

**MINUTES OF WELLS CITY COUNCIL  
MEETING OF MARCH 28, 2017**

**CALL TO ORDER**

Date: Tuesday, March 28, 2017  
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  
Tamrah Jackson, Councilwoman  
Yvonne Stuart, Councilwoman

Absent: Cindy Fuller, Vice-Mayor

Quorum: Yes

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

**PLEDGE OF ALLEGIANCE**

Mayor Walz led the Pledge of Allegiance.

**APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

Stuart made a motion to approve meeting minutes of March 14, 2017. DelRio seconded the motion and the motion passed unanimously.

**CITIZENS TO ADDRESS THE COUNCIL**

There were none.

**CONSIDERATION OF REQUEST FROM WELLS FAMILY RESOURCE CENTER TO ALLOW PINWHEEL PLACEMENT ON CITY PROPERTIES DURING THE MONTH OF APRIL IN CONJUNCTION WITH HEALTH AND SAFE CHILDHOOD CAMPAIGN RELATED DISCUSSIONS AND POSSIBLE ACTION TO GRANT PERMISSION FOR PINWHEEL PLACEMENT**

Wells Family Resource Center Board Member, Colleen Rigel, was at the meeting to request permission to place Pinwheels for Prevention on various City property which is an annual event. A list of scheduled events for the month of April was available to each council member. It was noted that April 7, 2017 is “go blue” day for the State of Nevada. Jackson made a motion to approve the Wells Family Resource Center to place pinwheels on City property. DelRio seconded the motion and the motion passed unanimously.

**DISCUSSION ON FISCAL YEAR 2017-2018 TENTATIVE BUDGET**

Supp stated, for the benefit of the new Council members, what was in front of them was the budget worksheet that shows the line item revenue and expenses. All numbers have been reviewed and copies have been given to the court and fire department for review. The revenues in the water fund have been left the same. A three percent salary increase has been put in the budget. Late today, Supp received the medical insurance quotes and they do not look good. The last insurance company that covered retirees in the State will no longer cover retirees. State of Nevada law requires entities to offer coverage to retirees. Wes Henderson is working to get the law changed.

Supp continued that the water department last year was \$70,800 in the red. Carrying those numbers over and putting in some capitalization numbers for smart meters, the fund is sitting \$119,000 in the red. The upgrade to well house #2 with chlorination and the building and well house #7 for a building are already in the engineering stage. This project will continue this fiscal year and go into next fiscal year. Pengelly received a quote on remote read smart meters for commercial only at a cost of \$109,000. When businesses want their sewer rates reflecting more on a month to month basis, the only way to do that is to install smart meters. To read meters in the winter would require removing the snow from the top of the meter pit and opening the pit, which risks the meters freezing. Supp thinks there should be more discussion on smart meters before finalizing the budget. Stuart asked Supp how important upgrading to smart meters was. Supp stated the main problem is with the coming and going of pipe liners, miners and transportation crews, the businesses that are serving these type of workers are seeing big increases and then big decreases which is very hard on the businesses cash flow. Supp spoke with Bruce Stoker from Mountain Shadows RV Park who reiterated this.

Supp said on the residential side, there have been at least three significant leaks this winter that would have been caught if the City had smart meters. Supp also stated that the older the meters get, the more water is given away and the meters have been in place since 1989. If new meters are put in, the revenue will go up because gallons used will go

up with the new meters being more accurate. Stuart asked if it would be feasible to do the commercial customers first and then do the residential a year after. Supp continued that the \$109,000 is for 114 commercial meters. Supp added that there is also a \$15,500 cost for software as a one-time charge. Walz asked if the residential smart meters would cost less because they were smaller. Supp stated most are ¾” meters and would cost around \$200 each where the 3” meters are \$3,000 each. Resident Michael Pace asked if the commercial customers might be willing to pay for their own smart meters. Supp said that would be a decision that would be up to the Board but the specifications would have to be spelled out to make sure they would match the software. DelRio asked if the City would be accountable for the maintenance to which Supp replied yes. Walz thought those commercial customers who are wanting smart meters need to be asked if they would be willing to pay for their own smart meter.

Walz thought maybe the sewer rates should be done differently and instead of being based on water consumption, to bill them based on sewer costs, come up with a cost of service amount and bill at a flat fee. Supp will do some figuring and thought the residential bills would go up. Supp stated every resident pays a flat fee for sewer now. The commercial accounts are the only ones whose sewer rates are calculated every April from the winter water usage.

Supp continued that the sewer fund is the same. The waste water goes to the sewer plant and then it goes to the pivot and is irrigated on a hay crop. The last two years, the person with the contract has not raised a hay crop. Two years ago, there was not enough water. Supp stated she has another party who is interested in putting in a hay crop. Supp wanted to know if the Board wanted to leave it the same or go out for proposals. Walz asked Pengelly if he thought there was sufficient water and Pengelly thought there should be enough water for one or two crops on one pivot. Pengelly thought there was plenty of water last year, alfalfa was not planted and what did grow was full of weeds. Stuart thought maybe the contracted individual should be contacted to see what the plans were and if he is not going to plant, maybe get someone else to do it.

