

**CITY COUNCIL MINUTES
REGULAR MEETING
NOVEMBER 17, 2015**

The Winnemucca City Council met in regular session on Tuesday, November 17, 2015 at 2:00 p.m. in the City Hall meeting room. Present: Mayor Di An Putnam and Councilmen Mike Owens, Theresa Mavity, Ken Tipton, Jim Billingsley and Paige Brooks. Staff present: City Manager Steve West, City Attorney Kent Maher and City Clerk Lorrie Haaglund.

CALL TO ORDER:

Mayor Putnam called the meeting to order at 2:00 p.m.

APPROVAL OF MINUTES:

The minutes of the November 3, 2015 regular City Council meeting were reviewed and Councilman Brooks moved for approval as submitted. Motion carried with Councilmen Mavity, Tipton and Brooks voting aye, Councilman Billingsley voting aye on the portion of the meeting he attended (agenda item 6 – Winnemucca Boys and Girls Club agreement) and abstaining from the remainder of the meeting because he was absent, and Councilman Owens abstaining because he was absent from the meeting.

APPROVAL OF WARRANTS:

The warrants were reviewed and Councilman Owens moved for approval as submitted. Motion carried unanimously.

PROCLAMATIONS / EMPLOYEE AWARDS:

There were no proclamations or employee awards.

PUBLIC / PERSONAL COMMUNICATION / CORRESPONDENCE:

Amber Gourley, Kaia Fit representative, said the second Annual Christmas Rush 5K Run is planned for Saturday, December 5, 2015 at 9:00 a.m. All proceeds raised from the event will go to a local family in need this holiday season. The Police Department will be provided a map of the route prior to the date of the event. Mayor Putnam wished the Kaia Fit great success with their Christmas Rush saying it's a worthy cause which helps our community.

Susan Putnam, co-chairman of the Library Board, and Debbie Stone, Library Board member, introduced Cindy O, the new Library Director. O said she is thrilled to be in Winnemucca and looks forward to working with the Library Board and making good things happen.

DISCUSSION / ACTION ON ITEMS OF BUSINESS & OTHER REPORTS:

BUSINESS IMPACT DETERMINATION

After review and consideration of the effect each item could potentially have on a "business," as the term is defined by statute, the Council agreed that no item on this agenda appears to impose a direct and significant economic burden on a business or appears to directly restrict the formation, operation or expansion of a business. Councilman Tipton moved to make a finding that no item on the agenda appears to impose a direct and significant economic burden on a

business or appears to directly restrict the formation, operation or expansion of a business. Motion carried unanimously.

STREETS USE REQUEST / "TURKEY TROT" RUN / ALZHEIMER'S SUPPORT GROUP

Gini Cunningham, representing the Winnemucca Alzheimer's Support Group, said the Alzheimer's Awareness "Turkey Trot" run is planned for November 26, 2015 beginning at 8:00 a.m. The 3K, 5K and 8K runs will begin and end at Lowry High School using the same routes as last year's event which was attended by 250 people. All proceeds remain in Winnemucca and are used for education and respite care. The local awareness group meets regularly to discuss improving and expanding services. Councilman Mavity moved to approve the Alzheimer's Awareness "Turkey Trot" run request as presented. Motion carried unanimously.

BRIDGE STREET CLOSURE REQUEST / 2015 CHRISTMAS PARADE OF LIGHTS / CHAMBER OF COMMERCE

Debbie Stone, Humboldt Chamber of Commerce representative, reported the 19th annual Christmas Parade of Lights will be held December 5, 2015 beginning at 5:30 p.m. This year's theme is "A Candy-land Christmas". Stone invited the Mayor and Council to participate in the parade. Stone requested closure of downtown Bridge Street for the parade route beginning at Railroad Street and ending on Giroux Street with a no parking restriction on downtown Bridge Street for the 60 minutes during the parade to make it a safer parade route. Councilman Brooks moved to approve the Humboldt County Chamber of Commerce request to close Bridge Street between Railroad Street and Giroux Street for the annual Christmas Parade of Lights beginning at 5:30 p.m. Saturday, December 5, 2015. Motion carried unanimously.

