

**MINUTES OF WELLS CITY COUNCIL
MEETING OF JANUARY 9, 2018**

CALL TO ORDER

Date: Tuesday, January 9, 2018
Time: 7:00 P.M.
Place: Council Chambers, Wells City Hall
525 Sixth Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Layla M. Walz, Mayor

ROLL CALL

Present: Layla M. Walz, Mayor
Laura Moore-DelRio, Councilwoman
Michael Pace, Councilman
Yvonne Stuart, Councilwoman

Absent: Tamrah Jackson, Councilwoman

Quorum: Yes

Staff Present: Heather Iveson, Utility Clerk
Sherry Justus, Deputy Clerk
Jason Pengelly, Public Works Director
Jolene M. Supp, City Manager/Clerk
Patti Zander, Deputy Clerk

PLEDGE OF ALLEGIANCE

Councilman Pace led everyone in the Pledge of Allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Stuart made a motion to approve the special meeting minutes of December 4, 2017. DelRio seconded the motion and the motion passed unanimously. DelRio moved to approve meeting minutes of December 12, 2017. Stuart seconded the motion and the motion passed unanimously.

CITIZENS TO ADDRESS THE COUNCIL

There were none.

Walz stated that the agenda was going to be taken out of order and item number nine would be first.

PRESENTATIONS, COMMENTS, DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF TO AMEND THE CITY ZONING CODE TO PERMIT MEDICAL MARIJUANA ESTABLISHMENTS IN THE CITY AND/OR ISSUE OR DENY A CONDITIONAL LETTER OF ENDORSEMENT TO THE STATE DEPARTMENT OF TAXATION TO AUTHORIZE THE APPLICATION PROCESS FOR ONE MEDICAL MARIJUANA CULTIVATION AND PROCESSING ESTABLISHMENT WITHIN THE CITY

Supp began that in the packet was a City of Wells ordinance that was adopted in March of 2014 regarding zoning out all marijuana activities. If the Board wants to move forward with a medical marijuana establishment, the first thing needed is to change paragraph three of this ordinance and the definitions. The cultivation facility, a facility for processing edible marijuana products and marijuana infused products could be removed from this zoning. The next step needed would be to add a zoning code that addresses cultivation facilities and facilities for the production of marijuana. Supp suggested that staff investigate what other communities are doing as well as consulting with legal counsel in helping with the ordinance and zoning for a cultivation and production facility. Clark County is very familiar with this type of business.

The last portion of this agenda item refers to a letter of endorsement, which has changed. The Department of Taxation does not want a letter of endorsement but more of a letter of cooperation from the City stating the City is working with individuals and creating zoning areas that would comply with the state regulations. A copy of a draft lease had been included in the packet as well. An appraisal will have to be done on the property as well as changing the zoning, so no action needs to be taken on the lease at this time.

Also in the packet was a motion legal counsel had prepared if the Board wants to move forward as well as a zoning map showing lots available in the heavy industrial area. Supp needs the Board to decide if this facility should be in the heavy industrial, heavy/medium industrial or light, medium and heavy. If this use is allowed in heavy industrial, it would be allowed in all heavy industrial. It would be the same for medium and heavy industrial. The property on the east side of Industrial Road East would be the best site, of which there are five potential properties that could be used. Walz would prefer to limit this type of facility to the heavy industrial area and adjust that zoning code.

Walz asked if any other proposals had been received. Supp stated the City has not specifically asked for proposals. The Department of Taxation has advised Supp not to accept proposals as that would be pre-empting their authority. Supp stated that the Department of Taxation is only going to issue one license.

Anthony Soto, General Manager for Lynch Oil came forward stating that a business plan had been sent over that attempted to address the concerns of the Council. One concern was the safety and security of the community and what would happen if the business fails. Soto continued that Lynch Oil wants to be part of the community, buy property and construct a facility. Soto stated there is plenty of support behind this project and if there was failure, there were plenty of other options for the property and facility. The law had been misinterpreted and there have been changes. An endorsement from the City is not needed at this time. Consultants have been hired as well as an engineering firm and a building has been designed. The next step is to project yield, number of employees and labor costs and is the phase Lynch is working on right now. A good part of this needs to be ready by next week. The business plan has been put aside for now because all of this other information is needed to be submitted with the application by January 16, 2018. Pace asked what was going to be done as far as the smell of the plants. Soto stated the smell may never leave the building and there are ways to get the building completely odor free. Soto continued that the State did not make this an easy process. Stuart added that people she has talked to don't have a problem having a growing facility in the City.