Supp stated the next item for discussion is the recreation fund which has some new line items. Supp continued that this is the year the contract is up with the golf manager on October 31, 2017. Supp has not spoken with him recently but his comment last year was that he wanted to finish out this year’s contract. Supp proposes for one year that the City of Wells take in and account for all funds received at the golf course. Supp stated the benefit would be the City and the person with the contract could put together a good contract that works for both parties because there would be a better idea as to what the revenue potential is. Supp stated if the Board wants a husband and wife out there that needs to be spelled out in the contract because it shouldn’t be assumed that the wife is expected to be out there. Supp would like to find out what the going wage is and average income for a nine hole course in a rural area. Walz likes the idea of the City taking a year to see what this business is worth. DelRio asked if that would mean the City would be selling liquor. Supp replied yes and stated the City of Wendover sells liquor at their

course. The City of Wendover also takes every penny of revenue from their golf course and then pays a wage to the golf pro. Stuart would like to see more figures. Walz asked if there was anything in this budget for clubhouse improvement or any needed equipment. Supp replied that there is \$75,000 in the capital outlay fund in this budget. Supp said the sprinkler repair line item has been added in the amount of \$10,000. The capital outlay amount could go to the building or it could go to the furniture and fixtures in the building. Walz stated something needs to be done to this building and the decision as to whether it be a community center or just a clubhouse needs to be made. There is financing available if it were to be a community center but not a club house. Supp stated the tentative budget needs to be turned in by April 15, 2017.

Supp continued that the park department is the same. Pengelly is planning on painting the trap range this year. The rodeo grounds needs some work on the chutes and bathrooms. There is a door that needs to be fixed at the chariot track. The Senior Citizen Center is very dependent on grant dollars. There is \$20,000 budgeted in capital outlay for the Fire Department for equipment breakdowns or major changes. The Fire Department has recently signed up two new volunteers. Supp added that with E911 coming on board, the user expenses in central dispatch may decrease with the ability to absorb some of those expenses through the \$.25 phone service charge.

The Sanitation fund is the same, both expenses and income, with a \$3,800 surplus at the end of the year. The price of metal is down and Pacific Steel is still coming and picking up the metal but is not paying the City for it. The blue bin will be opening effective April 5, 2017. Wednesdays will be open from 11 a.m. to 2 p.m., Thursday through Sunday will be 10 a.m. to 2 p.m. and closed Monday and Tuesday. Walz mentioned that Bonneville Powers refrigerator recycling program is being discontinued as of October 1, 2017. The City will want to take care of any currently at the blue bin.

Supp continued that the capital improvement fund has \$18,000. Supp budgets the fund ending balance on this. Pacific Addition is a limited account and there has been discussion about eliminating this fund. Supp will need a resolution to delete this fund. Supp informed new members that the City of Wells has a resolution that all land sales will go into the capital improvement fund with the exception of Pacific Addition.

The City funds 50% of the judge's wage, janitorial and phone expenses. Municipal Court administrative assessments are set up statutorily. Supp takes the revenue projections from the court and budgets the revenue projections and fund ending balance. The Judge has the statutory ability to spend those funds without the Boards permission. The Forensic Service Fund was a fund that had previously been closed and then \$10 was received from the State. This money can be transferred out and then remove these line items from Caselle so nothing can be put back in them.

The General Fund is the largest fund. Supp has budgeted revenues of \$1,900,000. This was a good year for building permits but there probably won't be that much this next

year. The CDBG grant is the geothermal well exploration. Consolidated tax has been raised a little but is not in a surplus situation. There is a transfer from the general fund to the fire department. Supp has raised the contract labor a little bit for the Police Department. The employees have been asked to not take any increases but the City has been asked for an increase because of employee expenses and cost of living. Supp said there needs to be discussion about that. Supp has budgeted for a new vehicle for the police department and then Public Works usually will get the vehicle that is retired out.

There is a transfer of \$242,000 from the general fund to the recreation fund. That is going to the park, golf course, trap range, rodeo grounds, and swimming pool. Supp has increased the capital outlay for the street department. Pengelly would like to complete the curb, gutter and sidewalk on Wells Avenue. The Americorp team will be here again this year and will be here for about five weeks which is longer than last year. The north side of First Street by the Senior Center has the curb and gutter but still need sidewalks. The remaining money will go into a slurry seal project.

Supp attended a FEMA training on Friday for the flooding. Two projects that the Public Works crew cannot do are the asphalt repair and the culvert job. If the Board wants to take advantage of the FEMA opportunity, there is a 25% match and Supp has put that in the budget.

There has been a lot of money spent on Community Support and Economic Development. Supp has budgeted \$19,000 for Economic Development and \$20,000 in contingency. The benefit of the contingency fund is at the end of the fiscal year if any departments are over budget, contingency money can be transferred to those departments without Department of Taxation approval.

The budget for the fireworks covers the fireworks for the 4<sup>th</sup> of July as well as the car show. The TA reimburses the City for the car show fireworks. Keven Hall is going to check pricing of fireworks with the Indian Colony. Hall purchased some from there last year and was pleased with what he received.

