

**CITY COUNCIL MINUTES
SPECIAL MEETING-BUDGET PLANNING SESSION
MARCH 13, 2018**

The Winnemucca City Council met in special session on Tuesday, March 13, 2018 at 9:00 a.m. in the City Hall meeting room. Present: Mayor Di An Putnam; Councilmen Michael Owens, Theresa Mavity, Vince Mendiola, Jim Billingsley and Paige Brooks; and, City Manager Alicia Heiser, Public Works Supervisor Roger Sutton, Police Chief Bill Dalley, City Treasurer Jessie Lindsey, City Attorney Kent Maher and City Clerk Lorrie Haaglund.

CALL TO ORDER:

Mayor Putnam called the meeting to order at 9:00 a.m.

PUBLIC COMMENT - PERSONAL COMMUNICATION - CORRESPONDENCE:

There were no public or personal communications or correspondence.

BUSINESS ITEMS – OTHER REPORTS:

FISCAL YEAR 2018-19 BUDGET-PLANNING

Mayor Putnam reviewed the proposed 2018 goals:

- No property tax increase.
- Maintain the general fund balance at 65% of expenditures.
- Maintain expenditure levels as much as possible without negatively impacting services to the public.
- Maintain low rates for charges and fees (as budget allows). Mayor Putnam commented that the Council may want to look at fees this year, especially the water fees. City Manager Heiser agreed, noting the water fund is becoming depleted. After the sewer project loan is paid off, the fees can be used for replacing major items or at some point possibly adding on to the treatment plant; the old lines will always need to be updated and the cost to maintain and to run the wastewater plant is high.
- Maintain all facilities and infrastructure in a very good condition.
- Continue to make economic development a high priority.
- Utilize RTC gas tax funds and as much of other gas tax revenues for street maintenance projects as possible. City Attorney Maher said the maximum amount of gas tax that can be imposed is being assessed.
- Maintain reserve accounts to provide funding for future large capital projects.
- Pay off the sewer fund loan as soon as possible, including paying additional sums when the fund gets built up.
- Consider proposing a recreation tax ballot question.

BUDGET NOTES

- The City receives no share of the Net Proceeds of Mines tax revenues.
- The State Legislature's actions often result in unfunded mandates to local governments.
- The City's expenditures are historically increasing at a faster pace than its revenues.

- The City's primary source of revenue is the state sales tax (approx. 40% of General Fund revenue). Mayor Putnam commented that the business economy generates the sales tax so a vibrant business community is necessary.
- Internet sales are having a major negative impact on sales tax revenue and will continue to impact available income.
- The gas tax is a flat revenue source because it is collected on a price-per-gallon basis.
- The gas tax revenue has been negatively impacted by the popularity of diesel vehicles.
- The City is constantly being forced to comply with Federal unfunded mandates.

Economic Development:

- 1) Continue to work with the WCVA on tourism projects and on Community definition projects (e.g., Futures Project).
- 2) Continue to work with the County, WCVA, Hospital District, School District, Boys and Girls Club and NDOT on cooperative local projects.
- 3) Continue to support downtown redevelopment/improvement efforts.
- 4) Continue to work with the HDA, NNRDA and County on diversifying economic base by attracting new businesses, and retaining and expanding existing businesses.
- 5) Continue to work on providing better/more broadband options to the City. AT&T has a contract with the State that requires them to install towers where there are broadband gaps throughout the State. AT&T plans to install 12 towers and hopefully a couple of them will be located along the I-80 corridor.
- 6) Continue to improve the City's website including additional links to encourage economic development.
- 7) Continue to improve airport industrial park infrastructure, including the completion of a development plan and adding to the reserve fund for this purpose.
- 8) Lobby for the selection of the I-11 route option that includes Winnemucca. County Manager Mendiola has been very active in explaining that while there should be a route which includes access to Reno, Reno should not be the corridor. The original stipulation stated the I-11 would be going through Arizona, Nevada, Idaho and Oregon up to the Canada border and the Winnemucca route makes the most sense.

Quality of Life Issues:

- 1) Continue to work with local arts groups and the Boys and Girls Club on the development of recreation and art programs. Mayor Putnam said the City is off to a great start with the plans for site improvements at the Recreation Complex.
- 2) Continue to work on enhancement/beautification projects.
- 3) Continue to work towards the construction of a new Community Art Center.
- 4) Continue to expand and beautify cemetery (trees, landscaping and irrigation).
- 5) Work with the County, WCVA and Community Improvement Group on developing additional recreation facilities (aquatic center and Phase III of the Recreation Complex).
- 6) Update the playground equipment at Pioneer Park and construct a new playground at the Recreation Complex.
- 7) Support the efforts of HDA subcommittees and citizen committees on quality of life projects.

