

**CITY COUNCIL MINUTES
REGULAR MEETING
NOVEMBER 7, 2017**

The Winnemucca City Council met in regular session on Tuesday, November 7, 2017 at 2:00 p.m. in the City Hall meeting room. Present: Mayor Di An Putnam, Councilmen Mike Owens, Theresa Mavity, Vince Mendiola, Jim Billingsley and Paige Brooks. Staff present: City Attorney Kent Maher, City Manager Steve West, Assistant City Engineer Alicia Heiser 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:

Arthur Frable, the new CEO of Humboldt General Hospital, said he was happy to be in Winnemucca. Mayor Putnam welcomed Frable.

Susan Rorex questioned if the Nixon Hall funds were being used for a swimming pool. Mayor Putnam advised the Nixon Hall property contained a pool at one time and was a recreation area for many years. The money has not been earmarked for any specific purpose; building a swimming pool is a suggestion for using the funds for something the whole community can enjoy and be part of. The City does not want the funds to continue to sit if there are means for it to benefit the community. There have been a lot of suggestions and the City needs to make sure all the issues the Nixon Hall represented are addressed. Some of the funds were spent on the HVAC system at Lowry High School in order to make summer entertainment comfortable and some were spent for a stage area for the Boys and Girls Club. The Nixon building was for the use of the entire community, with the theater upstairs and recreation downstairs. The current City swim pools will probably be shut down in the next couple of years because the cost of upkeep and maintenance is not feasible due to the age of the pools.

Jim French reported that he has been appointed to the National Wild Horse and Burro Advisory Board; he is the first member to serve from Nevada, which has the largest population of wild horses and burros in the country.

MINUTES:

The October 24, 2017 regular City Council meeting minutes were reviewed and Council Mavity moved for approval as submitted. Motion carried unanimously.

WARRANTS:

The warrants were reviewed and Councilman Owens moved for approval as submitted. Motion carried unanimously.

PROCLAMATION-AWARDS:

Mayor Putnam read a proclamation for "Children's Grief Awareness Day", November 16, 2017.

BUSINESS ITEMS - 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.

VARIANCE REQUEST / VW-17-12 / DECREASE SIDE YARD SETBACK / WILKINSON

Betty Lawrence, Planning Department, presented the variance application of Benjamin Wilkinson to decrease the southeast side yard setback from five (5) feet to zero (0) feet to facilitate construction of a 26'x60' lean-to attached to an existing 4,200 square foot pole barn at 6015 Water Canyon Road, APN 16-0462-02. Jim French, a neighbor, read letters from neighbors Tim and Kathy Janke, Don and Shelley Leveille, and David and Katy Schwartz, who are all opposed to the variance. French said a zero (0) feet setback sets a dangerous precedent, there will be problems with drainage issues, there are disturbance issues related to the building process, and there are issues related to loss of the ability to use adjoining property once a building is constructed on the property line. Wilkinson said there is no drainage issue as concrete already exists, and the City required him to install a catch basin, so the water flows away from adjacent properties and into the catch basin. There is only a nine feet section of the building which is within the setback area; there is no other place on the property where the lean-to could be constructed. City Attorney Maher reminded that to grant a variance there must be findings as set out in the Code, and planning staff has determined grounds exist for the variance. Councilman Owens moved to approve the variance request based on staff findings and recommendation. Motion carried unanimously.

2018 DRUG FREE GRADUATION PARTY DONATION REQUEST

Deanna Eastman, Kepa Bengochea, Jady Eastman and Seth Duncan, representatives of the Drug Free Graduation Party Committee, requested a \$2,500 donation from the City to help defer costs of the drug free graduation party to provide a safe environment for celebrating the evening of graduation. Councilman Billingsley moved to approve the request for \$2,500 donation to the 2018 Drug Free Graduation party. Motion carried unanimously.

