

**CITY COUNCIL MINUTES  
REGULAR MEETING  
FEBRUARY 18, 2020**

The Winnemucca City Council met in regular session on Tuesday February 18, 2020 at 2:00 p.m. in the City Hall meeting room. Present: Mayor Richard Stone; Council members Mike Owens, Theresa Mavity, Vince Mendiola, Jim Billingsley and Paige Brooks; and, City Manager/Engineer Alicia Heiser, City Attorney Kent Maher and City Clerk Lorrie Haaglund.

**CALL TO ORDER:**

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

**PUBLIC COMMENT-PERSONAL COMMUNICATION-CORRESPONDENCE:**

There was no public comment, personal communication or correspondence.

**MINUTES:**

The February 4, 2020 City Council regular meeting minutes were reviewed and Council member Mavity moved to approve as submitted. Motion carried unanimously.

**WARRANTS-EXPENSES:**

The reports for payments of warrants and expenses were reviewed and Council member Billingsley moved for approval as submitted. Motion carried unanimously.

**PROCLAMATIONS-AWARDS-PRESENTATIONS:**

Mayor Stone presented Police Department Captain Pamela Coats with a five-year service award and thanked her for the service to the City.

**BUSINESS ITEMS:**

**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 and Council member Owens 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.

**MELARKEY STREET CLOSURE / CATHOLICE CHURCH TREE TRIMMING**

City Manager Heiser presented a request from St. Paul's Catholic church to close Melarkey Street in front of the church on Tuesday February 25, 2020 from 8:00 a.m. to 1:00 p.m. to trim trees. Council member Mendiola moved to approve the closure of Melarkey Street in front of the St. Paul's Catholic church on Tuesday February 25, 2020 from 8:00 a.m. to 1:00 p.m. to trim trees. Motion carried unanimously.

**AIRPORT PROJECTS ENGINEERING-CONSULTING SERVICES / ARMSTRONG**

This agenda item was postponed until the March 10, 2020 meeting to accommodate the attendance of Armstrong Consultant representatives at the meeting.

## **PUBLIC HEARING-ORDINANCE ADOPTION / WATER SYSTEM METER FEE INCREASE**

Mayor Stone commented the ordinance proposal is to raise the monthly meter fee for a ¾" service line from \$2.10 to \$14.00, with proportionate increases for larger size lines. The current meter fee has been in effect since 1990 and has never been increased. Most City services are on ¾" lines. Stone called for public comment. Resident Lisa Verner questioned if there was an outside entity that advised the City on the proposed increase and, if not, how did the fee increase come about. Stone explained that the water system current annual operating expense is \$1.5M, and annual revenues are less than that amount, resulting in the City using the ending fund balance every year just to meet operations costs. There are several necessary capital and deferred maintenance projects that cannot be funded unless revenue is increased. The water fund ending balance is projected to be about \$750,000 this year. The postponed projects include: cleaning-painting tanks; replacement of failing lines in alleyways; and, the Well 8 and related infrastructure project. Without additional revenue to the ending fund balance it will not be possible to do the needed projects. City Manager Heiser said, ideally, the flat rate meter fee is supposed to pay for capital infrastructure and fixed cost projects, and the monthly user fee covers variable costs, regular operations and maintenance. The meter fees are falling short of covering costs for major capital projects that need to be done; the fees should have been increased long ago. Heiser remarked that the City is a point where capital projects are being put off in order to have enough funding to cover operations and maintenance. Council member Billingsley commented that if something happens to adversely affect the water system, there are insufficient funds to fix the problem. The City has always tried to operate by preparing in advance. Council member Owens said the proposal is not just now being dropped onto City residents, it has been discussed over the past year. The City also considered splitting the increase (raising both the meter fees and usage fees), but usage fees are about where they should be, so it didn't make sense to raise them. There is the option of pushing the projects farther out, but they only get more expensive. The proposed increase will not go into effect until July 1, 2020. Council member Owens moved to adopt the proposed ordinance to increase the basic monthly meter fees per staff recommendation effective July 1, 2020. Motion carried unanimously.

