

**CITY COUNCIL MINUTES  
SPECIAL MEETING-BUDGET PLANNING SESSION  
March 27, 2013**

The Winnemucca City Council met in special session on Tuesday, March 27, 2013 at 1:00 p.m. in the City Hall meeting room. Present: Mayor Di An Putnam, Councilmen Michael Owens, Doug Cain, Ken Tipton, Jim Billingsley and Paige Brooks. Staff present: City Manager Steve West, Public Works Supervisor Roger Sutton, Police Chief Eric Silva, Police Captain Bill Dalley and Administrative Assistant Lorrie Haaglund.

**CALL TO ORDER:**

Mayor Putnam called the meeting to order at 1:00 p.m.

**PUBLIC / PERSONAL COMMUNICATION / CORRESPONDENCE:**

There were no public or personal communications or correspondence.

**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.

**FISCAL YEAR 2013-14 BUDGET-PLANNING**

City Manager West reviewed the proposed 2013 policy issues and goals:

**Economic Development:** The 2013 economic development goals include tourism projects and community definition projects. The City plans to continue to work with Humboldt County, WCVA and NDOT on cooperative local projects. Mayor Putnam said she would like to see the Humboldt County School District and Humboldt General Hospital added to the list. The City will continue to support downtown redevelopment and improvement efforts, and work with the HDA and the County on diversifying the economic base by attracting new businesses and retaining and expanding existing businesses. The City will continue to improve the City website, including additional links to encourage economic development. Phase II of the airport industrial park will need substantial infrastructure improvements in the future and an access right of way; the reserve fund will be added to for those purposes.

**Quality of Life Issues:** The City will continue to work on: (i) recreation and art programs which will be tied in with the Community Center; (ii) enhancement and beautification projects including East Winnemucca Blvd. (the New Frontier Village will be installing curbs and walking paths) and the Melarkey St.-Winnemucca Blvd. intersection; (iii) the planning of the Community Center; and, (iv) the installation of a columbarium at the Cemetery for placement of

cremains. The City has been approached by a group that plans a fund drive for some playground equipment at Pioneer Park. The City has not budgeted for any new equipment and there is some playground equipment that needs updating. After reviewing existing issues at the Animal Shelter, it was decided to put a hold on the expansion of the current animal shelter and start over with a new building. With the lack of soccer fields and an increasing need, the goal is to find a location and funding for a new soccer field complex in the near future. Councilman Cain said this comes back to cooperation with the schools. Councilman Owens said that he would like to see a new swimming pool addressed at some point. Currently there are two fairly expensive pools which are old and have high costs to operate, and they are not regulation pools capable of hosting swim meets. For the past fourteen swim seasons, the swim team has had to travel for every single meet. This year the swim team has 45 swimmers and the Winnemucca White Water team has 15 members, so there are sixty kids in the pool Monday through Friday in six lanes. City Manager West said it is appropriate to add a new swimming pool to the long term City goals.

**Federal and State Mandates:** The City will continue to: (i) monitor and resist unfunded federal mandates such as the Clean Water Act and the Safe Drinking Water Act; (ii) encourage the release of federal lands for economic development purposes; (iii) resist the federal government's efforts to further restrict the use of federal lands by the public; (iv) resist unfunded state mandates; and, (v) work closely with the NLC to maintain the revenue structure.

**Overall City Operations:** The City will continue to: (i) utilize and expand the shared cost agreement with Humboldt County to provide the most economical services to the public; (ii) improve and maintain overall employee morale; and, (iii) provide quality services to residents while limiting expenditures as much as possible. City Manager West said he believes the City has done a good job keeping its overhead low, which has resulted in substantial fund balance growth. Mayor Putnam stated the City is at the point where staff increases are needed to deal with the increasing population.

**Public Safety:** The Police Department added a patrolman position this year and is proposing to add a sergeant position next year in order to provide a safe community. The new fire station planning is moving along as they now have a floor plan that has met with the approval of the firemen. Once the fire station is built the next goal is to purchase a pumper ladder truck. Drug task force financing will continue, a canine unit is proposed and there will be additional equipment for both the police and fire department.

**Public Works:** A planning consultant was hired to develop and compare options for updating the sewage treatment plant. The 1.3 million dollar loan for the North-side water project is proposed to be paid in full. Construction of a columbarium is planned for the placement of cremains at the cemetery. A new traffic signal is planned at the Haskell St.-Bridge Street intersection, which NDOT will design and construct. The construction of Museum Road, the reconstruction of Water Canyon Road and the construction of Great Basin Drive are proceeding. A couple of storm drains in the Water Canyon Road will be completed.