ENCROACHMENT PERMIT REQUEST / CITY RIGHT-OF-WAY FENCE / CARRIAGE COURT

City Manager West said he received an e-mail request from the new owner of the Carriage Court Mobile Home Park (located on Hanson Street) to construct a three feet in height vinyl fence within the City street right-of-way adjacent to the sidewalk along Hanson Street. West said the owner is also considering constructing fences around the MacArthur Street median strips, but staff expressed some concerns about this proposal. City Attorney Maher said if the MacArthur Street median strips are on private property, the new owner can construct the fences if he desires. Councilman Brooks asked if the traffic visibility will be affected by the installation of a fence and if the owner is willing work with staff regarding the visibility. West replied that the owner was willing hold the fence back far enough from the intersection to avoid traffic visibility issues. Councilman Owens moved to approve the request to allow construction of a three feet in height vinyl fence within the City street right-of-way as presented subject to staff approval of the fence location. Motion carried unanimously.

SHOOTING PARK FUNDING REQUEST / ARRIEN

Mayor Putnam said this agenda item is postponed until a later meeting.

SAGE HEIGHTS SUBDIVISION VOLUNTARY ANNEXATION PROPOSAL

Mayor Putnam reported the City received fourteen positive annexation requests, two negative responses and one no-response (this property may be in foreclosure and under bank ownership). City Manager West said he and City Attorney Maher have discussed the possibility of squaring off the proposed annexation area since it is surrounded by County owned property.

West continued saying they will take a look at doing that prior to the creation of an ordinance for Council consideration. West recommended moving forward with the annexation, including notifying the County and preparing the annexation ordinance. Maher stated there are two annexation options to consider: 1) a voluntary annexation which is a straight forward ordinance adoption procedure with the City, or 2) an involuntary annexation which is more involved with notices, public hearings and reports involving the County, Planning Commission and City. Maher said a voluntary annexation for the Sage Heights area is possible with those property owners that want to annex because all of the properties are contiguous to the City. The two owners who don't want to annex, once they are 100% surrounded by property in the City cannot protest an involuntary annexation. It was suggested the two dissenting owners be left alone for now. Putnam asked Joe Gough, a resident of Sage Heights, about the feedback he received on the information provided by the City to the Sage Heights residents indicating an annual savings of approximately \$300 per property, when the City property tax increases and the City sewer fee decreases are considered. Gough said only two property owners were adamant about not wanting to annex their property. West stated he had written a letter to one of the property owners in an attempt to correct some of the mis-statements he had written on the annexation request response form, but it did not result in the owner changing his mind. Councilman Tipton asked about the bank-owned property and what is needed to get a response from them. West said staff will try to get a voluntary annexation request signed by the bank, but in the meantime the annexation should proceed as if the bank-owned property will not be annexed. Putnam directed staff to continue with the annexation process.

WINNEMUCCA BOYS AND GIRLS CLUB AGREEMENT

Mayor Putnam reported the City Attorney is preparing a draft agreement with the Boy's and Girl's Club covering the following items: establishing the recreation complex maintenance responsibilities, formalizing the privacy fence obligation, establishing the donated property value and establishing a City approval for any proposed facility improvement master plan revisions. A meeting will be set up with the City Manager, Chad Peters, Ray Parks, and the City Attorney to finalize the agreement so that it can be presented to the Council for consideration at its December 15, 2015 meeting. No action was taken.

FISCAL YEAR 2014-2015 AUDIT AND FINANCIAL REPORT

Andree Rose and Kim Plummer of Drake Rose and Associates, LLC presented the fiscal year 2014-2015 ("FY 2015") City audit and financial reports. Rose thanked the Mayor and Council for the opportunity to perform the audit as well as City staff members Jessie Lindsey, Linda Barton and Steve West. The City assets exceeded its liabilities at the close of the fiscal year by \$54,109,462 and of this amount \$15,057,025 can be used to meet the government's ongoing obligations to citizens and creditors. At the close of the fiscal year, the unassigned portion of the General Fund balance was \$6,418,202 or 90% of total General Fund expenditures. This compares with the prior fiscal year balance of \$6,612,727 or 95% of the total General Fund expenditures. Over time, the net position can be a useful indicator of financial condition. There was a budget augmentation in the amount of \$313,132 in the General Fund during the year. The functions augmented were General Government, Public Safety, Public Works, and Culture and Recreation. Total General Fund expenditures were less than budget by \$471,239. There was a budget augmentation in the amount of \$5,137,252 in the Capital Improvement Fund during the year. The functions augmented were Public Safety, Public Works, and Culture and Recreation. Total Capital Improvement Fund expenditures exceeded budget by \$470,318 due to capital projects that were ahead of schedule at the fiscal year end. It is anticipated that expenditures for the governmental and business-type activities of the City will increase over the