Walz stated that Lauren Landa, legal counsel was on the phone with some last minute changes to the motion that was prepared. The wording of the motion was changed to match the definition in the statute. Walz is in favor of the cultivation facility, thinks it would be beneficial to the community, would like to limit it to the heavy industrial park and is comfortable with the motion legal counsel has drafted. Stuart made a motion to direct staff to draft amendments to the City ordinances to permit medical marijuana establishment(s), limited to a cultivation facility and/or a facility for the production of edible marijuana products or marijuana infused products and direction to staff to issue a conditional letter of endorsement to the State Department of Taxation to authorize the application process for one (1) such facility. Pace seconded the motion and the motion passed unanimously.

REVIEW OF REVERSION TO ACREAGE MAP LOTS 11 AND 12 BLOCK C OF THE AMENDED PLAT OF PACIFIC ADDITION NO. 2 MICHAEL J. SEECH III AND CATHY L. SEECH. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE REVERSION TO ACREAGE MAP

Walz began that this was a continuation of the combining of lots because of the storage container that was placed on the empty lot. Mike Seech came forward and stated that he ran into a problem with the county today. The mortgage company pays the property taxes on the house. The county is requiring a full year of property taxes be paid on the lot, in advance, before the county will sign off on the map. Seech can either pay the full year of property taxes out of pocket or can wait until March, when the mortgage company will have paid for the full year. Seech stated he preferred to record in March. DelRio made a motion to approve the reversion of acreage map for lots 11 and 12 Block C for Michael Seech. Stuart seconded the motion and the motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION TO ACCEPT OR DENY TEEOFF.COM BY PGA TOUR DISTRIBUTION AGREEMENT TEE TIME DISTRIBUTION SERVICE AGREEMENT

Supp began that this is the online company where a tee time can be reserved at the golf course. There is no set up or annual fee and there is a thirty day trial period that will start the first of April. The only charge is if a tee time is booked through TeeOff.com. TeeOff will receive 15% of the fee. Supp continued that if this is booked through TeeOff.com through the City's website, there is no fee and the City receives 100%. This app will also ping a phone when close to a golf course. DelRio stated trying it is acceptable. Stuart made a motion to accept the TeeOff.com proposal for a year and see how it works. DelRio seconded the motion and the motion passed unanimously.

CONTINUED DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 18-1 RESOLUTION ESTABLISHING GOLF COURSE FEES AND MATTERS PROPERLY RELATING THERETO

Walz began that these are the same fees that the City previously had, with a few additions. Stuart had an issue with the non-refundable cleaning fee. Stuart felt that if a person paid the fee, there would be no chance anyone would do any cleaning and thought it should be changed to a facility charge and collect a refundable cleaning deposit. Supp stated that at the previous meeting where this was initially discussed, conversation was that if the facility is used for activities related to golf, there would be no fee. Activities not related to golf would be subject to fees. Stuart felt with a nonrefundable cleaning fee, people would leave everything behind. Lori Bottari suggested it be a security deposit and Walz suggested event fee. DelRio recommended it be spelled out in the fine print what the fee covers such as wear and tear, electricity, heating etc.

Walz stated that it is her opinion that the fee for the golf camp is high and thinks it should be lower and possibly add another option next year and increase it. Walz stated in the past, the fee was \$20. It was suggested the fee be \$30 for the camp only and \$90 for the camp and junior pass. Heather Iveson suggested an incentive for families where the first child is the full price and a reduced rate for additional children for the golf camp. Pace didn't think it was a bad idea. A family with five or six kids could add up really fast.

Supp stated the changes can be made and the resolution brought back. Supp asked if the incentive of \$90/\$70/\$50 was acceptable with every child after the third being a \$50 fee. This was acceptable. Pace still thought the cost for alcoholic drinks was too low. Supp stated the drink price would be doubled plus 10%. Walz mentioned that the City does not want to undercut the competition. Supp stated that some high targets had been set for Huff and wants to make sure they are reachable.

DelRio stated that Don McDonald went to the school last year and did a presentation and thought it should be done again and more than once. DelRio added the teachers would be

willing to help and the kids loved it. Supp stated Huff is just waiting for the weather to change to start getting activities lined up.

DISCUSSION AND POSSIBLE ACTION TO APPOINT COUNCIL PERSON TO FILL THE VACANCY OF VICE MAYOR

Walz had not talked to anyone about who was interested in this position. Stuart stated she was interested in this position. DelRio made a motion to appoint Yvonne Stuart to fill the position of Vice Mayor. Pace seconded the motion and it passed unanimously.