## **FISCAL YEAR 2018-2019 AUDIT AND FINANCIAL REPORT**

Andree Rose and Sondra Clark of Drake Rose and Associates, LLC presented the fiscal year 2018-2019 (FY2019) audit and financial reports. The City assets exceeded liabilities at the close of the fiscal year by \$59,328,848. The unassigned portion of the general fund balance was \$6,703,344 or 94% of total general fund expenditures. This compares with the prior fiscal year balance of \$5,538,765 or 78% of the total general fund expenditures. The net position of the governmental activities of the City increased by \$1,393,799 or 4.67% over the prior fiscal year. Current assets increased by \$54,528 and net capital assets increased by \$18,003. Current liabilities of the City's governmental activities decreased by \$141,457 and long-term liabilities decreased by \$867,315. The net pension liability for the governmental activities for fiscal year ending June 30, 2019 is \$7,392,283. In business-type activity the sewer fund expense increased by \$195,153 and the water fund expense decreased by \$49,883. Actual expenditures for fiscal year 2019 were less than budget by \$560,777. The total expenditures of the Capital Improvement Fund were 14.40% of the total expenditures of the governmental funds. Total operating revenue for business-type activities was \$4,144,606. 68% of operating income was provided by the sewer fund; the water fund provided the remaining 32%. The major expenses for business-type activities are: services and supplies (31.55%); salaries and wages (28.07%); employee benefits (2.8%); and, depreciation (37.58%). The sewer fund generated more operating revenues than expected by \$73,503 and the water fund generated less operating

revenue than expected by \$283,197. There was a budget augment during the year ending June 30, 2019 in the general fund for public safety in the amount of \$105,000 and general government in the amount of \$2,000. Total general fund expenditures were less than budget by \$560,777. Consolidated Tax (CTX) revenue yielded higher than projected income. The price of gold increased from about \$1,250 on July 1, 2018 to approximately \$1,400 on June 30, 2019 driving the increase of CTX revenue over the previous fiscal year. The City reported \$28,422,804 in capital assets, net of depreciation, for the governmental fund and \$40,522,483 in capital assets, net of depreciation, for business-type activities as of June 30, 2019. The City had \$97,583 in outstanding debt for governmental activities at June 30, 2019. Long-term debt for business type activities, sewer fund, was \$17,598,613 as of June 30, 2019. Mayor Stone commented this was a challenging audit due in part to the change in the internal financial system and thanked Drake Rose and Associates for their hard work and the financial reports submitted. Council member Brooks moved to accept the fiscal year 2018-2019 audit and financial reports as submitted and explained. Motion carried unanimously.

### **POLICE CHIEF APPOINTMENT CONFIRMATION / DAVID L. GARRISON**

Mayor Stone reported that interviews were held with candidates for the Winnemucca Police Chief position and that Dave (Garrison) was appointed to the position. Stone commented that Garrison will make a good Chief. Council member Mendiola remarked that Garrison will do a fine job and recommended approval of the appointment. Council member Billingsley said in speaking with police department personnel, he has heard nothing but good things about Garrison. Council member Billingsley moved to confirm the appointment of David L. Garrison as Winnemucca Police Chief. Motion carried unanimously.

### **BODE HOWARD MEMORIAL POOL**

City Manager Heiser reported the RFP (request for proposals) for the feasibility study are due February 21, 2020.

### **STAFF-COUNCIL REPORTS:**

City Manager Heiser reported: (i) Hydro Resources should begin drilling the Well #8 exploratory borehole this week; (ii) there are no updates on the Airport property acquisition project; (iii) the Kluncy Canyon chip seal project may be postponed until next year because it may be more beneficial to chip seal the new Railroad Street-Potato Road-Fountain Way pavement; (iv) discussions are continuing with the party interested in constructing a transloading facility at the Airport Industrial Park; (v) there are no new updates on the Mormon cricket abatement program; and, (vi) the ADF (Age and Dementia Friendly) Sprint Triathlon and Longest Day Celebration scheduled for Bode Howard Memorial Pool and Vesco Park will be held May 30, 2020.

Council member Owens attended the RTC meeting and the Chamber of Commerce luncheon.

Council member Mavity attended the Landfill Committee meeting.

Council member Mendiola reported on the Paradise Sonoma Conservation District meeting.

Council member Billingsley attended the Humboldt Foundation meeting.

Council member Brooks reported on the Landfill Committee meeting and that the Mainstreet group will meet February 24, 2020.

Captain Garrison noted the retirement party for Chief Dalley will be held March 14, 2020.

Mayor Stone reminded there will be ribbon cutting ceremonies for Bella Grazia on February 22, 2020 and at the racetrack for the mini racers.

**PUBLIC COMMENT:**

Ashley Maden, Humboldt Sun staff writer, reported on the grant for restrooms at the sand dunes and some of the issues they are having with the BLM.

Chief Dalley thanked the City Council, the Mayor, City Manager Heiser and City Attorney Maher for their support during his tenure as Chief of Police.

The meeting was adjourned at 3:25 p.m.

Respectfully submitted,

Lorrie Haaglund  
City Clerk

**PASSED AND ADOPTED:** March 10, 2020

**VOTE OF COUNCIL:**

**AYES:** Owens, Mavity, Mendiola, Billingsley, Brooks  
**NAYS:** \_\_\_\_\_  
**ABSTAIN:** \_\_\_\_\_  
**ABSENT:** \_\_\_\_\_

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
Richard Stone  
Mayor

\_\_\_\_\_  
Lorrie Haaglund  
City Clerk