next few years. The City will continue to approach spending in a conservative manner, which is reflected in the budgetary projections for the new fiscal year. Plummer thanked City Treasurer Lindsey for the good synopsis of the fund analysis. The FY 2015 actual expenditures were less than budget by \$471,239. Public safety expenditures were 56.4%, public works 15.1%, general government 16.2%, culture and recreation 10.8%, and judicial 1.5% of the total expenditures for the General Fund. Total revenues for the Debt Service Fund were less than budgeted by \$22,582. The net change in fund balance was a decrease of \$141,812. The total expenditures of the Capital Improvement Fund were 53.76% of the total expenditures of the governmental activities. The net change in fund balance for FY 2015 was a decrease of \$681,187. Total operating revenue for business-type activities was \$3,268,609. The Sewer Fund provided approximately 53.2% of operating income while the Water Fund provided the remaining 46.8%. The major expenses for the City business-type activities are services and supplies (45.6%), salaries and wages (28.1%), employee benefits (4.6%), and depreciation (21.7%). The Sewer Fund generated more operating revenues than expected by \$319,286 and the Water Fund generated less operating revenues than expected by \$147,177. The Sewer Fund operating expenses were under budget by \$269,335 while the Water Fund operating expenses were over budget by \$224,529 due to acceleration of the water meter project schedule. The Water Fund experienced a loss due to the water meter project expenditures. The Water and Sewer Funds increased their net position by \$471,239. Capital Assets for the City as of June 30, 2015 were \$25,860,433, net of depreciation for governmental funds and \$12,843,410 in capital assets, and net of depreciation for business-type activities. The outstanding debt for governmental activities was \$173,686 (Assessment District loan), and for the business-type activities the outstanding long-term debt (Water Fund Loan) was paid off in January 2014. FY 2015 included two new standards related to net pension liability; GASB 68 and GASB 71. Capital assets not being depreciated include land and capital improvement projects which saw an increase of \$4M over the prior year. This was mainly related to the Recreation Complex, the Animal Control Building and the Wastewater Treatment Plant. Capital assets being depreciated increased \$5M, which was mainly related to the Haskell Street purchase and the Fire House project. At the end of FY 2015, the City had a net position of \$54M of which \$39M was related to capital assets; leaving \$15M available for the budget. The City ended FY 2015 in a very healthy fiscal position. The Government Auditing Standards letter from Drake Rose and Associates was reviewed. The Mayor and Council thanked Drake Rose and Associates for their continued hard work and dedication to the City. Councilman Tipton moved to accept the fiscal year 2014-2015 audit and financial reports as submitted. Motion carried unanimously.

SAGE GROUSE MANAGEMENT PLAN LAWSUIT

Mayor Putnam reminded of the previous Council meeting discussion of the possibility of joining in the litigation against federal agencies regarding the Sage Grouse Land Use Planning Amendment. Putnam said that the County typically represents the City interest in these types of issues and if the City joins this litigation, it is unknown what the City legal responsibility will be, or how much money is going to be involved. Putnam felt that this is an important issue and the City should be supportive of the County position, but, in her opinion, there is not an increased benefit by joining as a separate entity. Councilman Mavity asked if the City had received a dollar figure for joining the lawsuit and what kind of financial commitment it might carry with it. City Attorney Maher said there is an initial buy-in, but after that it is completely unknown because it will depend on how the litigation proceeds. Councilman Brooks asked if the County had asked that the City be a party to the lawsuit. Putnam stated no. Putnam said it's an emotional issue that is widely supported. Councilman Tipton suggested it is something that can be revisited later if necessary. Putnam said since there is no objection, the City will hold off on this item and see where it goes.