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Federal and State Mandates:

- 1) Continue to monitor and resist unfunded federal mandates such as expansion of the requirements of the Clean Water Act, Safe Drinking Water Act. Encourage the release of federal lands to local entities for economic development purposes. Resist the federal government efforts to further restrict the use of federal lands by the public (e.g., the sage grouse listing).
- 2) Continue to monitor and resist unfunded state mandates (such as the prevailing wage law, police heart and lung law, retiree health insurance subsidy, and property tax limits). Work closely with the NLC to maintain revenue structure (especially sales taxes and gas taxes). Actively oppose the passage of a margins tax on business by the Legislature. Mayor Putnam submitted letters to Nevada Senators and Congressman about the closure of the bus service in Winnemucca and being alert to any Amtrak proposals which will eliminate service in Winnemucca.

BLM Issues:

- 1) The City will continue to work with the local BLM office on updates to the Resource Management Plan.
- 2) Work with BLM on the proposed route of the Railroad Springs pipeline.

Overall City Operation:

- 1) Continue to utilize and expand the shared cost agreement with Humboldt County to provide the most economical services to the public.
- 2) Continue to improve and maintain overall employee morale,
- 3) Continue to provide quality services to residents while limiting expenditures as much as possible.

Public Safety:

- 1) Provide the police staffing necessary to provide a safe community while maintaining budget goals.
- 2) Continue to finance a drug task force and maximize drug control efforts.
- 3) Continue to provide modern equipment for the police and fire departments.

Public Works:

- 1) Continue to maintain all facilities and infrastructure in very good condition.
- 2) Complete the cemetery expansion project and plans for a new cemetery.
- 3) Establish a utility easement encroachment policy, continue to work towards the elimination of any remaining existing easement encroachments and increase accessibility to the existing easements wherever possible. City Attorney Maher reminded of the need to be cognizant about variance approvals; every time a variance is granted, it is a deviation from existing code requirements.
- 4) Add to the street reserve fund for future reconstruction projects.
- 5) Continue to improve and expand the storm drain system.
- 6) Continue to work toward installation of a new well (Well #8) on the East side of town.

PROJECT STATUS REPORT

Recently Completed Projects:

- Sewer Treatment Plant
- Cemetery Irrigation System Replacement
- Second Street Storm Drain
- Upper Klunzy Canyon Road (RTC)
- 2017 Valley Gutter & Intersection Project (RTC)
- Airport Wind Cone Project
- Highland Park and Recreation Complex Parking Lot Project

Projects in Construction or Moving Forward:

- Airport Taxiway Overlay Project (FAA funding)
- Airport Property Acquisition (FAA funding)
- Cemetery Expansion Project (grading and part of wall completed)
- Cemetery Irrigation System Replacement
- First Street Water-Sewer Main Project (close to being completed)
- Flood Plain Sewer Main Project (close to being completed)
- Highland Park Fencing and Stairway
- Playground Rehabilitation Project (Vesco Park and Highland Park)
- West Fourth Street Water Main Replacement Project

Projects In Design Phase:

- Water Valve Project Phase IV (Minor Street area)
- Well #8 Project
- Recreation Complex Splash Pad Project (Nixon Fire Loss Funds)
- Recreation Complex Amphitheater Project (Nixon Fire Loss Funds)

Short Term Priority Projects:

- Airport Industrial Park Phase II Access R/W and Utility Extensions
- Recreation Complex Phase III (splash pad, fitness court, tennis courts and ball fields)
- Storm Drain Master Plan
- Recreation Complex Aquatic Center

Long Term Priority Projects:

- Community Arts Center
- 18 Hole Golf Course with new Club House
- Alley Sewer Main Replacement Project (Orangeburg piping – Minor to Highland)
- Grass Valley Road/Construction Way Sewer Main/Pump Station Project
- Grass Valley Road/Construction Way Loop Road Project (w/railroad crossing)
- Highland-Water Canyon-Hanson Round-a-Bout

ENDING FUND BALANCE HISTORY

Mayor Putnam presented the ending fund balance history for 2006 through 2017 and the estimated balances for 2018 and 2019. The last five years the ending fund balances have dropped and continue to decline. Putnam commented the Council should take note of this as the individual department budgets are considered. Expenditures are negative compared to

revenue sources. City Manager Heiser commented that expenditures are up about \$100,000 from the previous year and revenues are down \$800,000. Consolidated tax collected through December is \$1.4M of the \$2.7M projected at the fiscal year end. Heiser said it is unclear how the closing of Delong Ford will affect the consolidated tax; dealerships have been a big portion of consolidated tax in the past.

