

**CITY COUNCIL MINUTES
REGULAR MEETING
APRIL 19, 2016**

The Winnemucca City Council met in regular session on Tuesday, April 19, 2016 at 2:00 p.m. in the City Hall meeting room. Present: Mayor Di An Putnam, Councilmen Mike Owens, Theresa Mavity, Ken Tipton, Jim Billingsley and Paige Brooks. Staff present: City Attorney Kent Maher, City Manager Steve West and City Clerk Lorrie Haaglund.

CALL TO ORDER:

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

PUBLIC COMMENT / PERSONAL COMMUNICATION - CORRESPONDENCE:

There was no public comment or personal communication or correspondence.

MINUTES APPROVAL:

The April 5, 2016 regular City Council meeting minutes were reviewed and Councilman Brooks moved for approval as presented. Councilman Owens abstained from voting on the minutes as he was not present at the April 5, 2016 meeting. Motion carried unanimously.

WARRANTS APPROVAL:

The warrants were reviewed and Councilman Brooks moved for approval as submitted. Councilman Billingsley abstained from voting on warrants for Jim Dandy Productions as he is the owner of the business. Motion carried unanimously.

PROCLAMATIONS / EMPLOYEE AWARDS:

There were no proclamations or employee awards.

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 and Councilman Owens 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.

FUNDING REQUEST / NORTHERN NEVADA ARTS COUNCIL

John and Leann Barta, Northern Nevada Arts Council (NoNAC) representatives, presented information regarding the cultural arts programs provided by NoNAC to the community and an overview of the NoNac finances. Barta stated that the NoNAC 2017 business plan includes seven community concerts, four plays, expansion of their STAR program, increasing art exhibitions, development of their membership and expanding their funding sources. Barta stated that without the \$10,000 received from the City last year, NoNAC would have been in the negative financially. Barta explained that the contracts for the concerts are usually done nine to

twelve months in advance so the money has to be in the bank. NoNAC is requesting \$63,795, which is the estimated amount to cover the community concert series. Councilman Owens asked about a membership drive. Barta responded there is no membership drive at this time. Leann Barta said they are hoping to sell season tickets for the concert series which they feel will give them a more predictable audience. Mayor Putnam said the City is in a budget crunch and revenues are down. The majority of City revenues come from sales tax and in the last three years there have been huge losses in the amount of income. There are departments which will be funded with budgets less than \$63,000. Putnam said she understands where they are coming from, what they are trying to bring to Winnemucca and where they are going, and recognizes from the City standpoint this is a quality of life issue not a running of the City issue. Last year, the City indicated a willingness to commit the interest from the Nixon Fund for NoNAC support. The estimated amount is \$8,000 for next year. Putnam stated she has attended some NoNAC events and realizes they are beneficial to the youth and the people that attend. Putnam believes NoNAC needs to reach a better percentage of the population, but because they don't have enough people in the organization it is difficult to accomplish. Programs can't be run with a backbone of nine or ten people, and NoNAC hasn't been able to develop an income source. Councilman Brooks said she applauds NoNAC's programs but agreed with the Mayor that this has been a rough year financially for the City. Council Mavity thanked Barta for the NoNAC financial information and acknowledged it is the type of information that the Council asked them to provide. Mavity agreed times are lean and the City has to be cautious with funding; she is in favor of committing the Nixon fund interest amount. Brooks said maybe NoNAC needs to look into a big fundraiser membership drive. Putnam commented she didn't think enough of the word gets out for the NoNAC events. Barta agreed. Putnam said the City is willing to consider funding requests for a year or two more; after that there must be a determination of whether the funding makes a difference, otherwise the taxpayer dollars will not have been spent properly. Councilman Brooks moved to approve the budgeting of the \$8,000 interest from the Nixon fund account to the Northern Nevada Arts Council. Motion carried unanimously.

WAIVER OF GOLF COURSE FEES / BOYS & GIRLS CLUB

Chad Peters, Executive Director of the Winnemucca Boys & Girls Club, requested a waiver of the golf course fees for a half-day golf tournament on April 23, 2016. It will be five-man teams with each team golfing nine holes and then each team bowling three games. Peters said as of now they don't have enough teams signed up because there are a lot of other events going on that weekend. Peters said if they don't have a minimum of 10 teams, the tournament will be cancelled. Peter's second request is for a waiver of the greens fees for the August 6-7, 2016 second annual Boys and Girls Club Golf Tournament-Dinner Dance event. Last year's event raised \$65,000. The dinner will again be held at the Little League field. Peters explained that after the Boys and Girls Club building is complete, the dinner event will be moved there. Mayor Putnam said these events meet the criteria for waiving of the golf course fees and it is appropriate to do so. Councilman Billingsley moved to approve the Boys and Girls Club request to waive the golf course fees for the April 23, 2016 half-day tournament and for their August 6-7, 2016 golf course tournament event. Motion carried unanimously.

