

**CITY COUNCIL MINUTES
SPECIAL PLANNING MEETING
March 24, 2011**

The Winnemucca City Council met in special session on Thursday, March 24, 2011 at 1:00 p.m. in the City Hall meeting room. Present: Mayor Di An Putnam, Councilmen Richard Stone, Doug Cain, Joyce Sheen, Jim Billingsley and Paige Brooks. Staff present: City Manager Steve West, City Clerk Eddy Davis, Police Chief Bob Davidson and Public Works Supervisor Roger Sutton.

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.

DICUSSION / ACTION ON ITEMS OF BUSINESS & OTHER REPORTS:

BUSINESS IMPACT DETERMINATION

The Council reviewed and discussed briefly the agenda items and 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 Cain moved to make a finding 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. Motion carried unanimously.

POLICY ISSUES AND GOALS

Mayor Putnam reviewed the following policy issues and goals:

Economic Development: Continue to work with the WCVA on tourism projects and the Future's project; continue to work on cooperative local projects with the County, WCVA and NDOT; support downtown redevelopment and improvement efforts; work with the HDA and County to diversify the economic base; work on retaining and expanding existing businesses; on-going improvements to the City web-site to include additional links to encourage economic development; continue to improve the airport industrial park infrastructure to include the development plan while adding to the reserve fund to do so; and, to acquire the former NWS property at the airport.

Quality of Life: Work on recreation and art programs with financial assistance through all available grant programs; complete the Winnemucca Mountain Trail project (Question One Funding). City Manager West said a short-term goal is to do something about the need for soccer fields. The school district has property near the sports complex that may be a possible site. Mayor Putnam spoke with HGH Administrator Jim Parrish who shared that some time in the future the City might consider exchanging the land where the skateboard and ball parks are located (across the street from the hospital) for new City parks to be built at a different site, courtesy of the hospital, and questioned if this be a long term goal for the City. West replied the hospital seemed pretty serious about this being the only option they had for future expansion. A possible location for a new park and skate park would be the City-owned property heading south on Stuart Street, or the adjacent 40 acres owned by the BLM. Other quality of life issues

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included the enhancement/beautification projects for East Winnemucca Blvd. and the Melarkey Street-Winnemucca Blvd. intersection; funding opportunities for a new Community Center; continue to maintain and beautify City parks and cemetery; replace playground equipment; continued support of the HDA; and, expansion of the animal shelter.

Federal and State Mandates: Continue to monitor and resist unfunded federal mandates (expansion of requirements for the Clean Water Act and Safe Drinking Water Act); encourage the release of federal lands to local entities for economic development and resist the federal government efforts to further restrict the use of federal lands; continue to monitor and resist unfunded state mandates (prevailing wage law, police heart and lung law, retiree health insurance subsidy, and property tax limits); and, continue to work closely with the NLC to maintain revenue structure related to sales and gas taxes.

Bureau of Land Management: Continue to work on updates to the Resource Management Plan.

Overall City Operation: Utilize and expand the shared cost agreement with the County; enhance and improve City employee morale; and, provide quality services to City residents while limiting expenditures.

Public Safety: Provide the necessary police staffing necessary for a safe community while working within budget goals; continue to research funding sources for the proposed fire station project; continue to finance a drug task force and maximize drug control efforts; continue to finance the DARE program and the Drug Court; and, continue to provide modern equipment for the police and fire departments. West said the fire department stated they are in need of a new pumper truck. Mayor Putnam said she and Police Chief Davidson were working with the mines to obtain donations toward new equipment for the new police station.

Public Works: West reported that the City should move forward with the sewer treatment plant facility plan. The discharge permit was issued two years ago and a five year time frame was set to research plant options. Councilman Stone said the City should plan for the community future by taking a serious look at the construction of a regional plant that could also serve the Grass Valley area. The costs could be shared through the cost share agreement. West was concerned about the substantial additional costs for the regional plant option but recommended that the option be seriously considered. The County Commission would then have the information necessary to determine if they were willing to contribute the additional funds required for the regional plant. Councilman Sheen expressed concern about the cost share agreement and noted the cost share relationship with the County is very important. West agreed and pointed out that the Public Works Department use of the dispatch center has been almost eliminated with the SCADA (Telemetry) system, which should substantially reduce the City cost share for the Dispatch Center. West felt that the key to the success of the agreement in the past is that both County and City do not micro analyze the terms each year. Stone added the agreement with the County was a model for the State. On other long-term goals for the Public Works Department: pay off the loan for the North-side water project as soon as possible; maintain all facilities and infrastructure in a very good condition; work with the County to develop a new cemetery and establish a reserve fund for construction costs; establish a utility easement encroachment policy while working toward elimination of any remaining existing easement encroachments and increase accessibility; work with NDOT to construct a new traffic signal at the Haskell Street-Bridge Street intersection; complete the street light, traffic signal and sport lighting energy efficiency projects; work towards

