option is
for the Council to vote to have the City install the infrastructure in the subdivision.
The next option is to waive the permitting fees and impact fees for each lot. The last
option is to freeze the property taxes on the lots for 20 years to compensate the
potential owners for the infrastructure they put in (leave until they have recouped the
cost of the improvement). J.F. stated that he hoped on the behalf of the potential
buyers that they consider one of the alternatives.

Clark Cannon explained that Silverado Estates Unit 1 has 53 individual lots and they
have 4 people currently ready to build. Clark stated that this will be a benefit to the
City.

Chris Melville explained how the plat was recorded; in 2007 the City Council did
approve the plat by the subdivider which was Spirit of Wendover/Silverleaf
Development. Chris explained that the development had several owners, partners and
investors. The City Council did approve for the plat to be recorded with several
conditions which were to the map itself. Chris explained that in June of 2007 Mayor
Thaut signed the plat map based on the representation that the agreement and bond
had been sent to the City. Chris stated that it was taken as true and factual but the
agreement and bond never showed up. Chris stated that the performance and
improvement guarantee is a requirement of the City for all developers and
subdivisions. There is not a subdivision in the City that the City has paid for the
infrastructure. Any developer that comes to the City with a proposed residence or
commercial development is required to pay for the improvements. The current users
and taxpayers of the City do not pay for that. Chris stated that performance and
improvement guarantee is an agreement that states that money will be put into a bond
to be used for the infrastructure and make sure that it is built. Chris explained
that the connection fees and the infrastructure fees are being mixed in how they are
being represented. Connection fees are related to a building permit for a home or
business; they are related to future improvements of the system and cover the growth
of the system. Infrastructure is always a requirement for a developer who will recoup
the money they invest in bringing it up to where it can be built on. Chris stated that
the Council has waived building permit fees for certain developments or issues that
have come up in the past; one example being the building permit for the Dog Park
which is part of the West Wendover Recreation District facilities. The City does not
waive connection fees as we would be violating the grant and loan assurances with
USDA; which requires the City to insure everyone is treated equally. Chris stated
that we would like to see the subdivision built we have been dealing with Mr. Cannon
since 2009 and feels bad for them that they were an investor in a bad deal but he is
not going to cast blame on the City as we received false information and
misrepresentation. The City was harmed just like everyone else with that particular
developer only the City did not receive anything out of it we were trying to get a
subdivision and growth in the community. The Cannons did receive the property as compensation on the foreclosure of the bankruptcy of the entity. The City has never been in the subdivision in that way as it is not part of our code or statutes. The developer is responsible to install the infrastructure so that homes can be built on the property.

Council Member Durham stated that three options have been given but they would only be able to vote on what is on the agenda now which is for the City to pay for the infrastructure and the other options would need to be placed on another agenda. Chris stated that would be correct as the other options had not been part of the request.

Council Member Flores stated that there had been attempts from 2009 to 2017 for the City to work with Value Mortgage to resolve the issue and nothing was resolved why was that? J.F. stated that the City would like him to wear a developer hat and he does not want to do that. J.F. stated that he came in as investor about a year after the plat map was recorded and was asked to loan money to a fee on a $12 million dollar loan. J.F. assumed Spirit of Wendover/Silverleaf Development would follow through but then the financial crisis of 2008 came and the loan went away along with their investment. J.F. stated that the only recourse was to take back the land and try to sell it as a whole piece or lots. J.F. stated that the time has not been right as interest rates at the time had been high but it is now a great time to build. J.F. stated that he has gotten his contractor’s license but he is not a developer. J.F. stated that they could break the 53 lots in to 5 parcels and build them. J.F. stated that they are going to develop no matter what the Council decides. J.F. stated that there is infrastructure in through Fairway View Drive they just need to go from there to the homes. J.F. stated that it is not fair to potential home owners to have the added costs of infrastructure to the total cost. J.F. stated that they became an investor a year after the plat map was done and they thought the laws had been followed. J.F. stated that he does not think there will be a lot of development until these 53 lots are gone.

Council Member Holm understands the City Council back in 2007 as we always want to see a developer come and say there will be 53 homes and the town will expand. Council Member Holm stated that the Cannons and the City took this development on in good faith. Council Member Holm Holm stated that Mr. Cannon says he is not a developer but the City is not a developer either. Council Member Holm stated that she is not sure if a deal could be done but the City is not responsible.