EMPLOYEE 2016-2017 HEALTH INSURANCE BENEFITS RECOMMENDATIONS

Mayor Putnam said the employee health insurance pool has experienced an extremely high loss ratio during the past year; there was a two year option to continue with current coverage with a 6% increase if the loss ratio was met. However, the loss ratio was 120%, which resulted in the

cost of equivalent health insurance coverage increasing by 28-50%, depending upon the selected health care option. In order to reduce the cost increase, the health insurance provider offered modified health insurance options with reduced benefits. Putnam said a complete change in the way health insurance is looked at by employees and the way it is paid for are necessary. A & H Insurance has developed some programs that are a combination of HMO and PPO providers; these are not the same as in the past. It is very important that everyone who has health insurance attend one of the benefit sessions next month. This year the City health insurance contribution was \$793.63 per employee. For the upcoming year, with reduced coverage, the contribution will be \$878.04 per employee. City Treasurer Lindsey serves on the County-City insurance committee and said they looked for something affordable for employees to cover their families, but with the high loss ratio, that was not possible. The plans take a lot of explaining and employees need to change their thinking about health care coverage; insurance isn't what it used to be. The dental, vision and life insurance will be grouped together with a company called Standard which offers the same benefits but is a little less expensive and is rolled into one package; it will be easier to manage, with one bill and one provider. Putnam said she recommends the Council come up with an agreed upon amount for coverage for employees. Putnam reminded that in the past the City has always contributed 100% for some plan. City Manager West said if the recommended options are selected, the \$878.04 will be an 11% increase over the current year contribution rate. The cost increase to the tentative budget (which included a 6% health insurance increase) will be about \$23K and employees will be required to pay more out of pocket costs for health care needs. Councilman Billingsley said the City needs to provide employees with insurance or they will be lost to other employers. Putnam suggested paying a basic amount because the City can't afford to pay for all of it. Councilman Owens said at some point, with the increases in PERS and health insurance, the City is going to have to look at a basic percentage increase and anything over that will have to be paid for by the employee. West said there have been substantial increases in the cost of health insurance in the past, but this is the first time in addition to the cost increase there has been a substantial reduction in benefits. The out of pocket deductible and co-pay costs for employees will be significantly higher. Councilman Owens moved to approve a City contribution rate of \$878.04 per employee for health insurance as presented. Motion carried unanimously.

AIRPORT INDUSTRIAL PARK / LICENSED PROPERTY AREA INCREASE / GOOGLE

City Manager West reported Google is proposing to expand their property footprint at the airport. Their current license agreement with the City includes a total of 6.56 acres with a \$3,500 monthly payment. West said they are proposing to add about 1.5 acres and, with the additional cost calculated using the same cost per acre, estimates it will increase the monthly payment to approximately \$4,300 per month. Councilman Tipton moved to authorize staff to proceed with the additional property license agreement with Google. Motion carried unanimously.

WASTEWATER TREATMENT PLANT PROJECT / LIMITED ADMINISTRATIVE NOTICE TO PROCEED / MCCARTHY BUILDING COMPANIES, INC.

City Manager West said the Notice of Realty Action (NORA) on the purchase of the BLM property has a 45 day comment period, and the Finding of No Significant Impact (FONSI) had to be republished because there was an error involving the State Historic Preservation Office. Mayor Putnam said those two items have delayed the wastewater treatment facility construction start date. City Attorney Maher explained that the CMAR proposed a limited administrative notice to proceed to allow the general contractor to obtain bonds and insurance, and retain the

selected subcontractors in order to have everything in place when the property is procured so that the construction can begin immediately. West said with the delays, the earliest construction can begin will be the first part of June assuming everything goes as planned. Construction cannot begin until the patent is issued for the BLM property. The BLM had previously said the construction could begin as soon as the R&PP (Recreation and Public Purpose) lease was in place, but the City recently received notice that the patent was required, which added another three week delay. The limited administrative notice to proceed allows the contractor to proceed with their administrative work such as procuring bonds and insurance, issuing subcontracts and purchase orders, planning and coordination, and shop drawing and submittal preparation. Maher said there will be a \$600,000 cost to the City regardless of whether the project proceeds or is cancelled. Putnam said the City is in a situation if they don't proceed the costs will increase, probably more than the \$600,000, because of delays and having to re-bid and so on. The City is mandated by the NDEP to do this project; so there is no other way to go than forward. West said McCarthy has commitments with several subcontractors which will expire May 1, 2016; if the commitments expire, then McCarthy will have to go back to the subs and renegotiate. The subcontractors, more than likely, will want more money and if that happens, McCarthy won't want to enter into the general contractor contract at the guaranteed price. Maher said the administrative notice to proceed doesn't buy any extra time; it allows McCarthy to get a jump start with their administrative work in order to be able to hit the ground running once everything is in place. Councilman Mavity moved to direct staff to authorize the limited administrative notice to proceed to McCarthy Building Companies, Inc. in an amount not to exceed \$600,000. Motioned carried unanimously.

STAFF-COUNCIL REPORTS

City Manager West reported the negotiations with the Employee's Association and the Winnemucca Police Officer's Association have begun. Staff completed some salary surveys and the information received indicates City salaries are comparable to other similar entities. The micro seal and chip seal project bids will be opened next week. The County Commission agreed to waive the fire code review fee for the sewage treatment plant buildings which is a savings of approximately \$12,000. West reported that he thanked the County for the great cooperative efforts provided by their Building Department staff to the City during the recent staff transitional period.

Councilman Owens attended the April 11, 2016 Airport Board meeting.

Councilman Mavity will attend the Arbor Day Event scheduled for April 24, 2016 at 2:00 p.m. There will be demonstrations on how to remove or kill an unwanted tree stump and making a cucumber plant support cage from trimmed tree branches, they will be planting some fruit trees, and Brad Shultz, Humboldt County Cooperative Extension Agent, will do a tree tour on identifying tree species and a demonstration of pruning specific trees. Mavity attended the Domestic Violence Pinwheel Planting event and the Landfill Committee meeting.

Councilman Billingsley will attend the WCVA meeting tomorrow.

Councilman Brooks is participating in the Lowry High School senior exit interviews today and tomorrow, and attended the Landfill Committee meeting.

Mayor Putnam will attend the Earth Day Celebration tomorrow. The USDA will be putting on a presentation and they will be taking the high school leadership group on a tour of the existing