CEMETERY RULES WAIVER REQUEST TO ALLOW PLACEMENT OF AN UPRIGHT HEADSTONE IN FLUSH-ONLY HEADSTONE AREA OF CEMETERY

Joyce Mendiola said family members are buried (in an above ground headstone area) near the flush-only headstone area where they purchased plots in 2015, and they recently buried a family member in the flush-only area and put in an above ground headstone which they want to leave in place. They believe because this particular part of the Fraternal Order of Eagles (FOE) section appears to have a little bit of everything, i.e., rock, grass and concrete, that an above ground headstone was allowed. Mayor Putnam stated that since 1990 only flush headstone placement was allowed for any plots in the area. The reason for the rule is to minimize the staff time and costs required to maintain the area. The existing headstones were put in prior to 1990. Ana Marie Smith (a family member) said the reasoning doesn't make sense because flush headstones require additional maintenance for the removal of memorabilia prior to mowing. City Manager West said that issue was addressed in the past, and memorabilia on the flush stones is not allowed. Mendiola said they never received a copy of the Cemetery Rules and Regulations at the time they purchased their plots. West stated the Cemetery Rules and Regulations are posted at the cemetery, and the City has been consistently applying the rule since 1990. Mendiola said if they had known that they would not have purchased the headstone; they had no idea until two days after the headstone was placed. City Attorney Maher explained certain rules apply to certain plots; the first thing to determine is whether this plot is located in the area of the cemetery where only flush headstones are allowed, and, if the rule applies then above ground headstones are not allowed. If the Council desires to change the rule at some point in time, they can do that, but there is no provision in the rules for waiving or

varying from a rule just because someone doesn't like the rule. Maher said there are two considerations: 1) if the plot is in the grass-only (flush headstone only) area, the (above ground headstone) prohibition rule applies; and, 2) if there is desire to change the rules, then properly agenda and consider the matter. Any plots purchased after 1990 in the grass area are required to have flush stones even if raised headstones exist on plots purchased before 1990. West reiterated there is a substantial difference in maintenance for the raised headstone areas. West said the City realizes there are people who like the upright headstones, and this is why the cemetery expansion area does not have grass, it has decomposed granite. Councilman Brooks asked if the family wanted to look at other areas and possibly move the headstone. Mendiola said no, and questioned who would be liable if the headstone was moved. Mendiola stated they could move the body to a plot which was purchased in 1967. Putnam said if a change in the rules is sought, the change will not apply to the subject plot. Mendiola asked if the City would be responsible for moving the remains and the headstone. Putnam replied the City was not at fault and should not be responsible. Putnam commented that the City will look into some of the options with staff and legal counsel. No action was taken on the matter; it will be revisited in the future depending on staff's research and recommendation.

COMMUNITY CAT PROGRAM PROPOSAL FOR USE OF CITY BUILDING

Christina Kenison, representing the Winnemucca Animal Rescue, commented the organization is proposing to use the City building across the street from the new animal control building for the cat control program and provided a list of potential building needs to be addressed prior to occupancy. Assistant City Engineer Heiser asked if the list had been discussed with a licensed contractor. Kenison said not yet. Mayor Putnam said that before a decision is made, the costs must be known. Kenison said they are proposing to start on a very small scale; just taking care of the basics, with a limited amount of cats. It is not required to be signed off by a health department agency, but the building department will need to check for building code issues. Councilman Billingsley asked if they wanted the donation of the building or more. Kenison said they want the use of the building and the items on the handout which include minor cosmetic repair to the ceiling, GFI and electrical check, a plumbed sink, a mop station, AC/heat combo for the quarantine room, washer/dryer hook ups, heat for the main room, garbage, utilities and insurance. Kenison said they are trying to keep it as cost effective as possible. Billingsley said he would like to see a business plan on how much it's going to cost, how much maintenance will be needed, and how will the money for the expenses be obtained. Billingsley said the City is not in a position to fund it on an ongoing basis. Putnam said this will be a cost sharing arrangement with the County. Heiser said a joint meeting with the County is tentatively scheduled for December 11 and this program will be on the agenda. Councilman Mavity suggested information on how the program will work and projected statistics would be helpful. Kenison said she will try to get information for the December joint meeting to be able to answer everyone's questions at the same time. No action was taken.