Council Member Gutierrez stated that when you start trying to work out deals you may be treading things that are against the law. Council Member Gutierrez stated that it would be something that would have to be looked at if you are acting outside of something that has already been established now you are treating people different than they have been treated in the past. Council Member Gutierrez stated that by striking any kind of deal you could be looking at something that would be a legal liability.
Council Member Holm stated that she does not want to set a precedent after people have done it properly. Council Member Holm stated that it was a bad deal back then but could see the Council wanting to get homes developed. Council Member Holm stated that there have been other people who have been the developer and put in the infrastructure.

Mayor Corona asked how many subdivisions the City has and if someone purchases property that is not developed how does the infrastructure get there? Chris stated that if someone purchased property at the end of an already existing street (no infrastructure in new property) they would be required to install the infrastructure to the property. Every person wanting to develop a piece of land is required to install the necessary infrastructure. Chris stated that the only time the City did infrastructure for property was to the Industrial Park but the City was considered the developer so we paid for the infrastructure so the lots could be sold.

Council Member Durham stated that you are talking about politics, law and economics and it is very easy to stay in a sterile environment but when there are people wanting to build a home it is not a sterile environment. Council Member Durham stated that this issue is about the law and politics. Council Member Durham stated that the Cannons and the City both acted in good faith but had the misfortune of being involved with people who were not honest. Council Member Durham stated that the City is bound by codes and statutes on what we do. Council Member Durham stated that as a City not having any equity in the property we are bound by the code and law to not put in the infrastructure. Council Member Durham stated that Mr. Cannon states that he is not a developer but he did invest $500,000.00 in good faith but he was hoping to get something for the investment and the City was hoping to get growth in the community. Council Member Durham asked if Mr. Cannon if he had initiated proceeding in order to get his $500,000.00 back. J.F. stated that he did initiate proceeding to get the land. Council Member Durham stated that the Cannons need to become a developer.

J.F. read the statute on what a developer to a subdivision is and it is the entity that caused the land to be subdivided. J.F. stated that we should be talking about the subdividor as it is only the City that can cause the land to be subdivided, require an agreement and a financial guarantee.

Tom Coyle explained that there are two definitions for a subdividor which is really what is being discussed not developer. Tom stated that it is the person, firm or corporation that files an application and initiates the proceeding for the subdivision of land which is clearly Spirit of Wendover, LLC. Tom stated that the City would not cause the subdivision without the application being filed. Tom stated that the City filed the plat in good faith because we had been told that the agreement and bond were both on the way. Tom stated that it is the City’s position that the Cannons
became the successor of interest in the property thru the foreclosure process. Tom stated that we have been working on this issue for years and we need to move forward whether it is changing the subdivision or installing the infrastructure. Tom stated that there is no legal obligation for the City but the Cannons are looking for equitable options. Tom stated this would be a benefit to private owners and the developer/subdivider has the obligation to provide the infrastructure to the property. Tom stated that it would be impermissible for the City to do an agreement for the City to put in the infrastructure.

J.F. stated that the City had accepted the streets and Rights of Ways for the development and they assume it is still the case do they need to come to the City for approvals for final plans. Chris stated that yes you would need to go through the process of approvals with reviews of the plans, maps and performance bonds for the public improvements.

Mayor Corona thanked the Cannons, Chris and legal counsel for this discussion as it has been very insightful. Mayor Corona stated that it was a bad deal all around and it is very unfortunate that it was done in a way that so many were misled. Mayor Corona stated that going forward he hopes that we can all work together to have a new relationship and understanding. After the vote Mayor Corona was no longer present by phone.

Council Member Holm made a motion to deny the request of Jeff Cannon/Value Mortgage Investors with regard to the City of West Wendover agreeing to pay for and install the required public improvements of the Silverado Estates Subdivision due to asserted equitable considerations or other grounds. The motion was seconded by Council Member Gutierrez and passed unanimously.

b. Discussion and Possible Decision to Record a Notice that Silverado Estates Subdivision Unit #1 Does Not Have the Required Public Improvements and Other Matters Appropriately Related Thereto (For Possible Action)

Report By City Manager/Legal Counsel

Review/Comment/Action: City Council

Chris Melville explained that this was a follow-up to the previous agenda item dealing with Silverado Estates Unit #1. Chris stated that when some of the lots in Silverado Estates Unit #1 had been sold at an Elko County Tax Auction the buyers had been told that there was not any infrastructure associated with the lots. Chris stated that this notice would be included with all future sales of these lots to advise buyers that there is no infrastructure.

