

**CITY COUNCIL MINUTES
REGULAR MEETING
DECEMBER 11, 2018**

The Winnemucca City Council met in regular session on Tuesday December 11, 2018 at 2:00 p.m. in the City Hall meeting room. Present: Mayor Richard Stone; Council members Mike Owens, Theresa Mavity, Vince Mendiola, and Jim Billingsley, and, City Attorney Kent Maher and City Clerk Lorrie Haaglund. Absent: City Manager/Engineer Alicia Heiser and Council member Paige Brooks.

CALL TO ORDER:

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

PUBLIC COMMENT - PERSONAL COMMUNICATION - CORRESPONDENCE:

Lewis Trout, on behalf of the American Legion, thanked and commended Randy Pinkston, Cemetery Maintenance II, for his above and beyond duty assistance with the Pearl Harbor Day service at the cemetery on December 7, 2018.

MINUTES:

The November 13, 2018 special City Council meeting minutes were reviewed, and Council member Owens moved to approval as submitted. Motion carried unanimously with Council members Mendiola and Mavity abstaining due to their absence from the meeting.

The November 20, 2018 regular City Council meeting minutes were reviewed and Council member Mavity moved for approval as submitted. Motion carried unanimously.

WARRANTS-EXPENSES:

The payments for warrants and the expense reports were reviewed and Council member Mendiola moved for approval as submitted. Motion carried unanimously with Council member Billingsley abstaining from voting on the Jim Dandy Productions warrants as he is the owner of the business.

PROCLAMATION-AWARDS:

There were no proclamation or awards.

BUSINESS ITEMS:

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 Council member Mavity 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.

FIRE CHIEF APPOINTMENT / JOE DENDARY

Mayor Stone read the letter of resignation submitted by retiring fire chief Alan Olsen. The Mayor and Council members thanked Olsen for his service to the City. Stone appointed and Council member Mendiola moved to approve the appointment of Joe Dendary as City Fire Chief. Motion carried unanimously.

VARIANCE VW-18-11 / DECREASE REQUIRED DRIVE-THROUGH STACKING / KING-FUCHS

This agenda item was postponed at the request of the applicant.

VARIANCE VW-18-12 / SIGN HEIGHT INCREASE FROM 60' TO 120' / SIGN FACE AREA INCREASE FROM 360 SF TO 760 SF / MAVERIK

Betty Lawrence, Planning Department, presented a variance request submitted by Todd Meyers as agent for Maverik Inc. to increase: (i) the maximum allowed sign height in the G-C zoning district from 60' to 120'; and, (ii) the allowed sign face area from 360 square feet to 760 square feet for property located at 610 Fairgrounds Road; Assessor's Parcel No. 16-0272-35. Lawrence commented that Council member Mendiola questioned if the sign could possibly interfere with either cellular or microwave communications in the area. Lawrence emailed County Communications Director Rick Grantham who indicated he would check into it. Council member Owens moved to approve the variance request to increase the maximum allowed sign height from 60' to 120' and increase the maximum allowed sign face area from 360 square feet to 760 square feet per staff recommendations and subject to the County Communications Director finding no potential interference with communications systems in the area. Motion carried unanimously.

2018 ALLEY SEWER UPGRADE PROJECT

Only one bid was received for the proposed 2018 alley sewer upgrade project from Hunewill Construction in the sum of \$172,412.44. Mayor Stone commented that the bid came in lower than the City Manager/Engineer estimate. Council member Billingsley moved to authorize the project and accept the Hunewill Construction bid proposal in the sum of \$172,412.44. Motion carried unanimously.

FISCAL YEAR 2017-2018 AUDIT AND FINANCIAL REPORT

Andrea Rose of Drake Rose and Associates, LLC presented the fiscal year 2017-2018 (FY2018) audit and financial reports. City assets exceeded liabilities at the close of the fiscal year by \$57,166,286. The unassigned portion of the General Fund balance was \$5,538,765 or 78% of total General Fund expenditures. This compares with the prior fiscal year balance of \$5,826,688 or 81% of the total General Fund expenditures. The net position of the governmental activities of the decreased by \$241,794 or -.8% over the prior fiscal year. Current assets decreased by \$688,345 and net capital assets increased by \$1,823,412. Current liabilities of the governmental activities increased by \$249,780 and long-term liabilities decreased by \$314,711. The net pension liability for the governmental activities for the fiscal year ending June 30, 2018 is \$8,372,607. Actual expenditures were less than budget by \$417,340. Public safety expenditures represent 58.33%, public works 14.87%, general government 15.9%, culture and recreation 9.3%, and judicial 1.6% of the total expenditures for the General Fund. The total operating revenue for business-type activities was \$4,374,290. The Sewer Fund provided approximately 65% of operating income while the Water Fund provided the remaining 35%. The major expenses for the City business-type activities are services and supplies (34.7%), salaries and wages (28.25%), employee benefits (5%), and depreciation (32.05%). The Sewer Fund generated more operating revenues than expected by \$103,402 and the Water Fund generated more operating revenues than expected by \$95,588. The Sewer Fund operating expenses were over budget by \$291,212 while the water fund