MEETING AGENDAS-REPORTS ELECTRONIC DISTRIBUTION PROPOSAL / LAPTOPS-TABLETS PURCHASE / STAFF

Mayor Putnam commented that Assistant City Engineer Heiser researched prices for portable devices to facilitate electronic distribution of the Council meeting agendas and reports, and which could be used at home and other meetings. At the end of the elected official's term of office, the device will either be turned in or purchased. A policy for use and purchase should be developed. Heiser presented prices on four types of devices and recommended the Surface Pro 3 model because it is an established line which is serviceable and easily replaceable. The devices are not budgeted and, if the decision to purchase is made, they will be paid for with contingency funds. Councilman Brooks moved to approve the purchase of six (6) Surface Pro 3 laptops for use by the Council and staff. Motion carried unanimously.

SCHOOL RESOURCE OFFICER SERVICES AGREEMENT / SCHOOL DISTRICT

This item will be placed on a future meeting agenda.

FISCAL YEAR 2016-2017 AUDIT AND FINANCIAL REPORT

Andrea Rose and Kim Plummer of Drake Rose and Associates, LLC presented the fiscal year 2016-2017 (FY 2017) audit and financial reports. City assets exceeded liabilities at the close of the fiscal year by \$54,227,595. The unassigned portion of the General Fund balance was \$5,826,688 or 81% of the total General Fund expenditures; the prior fiscal year was 84% of the total General Fund expenditures. The net position of the governmental activities decreased by \$963,098 or -3.10% over the prior fiscal year. Current assets decreased by \$1,008,047 and net capital assets increased by \$310,760. Current liabilities governmental activities decreased by \$114,665 and long-term liabilities increased by \$1,146,048. The net pension liability for the governmental activities is \$8,767,456. Actual expenditures were less than budget by \$614,630. Public safety expenditures represent 56.2%, public works 16.6%, general government 15.4%, culture and recreation 10.3%, and judicial 1.5% of the total General Fund expenditures. Total operating revenue for business-type activities was \$4,185,514. The Sewer Fund provided approximately 65.8% of operating income while the Water Fund generated less operating revenues than expected by \$68,215. The Sewer Fund operating expenses were over budget by \$68,815 while the Water Fund operating expenses were under budget by \$234,121. The Water and Sewer Funds increased their net position by \$1,549,848. Year-end budget augments were as follows: Public Works \$73,000; Recreation \$2,000; and, General Government \$60,000. Total General Fund expenditures were less than budget by \$614,630. General Fund revenues were less than budget by \$234,098 due to Consolidated Tax revenue falling short of budget by \$274,517. Many multi-year capital improvement projects were completed, including: Cemetery roads project, Airport taxiway and windsock project, E Winnemucca Blvd curb and gutter project and the Museum Way street project. The Sewer Treatment Plant construction is in progress. Sewer bonds issued to the City by USDA Rural Development will be in the amounts of \$9,165,000 and \$9,030,000, and the total debt of \$18,195,000 is payable over forty (40) years. A grant through USDA for \$2,400,000 was received. Increases in expenditures for the governmental and business-type activities are anticipated for the foreseeable future. There is a continued decline in CTX revenue. As of June 30, 2017, the City reported \$26,581,387 in capital assets, net of depreciation for governmental funds and \$35,865,141 in capital assets, net of depreciation for business-type activities. The City had no outstanding debt for governmental activities as of June 30, 2017. The long-term debt for business-type activities, that is, the Sewer Fund, was \$9,129,748 as of June 30, 2017. Overall the City is in a very healthy position. The Mayor and Council thanked Drake Rose and Associates for their work and the financial reports submitted. The Mayor commended the City Council for a good budget job. Councilman Mavity moved to accept the fiscal year 2016-2017 audit and financial reports as submitted and explained. Motion carried unanimously.