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a solution to the Water Canyon Road right-of-way problem; complete the storm drain piping to the Water Canyon Ditch (just below Highland Park); and, continue to work on the replacement of concrete valley gutters and curb returns on street intersections where needed.

2010 Budget Goals: A list of the FY 2011-2012 budget goals was provided and includes: no property tax increase; maintain the general fund balance at a minimum of 60% of current expenditures; maintain expenditure levels without negatively impacting services; maintain low rates for charges and services as allowed; maintain facilities and infrastructure; place economic development as a high priority; utilize RTC funds for street maintenance projects when possible; increase reserve accounts; continue building up the sewer fund reserve for the future sewage treatment plant; and, pay off the water fund debt as soon as possible. City Manager West reported there is basically enough in the water fund balance to pay off the debt, but it is a low interest loan, so he prefers to build up the fund balance a little more before paying the loan off. Councilman Sheen suggested the loan should be paid off since the interest rate on the loan is 3.7% and the City only earns an average of 2.5% on cash reserves. West said he didn't want the fund balance to drop to that low of a level, and would like to wait for another year to consider the payoff option. Staff was directed to research if the loan could be paid off in increments without penalty.

West provided a project status report. Mayor Putnam said that Carrie Stringham was working on the City personnel policy manuals. An important review coming up is the Airport Overlay Zoning District ordinance. The utility easement access projects are not major issues right now because there is good access to the most problematic easement and the third Parkview Subdivision sewer bypass project is complete.

Overview of General Fund: City Manager West provided an analysis of the General Fund balances covering fiscal years 2000-2012, including: the City Council wage increase effective 12/01/11; workforce reduction of 1-FTE in the City Clerk's office; the request for an additional police officer and one extra vehicle purchase in the Police Department; the purchase of snow plows and sanders in the Street Department; the budget for promotion and advertising in the Airport fund; the purchase of a mower with a trailer for \$56,000 and various site improvements costing \$83,000 in the Parks Department; and, the transfer of funds from the General Fund to the Capital Improvement Fund and the Retiree Insurance Subsidy Fund.

Overview of Capital Improvement Fund/Reserves-Project(s) Status Report: City Manager West said there is need to add to the FY 2010-2011 budget the \$165,000 for the airport hangar purchase from Randy McCoy. Stimulus dollars in the amount of \$759,000 were received during the last fiscal year for the lighting projects, and those dollars will be expended in the proposed FY 2011-2012 budget. The Police Department building will cost an estimated \$1,000,000 in FY 2010-2011. Transfers into the CIP Fund include \$300,000 from the General Fund and \$100,000 from the Water Fund. The purchase of a street sweeper with vacuum capabilities is included for \$275,000 in FY 2011-2012. Councilman Cain suggested that funding for the proposed new fire department building should be specifically earmarked within the CIP fund. Mayor Putnam said the reserves within the CIP fund can be used or allocated as needed, and are often re-allocated to other projects. West agreed, but noted that the City Council can change that process. Councilman Sheen asked if there was a consensus about where a proposed fire station would be located. West said there are two possible choices, one being on East Winnemucca Blvd. on City land that is adjacent to the golf course, or on the property next to the new police station property. Cain stated the option of constructing the firehouse on the same property as the new police station will not work because there is not enough room. There

is better access to the community if it is located on the East Winnemucca Blvd. parcel. A committee of volunteer firemen is working on the design of the fire station building. The Council agreed to allocate an additional \$100,000 towards a new fire station within the CIP fund as part of a proposed transfer from the General Fund.

Employee Contract Negotiation Direction: Contract negotiations with employee bargaining units are coming up this spring. Councilman Sheen said it is always difficult to discuss keeping costs down, especially for pay or benefit increases, when the fund balances are in good shape. City Manager West agreed but noted the City will be expected to pay for the employee health insurance premium increases, as well as covering the cost of the PERS rate increases.