BUDGET RECAP / DEPARTMENTAL REVIEWS

City Council – very moderate budget increase due to salary and health insurance cost increases. City Manager Heiser included PERS and insurance for Seat 4 which is up for election this year. The purchase of the Surface Pro laptops for the Council was paid out of the contingency fund.

City Clerk – Mayor Putnam commented the ranges for the City Clerk and City Treasurer positions are now equal. City Manager Heiser noted that Karla Snider, Administration I, will be advanced to an Administration II position. The budget also includes cost for training on the new Cassell system. Equipment under \$5,000 includes a new computer, check signer, software, etc.

City Manager – budget is lower due to Steve West retirement and Alicia Heiser lower starting salary. The City Manager salary is divided between the Water and Sewer departments.

Administration – Mayor Putnam commented that Winnemucca will be the host City for this year's Nevada League of Cities Conference (\$15,000). The Council will need to put together a committee for this event. Councilman Billingsley suggested that the WCVA may help with money to sponsor the event. Insurance will be allocated to each department fund for their buildings, vehicles etc. Contributions include Humboldt River Authority (\$5,000), Drug Free Graduation Party (\$2,500), CAP Hangar (\$1,500), Shooting Range, Family Resource Center (\$10,000) and Little League (\$3,000). The Vitality Center and RSVP will not receive City contributions this year.

Police Department – Chief Dalley reported that he is currently fully staffed. There will be one officer retiring next month and testing for the position has already been completed. They plan to have the successful candidate attend P.O.S.T. in June. City Manager Heiser said the salaries and benefits are consistent with last year; the increase is due to projected cost of living and step range increases. The biggest expense in the PD budget is personnel. The PD requires a new server - \$20,000. Physicals are a constant cost - \$12,000. Maintenance and repair costs include contracts such as Lexipol, Coban and some investigative tools. The communication increase is due to a dedicated wireless internet line. There will be an additional cost in site improvements for repair to the fascia at the Public Safety building. \$75,000 is budgeted for two new SUV's with equipment. The County Sheriff's Office has donated a Coban system. The School Resource Officer's vehicle has been ordered; this money will be paid back by the School District over a five year period. The PD long term budget request for site improvements include new fencing, electronic gate and driveway (\$250,000).

Building Inspector – includes \$20,000 for a temp worker to help scan documents into electronic files. This department will continue to utilize the County Building Department staff when available.

Fire Department – the budget is comparable to last year. The Fire Department has requested two sets of turnouts (\$5,000), six radios (\$3,600) and some other small equipment.

City Attorney – only the COLA increase (2%)

Street Department – Roger Sutton, Public Works, reported that Jerry Holt, Traffic Control Technician, will be retiring in October. The position will be replaced by an entry level employee who will check fuel, maintain school lights and perform other duties as needed. The City will need some technical support with the traffic signals. Roy Barnes, Water Maintenance Technician, will be retiring this summer. The New Badger system is capable of reading the entire town's water meters in one and a half days. Sutton plans to hire someone with a CDL and heavy equipment capabilities with plans of using them as needed in other areas of Public Works. Sutton commented the NDOT striping contract amount has increased. The Street Department budget includes \$35,000 for school zone flashers. This includes four sets of flashers. This purchase can be done in phases. Each set is approximately \$8,000. Future planned items include: a new sweeper (\$350,000), flashing yellow light at Grass Valley and Hanson Street (\$25K to 30K), Water Canyon, Highland, Hanson round-a-bout (long term).

Airport – Roger Sutton, Public Works, said there is a planned upgrade to the FBO bathroom (\$5,000). Sutton stated that the rough mower is being replaced at the cemetery. The old mower will go to the Airport and will be used to mow weeds around the runways and taxiways

Cemetery – The cemetery budget includes the salary for one full-time employee and one temporary employee (\$75,000). \$30,000 was approved for irrigation improvements and landscaping materials. \$12,000 is budgeted for replacing a mower.

Public Buildings – The Public Buildings budget includes \$14,500 for LED lights for the Poke N Peek building, \$13,000 for the custodian for City Hall and the Police Department, \$5,000 to the Boys and Girls Club for Rick Norcutt's salary and \$6,000 to replace the bathroom doors at the parks.