**City Council Budget Goals:** The City has goals to: (i) not increase the property-tax rate and to maintain the general fund balance at a minimum of 60% of current expenditures; (ii) continue low rates for charges and fees; (iii) maintain facilities and infrastructure; and, (iv) to keep economic development as a high priority. The RTC gas tax funds will continue to be used for street capital projects and not for street operations. Mayor Putnam suggested when looking

at expanding future recreational facilities, there may be consideration to use some of the room tax which is 95% or more generated from City properties. Councilman Billingsley stated the WCVA has discussed this, and the County may also look at using room tax revenue.

**Shared Cost Agreement:** The City pays 25% of the net planning costs which represents the approximate percentage of that department's City work load. The largest shared cost for the City is the operation cost of the dispatch center. Last year the City was able to reduce the costs from 50% to 30% due to the new automated utility SCADA system. Last year's figure was \$258,000. Animal Control is a 50/50 split on the net cost of the shelter and the spay/neuter program is also 50/50 with an increase up to \$10,000 this year. The City share of the County building inspector is 35% of salary and benefits, and it will be increased. The airport is split 50/50 net costs including local match funds on FAA projects; the Cemetery is 75% City and 25% County net costs; and, City parks, pools and golf course is 60% City and 40% County net costs, which was \$306,000 last year. Other costs which are billed separately are insect control at a 50/50 split, airport construction 50/50, and the shooting park.

**Nevada Legislative and Federal Issues:** The Nevada League of Cities is watching several legislative issues that may affect city budgets. The attempt continues to make changes to the Heart and Lung bill in order to reduce the huge workers compensation liability it represents. City Manager West said he is concerned with the proposed revisions to the distribution of sales tax because the tax presently accounts for 50% of the general fund revenue. Mayor Putnam said the legislature was initially proposing a formula for distribution that would leave the rural areas at 100% of present funding, but that could be revised.

**Summary of Fund Balances:** During the last eleven years the ending fund balances have continued to grow and the City has been able to put aside a substantial amount for capital projects. Over the past ten years, the general and capital improvement funds have increased from seven million dollars to over fifteen million dollars. The sewer fund continues to grow which puts the City in a good position to pay for the planned sewer treatment plant projects. The Water fund balance is in good shape which means the loan can be paid and there will still be operational cash. Future Water Fund revenues can be used for installation of an automated meter reading system. The Council budget has nothing new. The City Clerk/Treasurer department is proposing a modification and transfer of a position into that account increasing it by about \$40,000. The City Manager has only a cost of living adjustment and administration goes down with the transfer of the administrative position to the City Clerk. Public Safety-Police Department will have a sizeable increase in costs with the addition of one (1) sergeant position and a canine division (with a \$12,000 stipend cost). The Police budget includes a one-time RIMS software system purchase in the amount of \$96,000. The Building Inspector went up \$10,000 for a new plan check consultant line item. The Fire Department budget has nothing new except the fire station expense which is a capital improvement. The City Attorney has only a cost of living expense. The Street Department budget increase is a result of refilling a vacant Laborer-Operator I position and the purchase of two sanders. The Airport budget includes the crack filling material which was not included the last couple of years because of the asphalt pavement maintenance project. A Cemetery-Public Buildings Lead man position is proposed. The City Engineer budget includes a software update share with the County for utilities mapping. The Public Building budget increase is mostly for planned landscaping in front of the Police Department which is expected to be around \$30,000. The Planning Department is a shared cost with the county. The Golf Course-Parks budget includes \$91,000 for equipment (\$78,000 for a rough mower and \$13,000 for a used aerator for the golf course). The

Recreation budget has only a cost of living increase for the Recreation Director. The total projected General Fund expenditures this year are estimated to be around \$5.9 million and \$6.7 million next year; revenues will exceed expenditures by about \$1.8 million this year and about \$1.2 million next year. The beginning fund balance on July 1, 2012 was \$8.5 million with revenues estimated at \$7.8 million. The ending fund balance is projected to be slightly less than \$8 million this year and approximately \$7 million with a transfer out of approximately \$2.1 million, depending upon the budget decisions made by the Council today

The Capital Improvement Fund has transfers into the fund at approximately \$2.1 million for an expected ending fund balance of \$8 million; there are proposals to spend about \$4 million, which includes: 1) the fire station and ladder pumper; 2) street improvements; 3) storm drains; 4) FAA airport projects; 5) the animal control shelter; 6) economic development; and, 7) cemetery projects. The Debt Service Fund encompasses pass-through dollars for Assessment District #17.

The Vacation Leave-Sick Leave Fund is fully funded at this time.

The Unemployment Reserve Fund is a small fund made available for potential unemployment benefit costs.

The Capital Projects Fund receives an estimated \$25,000 in tax revenues each year. This fund was utilized a couple of years ago to pay for a portion of the new Public Safety Building.