DEPARTMENTAL OVERVIEWS

General Government Revenues: City Manager West said it was difficult at best to anticipate the level to budget for Consolidated Taxes, and it is possible the Legislature could change the formula this year. The General Fund includes an estimated \$2.5 million in CTX taxes for the FY 2011-2012 budget.

General Government Expenses:

General Fund Notes: Mayor Putnam reported she expects the employee health insurance premium to go up from \$585.21/month to \$615.80/month. PERS rate increases are effective July 1, 2011. Since no salary increases were approved last year, a 2% cost-of-living allowance (COLA) for employees has been included in the proposed budget. Liability insurance has been budgeted with a 5% increase.

City Council: Pay increases for the Mayor and City Council effective December 1, 2011 were included in the FY 2011-2012 budget. The travel account for the City Council will be increased to \$2,000.

City Clerk/Treasurer: Due to staff reductions, the City Clerk's office is down by 1-FTE for a portion of the FY 2010-2011 budget and for the proposed FY 2011-2012 budget. It was noted that five (5) new PCs have been ordered recently for City Hall offices, to keep up with technology in order to maintain efficiency and accuracy with the computers. Councilman Sheen suggested the old computers could be passed on to Toby Kueper who cleans up older computers and gives them to the Lions Club for distribution to those who can't afford to buy one.

City Manager/Engineer: Standard expenses are requested.

Administration: Standard expenses are requested with the exception of the Insect Control budget which covers 50% of a worst case scenario projection, per Robin Grey, the insect control specialist. The insect control costs are shared with Humboldt County.

Police Department: Police Chief Davidson reviewed various line items within the department budget. Davidson said he would like to include funding for one (1) additional FTE, whether Police Officer or Sergeant, in the FY 2011-2012 budget. City Manager West expressed concern that this proposal represented a long-term cost commitment, but he recognized the fact that the Police Department has historically operated short handed due to unfilled positions or patrolmen going to POST or going through field training. Councilman Sheen

asked if this decision could be put off until the Legislature finalizes their actions this year. Councilman Stone asked if the additional FTE could be budgeted but not filled right away. Councilman Brooks asked if the department could possibly offset part of the new position cost by saving on overtime. Davidson replied that overtime was factored into the position salary and that there would be only minor overtime savings with the additional patrolman. Mayor Putnam interjected that the Police Department has never had a full staff at any given time, which is why the overtime remains steady. Davidson justified filling the position for liability control reasons and for appropriate supervision of staff. Sheen clarified that the department is approved for three (3) Sergeant positions now, and this would bring that number up to four (4). Davidson stated this additional position would bump up their staff from 18 to 19. Mayor Putnam liked the idea of budgeting for the position but to delay filling it until it is known exactly what the Legislature will do. Brooks agreed. West added that he liked that approach. Other discussion included the hospital possibly sharing in the dispatch center cost-share agreement, equipment costs of \$80,000 for two (2) vehicles, and the department move from the old building to the new building which is anticipated to be complete by Monday, March 28. An open house will be scheduled for the public at a later date.

Building Inspector: Standard expenses are requested.

Fire Department: Standard expenses are requested. The purchase of turnouts was changed to seven (7) at a cost of \$12,000. An additional \$5,000 was added to purchase one (1) P25 compliant radio plus pager system. Alan Olsen questioned if the Fire Chief received compensation for fire calls. City Manager West responded that he did not receive compensation for calls, and reminded that the Fire Chief also receives health insurance at an annual cost of \$7,600. Councilman Brooks noted there will be a large PERS rate increase effective July 1. Mayor Putnam suggested reviewing this issue after Olsen has been performing the Fire Chief duties for a period of time.

City Attorney: Standard expenses are requested.

Public Works:

Street Department: City Manager West said that the Equipment Repair and Parts account has been combined with the Heavy Equipment Repair account, as they are similar. The purchase of a small truck plow and sander and well as two (2) new plows for the large dump trucks are covered in the budget. Councilman Cain asked if the department needed another four-wheeler. Roger Sutton, Public Works Supervisor, said a new four-wheeler would be nice, but not necessary right now, adding that it would sit idle most of the time.