operating expenses were under budget by \$85,772. As a result of operations, the water and sewer funds increased their net position by \$3,180,485 during the 2018 fiscal year. Year-end budget augments were as follows: Public Works \$17,900, General Government \$40,400 and Public Safety \$91,700. Total General Fund expenditures were less than budgeted by \$417,340. Many multi-year capital improvement projects were completed in the fiscal year ending June 30, 2018, including: the pipeline and sewer inceptor project from Second Street to the influent pump station (floodplain project), wastewater treatment plant, First Street water/sewer main project, Cemetery expansion project, Vesco Park and Highland Park playground equipment replacement, taxiway resurfacing project at the Airport and new variable frequency drive at Well #7. Construction in progress includes: rehabilitate runways A and B at the Airport, land acquisition at the Airport, East-end well #8 and splash pad. Actual CTX yielded higher than projected income for FY18 and has continued into the first few months of FY19. As of June 30, 2018, the City reported \$28,404,799 in capital assets, net depreciation for governmental funds, and \$41,602,714 in capital assets, net depreciation for business-type activities. The City had no outstanding debt for governmental activities at June 30, 2018. Long-term debt for business-type activities: the Sewer Fund was \$17,598,916 as of June 30, 2018. The Mayor and Council thanked Drake Rose and Associates for their work and the financial reports submitted. Council member Mendiola moved to accept the fiscal year 2017-2018 audit and financial reports as submitted and explained. Motion carried unanimously.

AUDITOR REPORT / FINANCIAL STATEMENT SIGNIFICANT DEFICIENCIES

Andree Rose, Drake Rose and Associates, commented on three significant deficiencies recorded in the audit just presented: (i) proper controls are not in place over year-end procedures, (ii) proper controls are not in place over recording transactions; and, (iii) monitoring procedures should be sufficient to ensure transactions are in compliance with the applicable accounting guidance. The City will: (i) enhance internal controls to ensure all transactions are recorded correctly; (ii) work on implementing controls to ensure transactions are recorded correctly; and, (iii) enhance internal controls to ensure all appropriate federal regulations are followed on federally funded projects. Council member Mavity moved to acknowledge the report of financial statement deficiency and adopt the proposal to implement controls as submitted. Motion carried unanimously.

CITY COUNCIL 2019 MEETING SCHEDULE

Mayor Stone stated the proposed City Council meeting schedule for the 2019 calendar year will have one meeting in July and one meeting in December. Meetings are scheduled on the first and third Tuesdays of months that have four Tuesdays and the second and fourth Tuesdays of months that have five Tuesdays. The proposed April meeting schedule was changed to April 9 and April 23, 2019. Council member Owens moved to approve the 2019 City Council meeting schedule as presented with the April meetings change. Motion carried unanimously.

STAFF-COUNCIL REPORTS

Council member Owens reported on the RTC and Airport Board meetings.

Council member Mavity thanked the Public Works Department and the Police Department for their contribution to the Parade of Lights event.

Council member Mendiola reported on the Paradise Valley Conservation District and the Humboldt Foundation meetings he attended.

Council member Billingsley reported on the WCVA meeting he attended.

Public Works Supervisor Roger Sutton reported on current City projects.

Police Chief Bill Dalley reported on police department activities.

Mayor Stone reported there will be a meeting December 21, 2018 from 9 a.m. to 11 a.m. at the Library for the Library Co-op strategic planning. The library invited the Mayor and Council members to attend. Stone met with Patty Herzog regarding the Nevada Main Street Program. Stone commented he has had several phone calls regarding cultivation and marijuana dispensary in Winnemucca. Stone said if Council members have any questions, they may submit those to him and he will attempt to get them answered. Chamber of Commerce member Ashley Maden said there will be a community town hall meeting at Winners on December 20, 2019 at noon addressing the marijuana issue.

PUBLIC COMMENT:

There was no public comment.

The meeting was adjourned at 3:35 p.m.

Respectfully submitted,

Lorrie Haaglund
City Clerk

PASSED AND ADOPTED: January 8, 2019

VOTE OF COUNCIL:

AYES: Owens, Mavity, Mendiola, Billingsley _____

NAYS: _____

ABSTAIN: Brooks _____

ABSENT: _____

APPROVED:

ATTEST:

Richard Stone
Mayor

Lorrie Haaglund
City Clerk