Council Member Holm made a motion to record a notice that Silverado Estates Subdivision Unit #1 does not have the required public improvements. The motion was seconded by Council Member Durham and passed unanimously.
c. Discussion and Decision to Adopt the West Wendover Animal Control Volunteer Program as it Relates to the West Wendover Police Department and Other Matters Appropriately Related Thereto (For Possible Action)

Report By Chief of Police
Review/Comment/Action: City Council

Cal Kunz explained that this policy would allow the police to work with the WendRover Pet Group and it gives a clear direction on how to start the program.

Council Member Durham made a motion to adopt the West Wendover Animal Control Volunteer Program as it relates to the West Wendover Police Department. The motion was seconded by Council Member Gutierrez and passed unanimously.

d. Discussion and Decision Regarding Plan of Corrective Action to Correct Violations of Statute, Regulations and/or Audit Findings Associated With Our Annual Audit Report for the Fiscal Year 2017-2018 and Other Matters Appropriately Related Thereto (For Possible Action)

Report By Chief Financial Officer
Review/Comment/Action: City Council

Debbie Sanchez explained that this completes the audit process and we need to send proof that the Council is aware of the issue and how it will be corrected. Debbie stated that the corrective action plan is for staff to make sure that allocations between funds are correctly posted before year end to ensure over expenditures will not happen and the City will continue to monitor the Johnson Springs fund to take the necessary steps to ensure that the compliance with statutes and/or regulations will be met.

Council Member Flores made a motion to approve the plan of corrective action to correct violations of statute, regulations and/or audit findings associated with our annual audit report for the fiscal year 2017-2018. The motion was seconded by Council Member Holm and passed unanimously.

7. DEPARTMENT REPORTS

1. Fire Chief

Jeff Knudson explained that Gary Coronas truck was still in the shop waiting for the graphics to be put on. Jeff stated that the EPWG/DEM grant that he applied for was approved and he is waiting to receive the letter to proceed.

2. Police Chief

Cal Kunz stated that the Department had several trainings over the past month which included search and seizure rules, firearms qualifications and use of force. Cal stated that there have been several events the Department has participated in including life skills at the high school, the Easter Egg Hunt and the JAS Foundation event.

3. City Clerk/Records Officer

Anna Bartlome stated that we have currently issued 98 marriage licenses.

4. Chief Financial Officer

Debbie Sanchez stated that she had been in contact with the Elko County Sheriff’s Office
which handles the county gaming tax and learned that they had mistakenly sent some of our revenue to Jackpot. That error is being corrected and we will be receiving the $22,725.00 that was sent to Jackpot by mistake. Debbie explained that the tentative budget has been approved by the Department of Taxation and there will be some changes to the final budget which include changes due to the negotiation with the Local 4041.

5. Public Works Director

Bryce Kimber stated that the irrigation systems are up and running and there have been two rounds of fertilizer done to the grass also. Bryce stated that three of the exhaust fans at the City Hall have been replaced. Bryce explained that the stoplight had gone into emergency mode but they were able to get the problem diagnosed which was a burned out red arrow light and a new light ordered. Bryce stated that the storm drain on Alpine Street has been temporarily repaired and he is evaluating the best way to replace it. Bryce stated that Spring Cleanup was very busy especially the last day. The dumpsters that were at the mobile home parks took in approximately 27,000 pounds of garbage. Bryce explained that the repairs to the new loader have been completed and it is back in service and the D7 Cat is also back in service. The reclaim water has started to be sent to the golf course for the season. Bryce explained that there has been an employee out on medical for a couple of weeks last month and will be out at least a couple of weeks this month. Bryce stated that Eric Trujillo will be transferring to Public Works Tech II on May 13th.