The tentative budget includes a 2.5% Cost of Living Allowance (COLA) increase and a 2.5% merit increase. COLA raises are typically based upon the most recent CPI percentage posted by the Bureau of Labor Statistics (presently at 2.1%). The PERS contributions for regular employees will increase 2% (to 25.75%) effective July 1, 2013, the police department will increase to 40.5% and the volunteer firemen will increase 2% to 26.55%.

The Retiree Health Insurance Fund has an estimated unfunded liability of \$2 million. This is a liability instituted by the Legislature many years ago mandating a health insurance subsidy to City employees who retired during a certain period of time. The City goal is to fund the liability in full, and with the planned \$100,000 transfer next year, it will be approximately half funded.

The Sewer and Water Proprietary Funds continue to remain healthy. The sewer fund budget includes a \$1.1 million dollar expenditure for the planned Second and Baud Street sewer main project. The water fund continues to grow and if the existing \$1.3 million North-Side water loan is paid in full, there will remain a balance of \$1.6 million at the end of next fiscal year.

The Major Project Status Report was discussed which laid out the recently completed projects, projects in construction and projects which are in the design phase. Councilman Brooks stated the new swimming pool should be placed under the long term priority projects. Mayor Putnam said the redevelopment of Vesco Park should also be a long term priority project.

The Capital Projects Reserve Summary spreadsheet was reviewed; the Council recommended increasing the \$1 million dollars for the new fire station to \$1.5 million and increasing the transfer-in from the General Fund by \$500,000.

**Reclassification Proposal:** The increased mining activity is having an impact on the ability to retain younger employees and certain adjustments to the salary ranges are needed at this time. It is also important to train and retain current employees so that they will be in a position to fill the leadership positions vacated during the next few years due to anticipated retirements. It is proposed to separate the Clerk-Treasurer position into two positions which will result in an overall savings, and make better use of the existing personnel. City Manager West said one person from administration is proposed to be moved to the Clerk position and a new person hired for the Treasurer position for the proposed two unclassified positions of City Clerk and City Treasurer. The Clerk-Treasurer duties will be divided between three positions, that is, the Clerk, the Treasurer, and the Deputy Clerk Treasurer, at a saving of approximately \$40,000 per year. The proposals to reclassify three current employees were explained. Councilman Cain made a motion recommending proceeding with the reclassifications and new hire as proposed. Motion passed unanimously.

#### **DEPARTMENTAL REVIEWS:**

##### **REVENUES:**

**General Fund:** The State of Nevada Department of Taxation Ad Valorem Tax (property tax) revenue projection for Fiscal Year 2014 is estimated at \$1.7 million. The City is projecting the Consolidated Tax Revenues (CTX) to reach \$4 million in the upcoming fiscal year but staff believes this to be high.

**Sewer-Water Funds:** Use Fee Revenues for both funds remain stable with projected conservative growth. Connection fees remain high but are hard to estimate.

**Capital Improvement Fund:** The fund is budgeted to received \$2.1 million in transfers from the General Fund, and the second payment from the Airport Water System sale which will be \$110,000.

**Retiree Insurance Subsidy Fund:** This fund will receive \$100,000 transferred from the General Fund in order to eventually meet liability for future retiree health insurance costs.

##### **EXPENSES:**

##### **GENERAL GOVERNMENT:**

**City Council / General:** COLA is included at 2.5% and merit increases at 2.5%. The actual amounts will be negotiated with the employee associations. Health insurance is expected to increase by about 8%. The PERS increases are included. Travel funding will remain at \$2,000 annually which is not typically expended. The Mayor and Council salaries and benefits were adjusted.

**City Clerk/Treasurer:** The budget proposal includes separating the City Clerk/Treasurer function, moving one existing employee into the Clerk position and hiring a Treasurer.

**City Manager/Engineer:** Routine costs are budgeted.

**General Administration:** Salary and benefits have been removed with the transfer of the administrative support employee into the Clerk position. Liability insurance expense is recorded in this department and is estimated to increase 5%. NLC dues, half of the audit and Chamber of Commerce dues are included in this fund. Donation accounts include the Vitality Center \$6,000, Humboldt River Authority \$4,000, Lowry Graduation \$2,500, NV League of Cities Youth Awards \$1,000, CAP Hangar (1/2) \$1,500, Shooting Range \$1,500, Sonoma Industries \$5,000, Community Garden \$5,000, Youth Center \$3,000, WNDD dues \$2,500, and the \$10,000 budgeted last year for the Community Pond.