Planning Department – the budget reflects a slight increase in salaries (COLA and merit raise).

Parks Department – The budget includes money for more tables (\$3,000), replacement of BBQ pits (\$2,000), infield material (\$5,000), fertilizer (\$9,000), pre-emergent (\$12,000), sterilant (\$1,000) and honor camp labor (\$2,000). Roger Sutton, Public Works, said the Parks Department is good on equipment this year.

Golf Course – Roger Sutton, Public Works, said the Golf Course will need a new fairway mower either this year or next (\$54,000). A Sand Pro (\$11,000) and a Workman (\$9,000) will be purchased this year. There are upgrades planned for the bathrooms on the backside of the Golf Course and the Clubhouse lights will be replaced with LEDs. \$14,000 has been budgeted for fertilizer, sterilizer, pond chemicals and pre-emergent. Other budgeted items include new netting, a wash pad, tree replacement, tables and repair to the cart shed doors (\$15,000).

Sewer - Roger Sutton, Public Works, said the large budget items include power (\$132,000), insurance (\$60,000), Sierra Controls-scada (\$8,200), and polymer (\$30,000) for the new wastewater treatment plant. The sludge waste is currently hauled to the landfill two times a week; \$49,000 has been budgeted for waste disposal for the upcoming year. The dump station

currently has a 2" pump which needs to be replaced with a 4" pump to eliminate plugging. Mayor Putnam commented that the new sewer plant has doubled sewer costs. A new flusher truck will need to be purchased within the next five years (\$450,000). City Manager Heiser said no capital improvement projects are currently planned, so the City may be able to purchase the flusher truck sooner. \$200,000 is budgeted for replacement of Orangeburg pipe in one alley.

Water - City Manager Heiser pointed out the water budget includes \$60,000 for a second test hole for Well #8. Heiser doesn't want to move forward with a test hole until a rate study can be completed. Heiser commented the \$60,000 would be better used for a valve project. Sutton said that as more infrastructure is added on the east end of town, there is a larger strain on the water system, and eventually Well #8 will be needed. The water fund budget includes a scada system (\$8,200), valve project (\$50,000), SPB utility services and water testing (\$80,000) and the Railroad Springs water project (\$100,000).

Capital Improvements – There are two storm drain projects planned: Scott's Shady Court (\$16,000) and Garrison Street (\$16,000). The Recreation Center new roof (\$27,000), Recreation Center stucco (\$25,000), City Hall paint (\$25,000) and City Hall ADA upgrades (\$25,000). City Manager Heiser explained the USDA loan the City received for the new sewer plant requires ADA upgrades to City Hall; the first three years only requires a plan, thereafter there must be plan implementation. The Capital Improvement budget also includes the Airport property acquisition (\$80K), pavement rehab (\$350K), Pioneer Park-Recreation Complex playgrounds (\$240K), and Amphitheater Phase 1 and four-plex (\$500K).

Pools and Recreation Department – this budget includes the same management agreement with the Boys and Girls Club as in the past. City Manager Heiser commented that beginning in April, Rick Norcutt will be a full time employee of the Boys and Girls Club. To cover from April to June \$5,000 was added to the budget. Next year there will be an additional \$20,000 for the position which will be split between Pools (\$10,000), Recreation (\$5,000) and Public Buildings (\$5,000). Heiser noted that outside repairs (\$10,000) and utilities (\$50,000) have budgeted amounts in these line items but that is subject to change. If the splash pad is completed prior to June, the City will plan on not opening Sage Heights Pool this summer. If Sage Heights does not open, there will be a substantial amount of cost savings.

CITY/COUNTY SHARED COST AGREEMENT

The following are shared cost agreements for net costs between the City and County:

Planning – City share 25%
Dispatch – City share 30%
Airport – County share 50%
Cemetery – County share 25%
Parks – County share 40%
Golf Course – County share 40%
Swimming Pools – County share 40%
Recreation – County share 40%
Animal Control – County share 50%
Spay-Neuter – County share 50%
Building Inspector – City share 35%
Insect Program – 50%

PUBLIC / PERSONAL COMMUNICATION / CORRESPONDENCE:

There were no public or personal communications or correspondence.

Mayor Putnam adjourned the meeting at 1:01 p.m.

Respectfully submitted,

Lorrie Haaglund
City Clerk

PASSED AND ADOPTED: April 3, 2018

VOTE OF COUNCIL:

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

APPROVED:

ATTEST:

Di An Putnam
Mayor

Lorrie Haaglund
City Clerk