6. City Manager

Chris Melville stated that there are some CDBG workshops in the middle of May that he would be attending which go over program updates, grant management and related requirements. Chris stated that with the approval of the resolution regarding the water bond refinancing there will be a public hearing at the June 4th meeting, an ordinance on the July meeting and if approved it will close mid-August. Chris stated that he had received an update regarding the downtown property/project from the BLM and he should have an appraisal list the end of next week. Chris explained that with the new owners of Deep Roots licensing will begin in mid-July. Chris explained that he and Karen Floyd have been working on getting the Las Vegas Opera to do a performance in the City; they are scheduled to come November 6th and do 4 educational performances during the day for the school and an evening performance open to the public. Chris stated that Eric Trujillo has been promoted to Public Works Tech II and Cal Kunz has passed his Nevada POST requirements/certifications. Chris stated that the employees had been presented their years of service plaques, pins and gift cards this last week; and he would like to thank Council Member Gutierrez for bringing this up and suggesting doing something for the employees.

8. COMMUNICATIONS

Reports by Elected Officials

Council Member Holm thanked the audience for coming to the meeting and listening to the discussion. Council Member Holm stated that the Council now will not do anything without the funds being in place. Council Member Holm stated that she would be trying to attend a meeting with Mayor Corona, Councilwoman Durham and the DMV to try to get something finalized. Council Member Holm stated that she had attended a conference last month in New Orleans regarding the pet issues. Council Member Holm stated that Cinco de Mayo was great. Council Member Holm was glad that the Police Chief and staff are getting involved with activities in the community. Council Member Holm stated that the Discovery Channel will be here from May 21st through the 27th filming and she will not be at the May 21st
meeting as she will be catering for them.

Council Member Flores thanked the Cannons and their group for doing the presentation; he knows it is a tough decision for everyone but the Council was looking at the best interests of the City and not set some kind of precedent. Council Member Flores wanted to thank everyone in attendance. Council Member Flores congratulated Chief Kunz on his POST certification. Council Member Flores thanked everyone who participated in Cinco de Mayo. Council Member Flores congratulated Eric Trujillo on moving up to Public Works Tech 2.

Council Member Gutierrez congratulated Chief Kunz on passing his POST certification and thanks to the Department Heads for the job they do. Council Member Gutierrez stated that Cinco de Mayo was great. Council Member Gutierrez stated that he had talked to people at Cinco de Mayo and they are happy with how things are going in the community. Council Member Gutierrez thanked the audience for attending.

Council Member Durham congratulated Chief Kunz for his POST certification and to thank Alex Petersen for the way he handled the death of her dog. Council Member Durham thanked Anna Bartlome for the work she did on the minutes as she was able to go back in the minutes to see what had happened on the Silverado Estates issue over the years. Council Member Durham stated that the City cannot spend public funds on a private investment. Council Member Durham thanked everyone in the audience for attending.

Mayor Pro-tem Anderson thanked everyone for attending the meeting. Mayor Pro-tem Anderson congratulated Chief Kunz for passing his POST certification and for Eric Trujillo for moving up to Public Works Tech 2. Mayor Pro-tem Anderson stated that he had been in Washington, D.C last week and meet with several of the Senators and Congressman. Mayor Pro-tem Anderson stated that the Cinco de Mayo event looked like one of the best ever and the cleanup of the event was done very well.

9. APPROVAL OF THE CLAIMS
   a. Claims for May 7, 2019 (For Possible Action)

      Council Member Holm made a motion to approve the claims of May 7, 2019. The motion was seconded by Council Member Gutierrez and passed unanimously.

10. COMMENTS FROM THE GENERAL PUBLIC

      Corinne Copelan asked if the price of the infrastructure is in your mortgage when you get your loan. It was stated that usually when property is sold to build a house it has been developed and that is included in the total lot price. Corinne stated that the infrastructure is part of buying property and are the owners of Silverado Estates just trying to get out of paying for the infrastructure.

11. NEXT MEETING DATE AND ADJOURNMENT
   a. Motion to: Adjournment (For Possible Action) Adopted
The next meeting date is a regular meeting on May 21, 2019 at 7:00 p.m. in the West Wendover City Hall, Council Chambers #137. Council Member Gutierrez made a motion to adjourn at 8:36 p.m. The motion was seconded by Council Member Flores and passed unanimously.

ATTEST:

Anna E. Bartlome
City Clerk/Records Officer