CITY FUND INVESTMENT STRATEGY

City Treasurer Lindsey reported that the City currently has approximately \$22 million invested through the State of Nevada NVest Program of the Local Government Investment Program (LGIP) Account. The State has regulations regarding the investment structure of the investments per NRS Chapter 355. Each local government entity choosing to participate in the NVest portion of the LGIP must choose an investment management company approved by the State. The State also chooses a custody bank for deposit and maintenance of invested funds (currently Mellon Bank of New York). There are fees attached to all of the services. Lindsey explained that since 1998 the City investments have been managed by Rick Nelson and/or Matt Boden of SEIX Investments. Both Nelson and Boden have left SEIX Investments and are currently working with Buckhead Capital Investments. Lindsey believes, with the proper investment managers, the City could manage the City investments without the assistance of the State. She reported that Humboldt County Treasurer Gina Rackley is considering moving the County assets to Buckhead. Both Lindsey and Rackley are not comfortable with the new administration in place at the State Treasurer's office. Lindsey stated the City is throwing money away by having the State manage City investments, and it now makes sense to go outside of the State system. Staff recommends leaving the NVest Program and using Buckhead Capital as the City investment manager, and going back to Wells Fargo as the custody bank. Mayor Putnam commented there are several positives for a change: 1) the City will not change the fund managers it has been dealing with, 2) the City will leave a bank that has basically been unresponsive to immediate needs, 3) the City will move to Wells Fargo Bank where there is a personal relationship and access to their financial managers, and 4) the City will not lose any interest and will probably gain some interest. Currently, the City does not receive a positive response from the State, because once the City money is deposited, the state seems to act as though it's their money. The City should be independent and have control of its investments. City Attorney Maher asked Lindsey when she wanted to make the change. Lindsey responded that the notifications must be made by November 30. Councilman Brooks asked if the City becomes unhappy with Buckhead Capital, how long of a time does the City have to remain committed to them. Lindsey said the City could pull the investment and go back to the State program at any time. Councilman Owens moved to authorize City staff to remove City funds from the NVest Program and make the investment changes as presented and requested. Motion carried unanimously. This item will be placed on December agenda with specific language to ratify the proposed investment manager decisions.

STAFF-COUNCIL REPORTS

City Manager West reported the CDBG project audit was completed this morning and went well. West commended City Clerk Haaglund for her work on the grant project. The new fields at the Recreation Complex have been aerated to better allow the water and grass roots to penetrate the ground. The City Hall intersection work has been completed including new sidewalks, curbs, valley gutter and the street paving. The East Winnemucca Boulevard project construction work has been completed and the final inspection has been scheduled. The sewer plant project USDA loan application will be completed and ready to submit in the coming week. The BLM submitted a schedule for the property acquisition with an end of March, 2016 date selected for completion. The 90% design for the Wastewater Treatment Plant project is anticipated by mid-December. The plans for the Boys and Girls Club have not been received. The delivery date for the new fire truck is in the middle of December.

Councilman Owens attended the Airport Board meeting last night. The Board has given the Trans Aero/MedX One helicopter until the January Airport Board meeting to figure out a way to

get the helicopter in and out of the hangar at the Airport. There has been a lot of discussion regarding the helicopter landing and taking off directly in front of their leased hangar or allowing the company to hover or air taxi into the hangar.

Councilman Tipton will attend the Humboldt River Water Basin Authority meeting on Friday.

Councilman Billingsley will attend the WCVA meeting tomorrow, and attended the most recent RPC meeting.

Chad Peters, Executive Director for the Winnemucca Boys and Girls Club (WBGC), reported the City indoor pool is closed due to a NV Energy power supply situation that burned out the circulating pumps. Peters has concern that the Sage Heights outdoor pool has a water leak in the pump room. City Manager West and Peters will look into the issue. 350 children signed up for youth basketball and the WBGC will now be administering the youth wrestling program.

Mayor Putnam provided a letter of support to the Frontier Coalition for their grant. The City needs to select another insurance agent as the current agent, Stephen Romero, has taken another position with the company. Mayor Putnam said she is planning to appoint A & H Insurance because they are well qualified and have a local office.

PUBLIC-PERSONAL COMMUNICATION-CORRESPONDENCE:

There were no public or personal communications or correspondence.

The meeting was adjourned at 4:40 p.m.

Respectfully submitted,

Lorrie Haaglund
City Clerk

PASSED AND ADOPTED: December 15, 2015

VOTE OF COUNCIL:

AYES:	Councilmen	<u>Mavity, Owens, Tipton, Billingsley, Brooks</u>
NAYS:	Councilmen	_____
NOT VOTING:	Councilman	_____
ABSENT:	Councilman	_____

APPROVED:

ATTEST:

Di An Putnam
Mayor

Lorrie Haaglund
City Clerk