DISCUSSION AND ACTION TO APPROVE APPOINTMENTS FOR THE CLAIMS COMMITTEE MEMBERS FOR THE UPCOMING YEAR THROUGH THE NEXT ELECTION

Supp stated this has been adjusted to add Councilman Pace and remove Councilwoman Fuller. DelRio moved to approve the appointments for the claims committee members for the upcoming year through the next election. Stuart seconded the motion and the motion passed unanimously.

DISCUSSION OF POSSIBLE LINE ITEM TRANSFERS FOR BUDGET AUGMENTATION FROM STREETS TO COMMUNITY SUPPORT

Supp stated that Naveran has gone through the numbers on the budget and stated the City is still working within the budget so Supp said there is no action needed.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

DelRio moved to approve Warrant Register dated December 13, 2017 through December 26, 2017 in the amount of \$113,403.96. Stuart seconded the motion and the motion passed unanimously. DelRio moved to approve Warrant Register dated December 27, 2017 through January 9, 2018 in the amount of \$105,284.51. Stuart seconded the motion and the motion passed unanimously. DelRio moved to approve the check register dated December 1, 2017 through December 31, 2017 in the amount of \$6,938.51. Stuart seconded the motion and the motion passed unanimously.

COUNCILMEN'S REPORTS

Stuart announced there will be a fundraising event for the museum on January 20, 2018 at the Wells Propane building. There will be soup and an auction.

DelRio announced the Girl Scouts are officially selling cookies. This is the first time there has been a Girl Scout Troup in Wells for about ten years. The Girl Scouts will be selling cookies at the Heritage Park on Friday's in February.

Walz reported that there was a meeting today with a group interested in building a data center in Wells. The cheap power and high elevation is what brought them to Wells. Supp reported that she went around town with them after the meeting and looked at some unused transformers. There is a 500 KVA transformer behind the Ranch House this group is interested in purchasing and will be in contact with Mr. Stewart at Wells Rural Electric. There is also a big switch gear in the Ranch House of interest. Supp did report that the back floor in the Ranch House is collapsing.

STAFF REPORTS

Supp reported that Rosenlund Drilling has drilled one hole with water in the nineties. Rosenlund stated he would drill one more hole, closer to the road and will go down seven hundred feet. Supp thinks the drilling has been done fairly cheap. Public Works has helped with providing a water truck as well as other things that have been needed.

Supp showed a picture of the inside of the golf course remodel and stated the work done by the Public Works is second to none. The bar will be moved against the West wall.

Glen Palmer contacted a couple of brick mason businesses in Utah regarding the high bid received. The price the Utah companies came up with was close to the \$150,000 budget. Pengelly is looking at the plans to see the feasibility of Public Works doing some of the work. The brick work would still be contracted out. Supp has contacted the Historic Preservation as well as CDBG who have seen these types of high bids before in Rural Nevada and are willing to work with the City.

The CDBG grant for the redevelopment area will be submitted the end of the week and due in Carson City on the 16th.

January 22nd, McGinley and Associates are coming out to look at the Stinker Station property with Supp. April 22nd is the State Historic Preservation presentation for the added money Supp has requested for the El Rancho.

Pengelly stated Public Works is still under budget on the golf course and didn't think the project would be this far along until the middle of February. Public Works did have to take a week off because a fire hydrant had been run over and needed replaced as well as there being a sewer issue. With Dennis Calton retiring, one man has been transitioning to do what Calton did and will possibly hire a replacement in April. A roof is still needed at the golf course and Supp has someone coming out from Broken Arrow the end of the week to look at the roof. Pengelly added that Mike Tate has started working on the duct work for the heating/cooling system. The only thing left to sheetrock is the ceiling.

Iveson reported that the blue bin will be closing February 1st for the winter and City Hall will be closed January 15, 2018 for Martin Luther King Day. Pengelly added the blue bin is closing due to lack of manpower. The dumpster needs to be smashed down every day and somebody has to stop what they are doing to go do that. There have been instances

when someone has gone out and made a mess and people are throwing stuff over the fence. Pengelly would like to put in a drop box and install cameras that could be monitored on the computer.

Justus reminded Council members that financial disclosures are due January 16, 2018.

CITIZENS TO ADDRESS THE COUNCIL

Stanhope asked if Supp had heard anything from the railroad regarding the culvert issue. Supp stated that the railroad has contacted UDIG and is working on the culverts but Supp is not sure what they are doing. Stanhope also mentioned a meeting tomorrow morning at the County Commissioners Chambers at 8:30 a.m. regarding Humboldt River Water studies and thinks this could affect the City. It might be beneficial for someone to attend this meeting to take notes and bring the information back to the City.

ADJOURNMENT

The meeting adjourned at 8:32 p.m.

LAYLA M. WALZ, Mayor

ATTEST:

JOLENE M. SUPP, City Manager/Clerk