Airport: City Manager West said a new item in the budget includes funding for promotion of the airport (\$10,000). Councilman Cain said promotion of the airport was starting to work, and there is a better working relationship with the HAD. There are some ideas for highlighting services at the airport or publishing the airport information in pilot magazines and different aircraft publications. Councilman Sheen said that \$10,000 could be used properly or totally wasted, depending on how it is used. Mayor Putnam said it might be better to phase in a promotional budget of \$5,000 this budget cycle and re-evaluate what was accomplished for the next cycle. Councilman Stone said a promotion budget makes sense for the airport. Sheen requested that a record of spending and documentation of results be kept to determine the effectiveness of this expenditure. The budget for promotional funding will be changed to \$5,000 for the FY 2011-2012 budget.

Cemetery: Standard expenses are requested.

City Engineer: This budget includes only the shared cost of the County GIS software used for utility mapping.

Public Buildings: City Manager West said there are pending projects for this department, which are not included in the budget, but are listed as a reminder of what is needed in the future. The future projects include new upstairs carpeting and replacement of the main doors at City Hall.

Planning Dept.: Cost share agreement expense without the proposed Planning Director.

Parks Department: The Parks Department includes \$83,000 in site improvements. The Council agreed this is the time to take care of the improvement projects. Mayor Putnam reported that contract negotiations will begin with the Golf Pro in October. The primary adjustment will be elimination of the family health insurance benefit.

Pools: City Manager West reported that there was one unusual item in the FY 2011-2012 budget which is a request for a remote controlled vacuum for the Bode Memorial Pool at a cost of \$4,300, which is necessary to keep the pool's new plaster clean. Councilman Sheen said that anything for the pool is well spent. Mayor Putnam said the Pickle Ball court should be ready for use this summer.

Recreation: Standard expenses are requested.

Other Financing: The transfer out from the General Fund was increased to \$700,000 by distributing \$400,000 to the Capital Improvement Fund and \$300,000 to the Retiree Insurance Subsidy Fund.

Sewer/Water Departments: City Manager West said that both funds are healthy and there were not a lot of additional expenditure requests. The Water Fund budget includes the purchase one (1) small pickup truck. The SCADA (Telemetry) system projects will be completed in FY 2010-2011. The current fee schedule has been applied for revenue projections. The Sewer Department requested purchase of some new aerators, a backup head-works pump and a small parts building. Also included in the capital improvement portion of the budget is the Parkview-Minor Street easement main slip-line project for \$30,000.

Capital Improvement Fund: The \$759,000 in cash stimulus funds are recorded in the FY 2010-2011 budget cycle, while the expense of those funds will take place in the FY 2011-2012 budget. FAA project revenues are included for the Airport, and transfers in to the fund are \$400,000 from the General Fund and \$100,000 from the Water fund. The purchase of the McCoy hangar for \$165,000 needs to be added to the FY 2010-2011 expenditures.

Capital Improvement Reserve Fund: \$10,000 is budgeted for the Phase II Airport Industrial Park Master Plan.

Retiree Health Insurance Fund: City Manager West said the number of people the City pays insurance for through this fund is a set number, but the costs go up annually. The

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City expects to pay \$75,000 annually for insurance coverage for retirees, and it will take up to \$2 million to fully fund this liability. West proposes to transfer \$300,000 from the General Fund into this fund towards funding the liability.

Leave Accrual Fund: This fund is fully funded and after the audit each year a determination will be made if this needs to increase.

Unemployment Compensation Fund: Over 99 weeks of unemployment benefits are funded here to cover the workforce reduction of 1-FTE in the City Clerk's office.

Debt Service Fund: The Assessment District 17 debt is paid by the property owners in the subdivision.

STAFF / COUNCIL REPORTS

There were no staff or Council reports.

Mayor Putnam adjourned the meeting at 4:20 p.m. until the next meeting on April 5, 2011.

Respectfully submitted,

Eddy D. Davis
City Clerk

PASSED AND ADOPTED: April 5, 2011

VOTE OF COUNCIL:

AYES:	Councilmen	<u>Stone, Cain, Sheen, Billingsley, Brooks</u>
NAYS:	Councilmen	_____
NOT VOTING:	Councilmen	_____
ABSENT:	Councilmen	_____

APPROVED:

ATTEST:

Di An Putnam
Mayor

Eddy D. Davis
City Clerk