**Public Safety/Law Enforcement:** A fourth Sergeant position is proposed to be added and the Police Department has submitted a grant application for a police dog through Canines for Cops. If they receive the grant, there will be the addition of the \$12,000 stipend for the assigned officer. Detective Rangel is already a certified dog handler. Police Chief Silva stated they are looking for a search and patrol dog which will not only protect the handler but is trained in searching for victims. Site improvements for the PD include a shop exhaust system. Chief Silva stated when the S.W.A.T. vehicle is started up in the garage, the exhaust fumes are sucked back into the building. The cost of the shop exhaust system is \$8,500. The addition of a \$6,000 metal detector is requested. The budget also includes S.W.A.T. headsets, car videos and replacement tazers. Silva also requested the purchase of a used SUV, a new Sedan and \$96,000 for the RIMS Program, which is a one-time expense. Silva explained that the RIMS system is utilized by almost all law enforcement along the I-80 corridor. All incidents, citations, officer reports are done and stored on this system and can be accessed by other agencies on the same system. Information is instant and is huge for officer safety. The \$96,000 covers the server, the mobile server software and training, and the annual maintenance cost is approximately \$9,000. The Lexipol program cost of \$5,500 is for the policy manual program. The total amount budgeted for the Police Department is approximately \$5.5 million.

**Building Inspector:** The cost for the shared building inspection personnel is part of the Cost Share agreement between the City and County. \$10,000 has been budgeted for a private plan check consultant to help during the building boom. The building permit revenues are currently at \$180,000 which easily covers the entire budget.

**Volunteer Fire Department:** Fire Chief Olsen stated they recently added a volunteer because they are anticipating the retirement of one of their volunteers this summer. There are currently 24 volunteer fire fighters plus the Chief that receive PERS at 26.5% of \$2,000 deemed annual wage. The City pays for disability insurance for their volunteer firefighters and they are covered 24/7 whether on the job or not. Olsen requested eight portable radios as the current pagers are obsolete and not compatible with the P25 radio system. Olsen is also requesting \$8,000 for personal alert safety system (PASS) which is a safety device which tracks the location of a firefighter in a building or if he gets into a dangerous situation it will alert other firefighters. City Manager West said they have budgeted for \$5,000 for pump tests and \$3,000 to repair the stucco and paint on the outside of the current fire department building. West reported that the fire house committee is making progress on the schematic design and that the cost estimate is approximately \$1.8 million. Olsen said the new fire station should be adequate for a minimum of ten years and is designed for an addition. West said the committee thought this was a good design with four (4) bays that include two (2) long bays in the center that could hold a ladder-pumper truck. Olsen said it will have sufficient room for training.

**JUDICIAL:**

**City Attorney:** A cost of living increase will be incorporated into the Fiscal Year 2014 budget.

**PUBLIC WORKS:**

**Streets:** The budget includes filling one (1) vacant position. Public Works Supervisor Sutton stated a three person crack sealing crew moves faster, can do a better job and is safer than a two person crew. They anticipate the purchase of two (2) stainless steel sanders, which will last a long time. The City snow plows will be in good shape with the new sanders.

**Airport:** The Airport Board increased their travel and training budget, as there are now a couple of active members who are agreeable to attend different meetings, which has proved to be valuable, especially when dealing with the FAA.

**Cemetery:** There will be the addition of one worker hired at the cemetery to help with mowing.

**Buildings:** The budget now includes a part time (hourly) janitor to clean City Hall and the Police Station.

**Site Improvements:** The City Manager said there is a lot of painting planned for City Buildings and there is \$30,000 dollars budgeted for sidewalks and landscaping at the Public Safety Building.

**PLANNING DEPARTMENT:** The costs associated with this department are part of the City/County Cost Share agreement.

**PARKS DEPARTMENT:** City Manager West said there was nothing new in salaries. Public Works Director Sutton stated they had one temp worker at the Golf Course and had filled the vacant full time employee position at the Golf Course. Sutton may hire three high school students, but believes hiring temporary employees is a better way to go. West stated \$7,700 dollars had been budgeted for the technical support of the automated sprinkler system at the golf course. The budget includes the purchase of tables for the Sports Complex, additional playground equipment, and \$91,000 for the purchase of golf course equipment, including a rough mower.

**STAFF / COUNCIL REPORTS**

There were no staff or council reports.

**PUBLIC / PERSONAL COMMUNICATION / CORRESPONDENCE:**

There were no public or personal communications or correspondence.

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Mayor Putnam adjourned the meeting at 5:25 p.m.

Respectfully submitted,

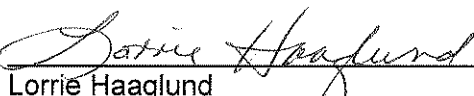
Lorrie Haaglund  
Administrative Assistant

**PASSED AND ADOPTED:** April 9, 2013

**VOTE OF COUNCIL:**

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

**APPROVED:**  
  
\_\_\_\_\_  
Di An Putnam  
Mayor

**ATTEST:**  
  
\_\_\_\_\_  
Lorrie Haaglund  
Administrative Assistant