AUDITOR REPORT OF FINANCIAL STATEMENT SIGNIFICANT DEFICIENCY FOR POSTING FY 2017 EXPENDITURES IN FY 2018 EXPENDITURES

Andree Rose, Drake Rose and Associates, commented on a significant deficiency found during the audit. Accounts payable and expenditures were understated by approximately \$110,000 due to amounts posted to fiscal year 2018 instead of fiscal year 2017. Additionally, the City cash disbursement procedures were not followed and an amount was paid to a vendor from a quote instead of an invoice. The cause of the deficiency was attributed to improper review of invoices for date of service or date the items were received which resulted in recording payables and expenditures to the incorrect fiscal year, and improper review of supporting documentation led to the payment from a quote instead of an invoice. Internal controls should be in place to provide reasonable assurance the payables and expenditures are properly reported in the

correct fiscal year financial statements in accordance with generally accepted accounting principles and the underlying transaction is supported by the appropriate documentation. The auditor recommends that the processing and review procedures currently in place should be enhanced to ensure controls are sufficient and are being performed as needed. In addition, a thorough review and analysis of all transactions should be conducted in order to obtain an understanding of the underlying transaction. Monitoring processes should be developed as an additional layer of detective control. The City will enhance internal controls to ensure expenditures are recorded correctly and the appropriate supporting documentation is used for expenditures. Councilman Brooks moved to acknowledge the report of financial statement deficiency and adopt the proposal to correct the internal controls as submitted. Motion carried unanimously.

STAFF-COUNCIL REPORTS

Assistant City Engineer Heiser reported: (i) the Highland Park and Recreation Complex parking lots curbs and paving are completed, but the fence and stairway work has not been started; (ii) construction work is about 90% complete on the street intersections RTC project and should be finished within the next couple weeks; (iii) the Cemetery expansion concrete retaining wall blocks have been manufactured, but the contractor has not yet begun putting them into place; (iv) the Fourth St. water-Second St. storm drain pipe is in place and pavement patching is now complete; (v) the First Street utility mains work started after the pipe fitting that was causing the delay was delivered; (vi) the contract plans and specifications are nearly finalized for the River floodplain sewer main project which has an estimated cost of \$1.2M, and advertising for bids will be soon; (vii) staff is hoping to meet with the BLM staff soon to discuss the pipeline route and easement application process for the Railroad Springs pipeline; (viii) the Sewage Treatment Plant is running smoothly, the paving was completed last week and very minimal work remains; (ix) the Well #8 project is held up waiting for the required mapping and permitting; (x) the Airport taxiway overlay construction contract has been awarded and the asphalt construction work will take place in the spring; and, (xi) a draft RFP has been prepared for the playground equipment and is being reviewed by Legal Counsel, it is anticipated costs for the project will likely be over budget due to new surfacing requirements for the playgrounds, but a grant will be applied for from Kaboom to potentially off-set some of the unbudgeted cost.

Councilman Owens attended the Great Basin College open house.

Councilman Mavity attended the Nevada Day Parade in Carson City.

Councilman Mendiola attended the HDA meeting and the November 2 luncheon with the Southern Ontario Canada group. Winnemucca Futures will be held in January. Mendiola reported on the Humboldt River Water Basin meeting.

Councilman Brooks attended the Adam Laxalt meet and greet.

Mayor Putnam congratulated Councilman Mendiola for winning the Chili Cook-off held at the Boys and Girls Club. The Mayor, City Manager West, Assistant City Engineer Heiser and County Manager Mendiola attended a meeting with CC Communications regarding ways to enhance broadband service; they will also be meeting with Viasat on Thursday. Putnam said she received a suggestion to use the funds set aside for the amphitheater for a splash park. Putnam commented that the use of City Manager West's time has been very beneficial and Putnam suggested it may be necessary to move forward with a critical need determination in order to use his expertise in the budget process and employee negotiations.

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PUBLIC COMMENT:

There were no comments from the public.

The meeting was adjourned at 4:52 p.m.

Respectfully submitted,

Lorrie Haaglund
City Clerk

PASSED AND ADOPTED: November 21, 2017

VOTE OF COUNCIL:

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

APPROVED:

ATTEST:

Di An Putnam
Mayor

Lorrie Haaglund
City Clerk