Supp will bring some information to the next meeting on what the industry average is for golf pros/golf managers. The tentative budget will need to be approved at the next meeting but there can be modifications. Supp also said this budget includes a new loader for \$130,000 which is the same size loader as what the City currently has. The old one is on its last leg. Supp has asked Naveran to amortize the loader for eight years at 5% so one year's principal in interest has been put in this budget. Supp reminded the Mayor there is always the option of calling a special meeting if one is needed for the budget.

## **DISCUSSION AND POSSIBLE ACTION TO APPROVE FIVE MEMBER RECREATION BOARD TO WORK ON A MASTER PLAN FOR CHIMNEY ROCK GOLF COURSE**

Walz began that this is something that was discussed at the last meeting. There will need to be a resolution and recruitment process. Supp reached out to Better City and Better City offered to have the kickoff meeting with the Board and public to see if some of the goals could be established in the master plan for recreation. Stuart has taken the time to talk to several people, one being Clay Fitch, who thought it was a good idea to have a recreation board and thought five members was a good number. Walz likes the kickoff meeting idea because it would show those that are interested in the community and interested in being on the Board. Walz added the Board would need to see what is legally required to set up the Recreation Board.

At the last meeting, there was discussion whether to include citizens in the immediate area. Initially, Walz would like everyone's input and not to exclude anyone outside of the city limits of Wells but is also concerned about allowing non-taxpayers to make decisions on how to spend taxpayers money on recreation. Jackson suggested there be three members from the city limits and two outside of the city limits then the majority would be from within the city limits. Walz added the public meetings would be open meetings and would not exclude anyone. DelRio stated the people who choose to attend the meeting will have their voices heard and those who don't attend won't so having it as an open meeting should cover everything. Walz thought the process would be to accept letters from those interested in serving like what is done with Planning and Zoning. Supp asked if April 26, 2017 would be a good day for everyone to come to the kickoff meeting with Better City and Supp will check with Better City on that date.

#### **DISCUSSION REGARDING WELLS MUNICIPAL SWIMMING POOL PLAN TO ADD OUTSIDE DECK AND OUTSIDE WATER SLIDE**

Walz reminded that there is currently \$5,000 tentatively budgeted in the capital improvement plan for the swimming pool. Walz feels this may be premature and should wait for the Recreation Board to be established and let them discuss this. Everyone agreed. Supp had provided information with prices on water slides, climbing walls, and other equipment. DelRio asked if these costs could be offset by fundraising and was told yes. Stuart stated the swimming pool is great but there is nothing for little kids. Stuart thought in the summer time if the inside was connected with the outside and included a kiddy pool with a slide, a little climbing wall and cabanas for the mothers, then there could be more revenue. Walz thinks the slide would be a huge amenity. Supp suggested if a specific fundraiser is held, restrict the proceeds and put them in invested cash to gain a little bit of interest. Supp has had people ask about having a hot tub for adults for therapeutic use. Walz thought maybe a fundraiser for a skate park could be the next one. That is the one question Walz gets from the kids.

Walz stated that the Booster Club this year has included tri tip at the crab feed scheduled on April 22, 2017 and that event is sold out. This goes back to the City having a larger community center. DelRio suggested having a project board hung up somewhere asking for suggestions. Pengelly asked if a fee was charged for events at the golf course. Supp

said not if they are public events. Walz said this is something that is in the contract with the current golf course manager but in the event there was a community center, that agreement would be different and there could be a charge. Pengelly stated there are expenses for the use of toilet paper, paper towels and janitorial services when someone uses, for example, the fire hall.

### **DISCUSSION AND POSSIBLE ACTION TO REQUIRE NDOT TO ENTER AND EXIT ONTO HUMBOLDT AVENUE FROM THEIR MAINTENANCE YARD TO NDOT RIGHT OF WAY**

Supp began that the end of Wells Avenue is being destroyed from the heavy equipment and all the moisture that has been received. Supp is concerned because Pengelly is going to eventually be paving Wells Avenue and if dump trucks with salt and sand and snow plows continue on that street, the asphalt will be gone. Walz added that is a residential neighborhood and the trucks should be going out the other side. Supp stated the reason she put this on the agenda is because NDOT and the State of Nevada would need time to change the layout of their yard. Supp wanted to know if the Board supported this issue before she writes the letter. Stuart asked if NDOT could move to the heavy industrial park and the City exchange land. Supp has discussed that with them and NDOT said if they could pencil it, they would consider it. Supp thinks their thought was for the City to purchase the current facility. NDOT has also met with Pengelly and Supp regarding putting a washing facility in at the current yard. Walz stated changes could be made and exit on Humboldt to save the streets and get out of a residential area. Pengelly added if the exit is changed, they would be going from NDOT property to a NDOT highway. Pengelly continued that the streets are not designed to handle heavy trucks over and over again and a new road would be destroyed in one winter. Stuart made a motion to approve Supp sending a letter to NDOT to request an exit onto Humboldt Avenue. DelRio seconded the motion and the motion passed unanimously.

### **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 17-07 RESOLUTION WAIVING BUILDING PERMIT FEES, BLUE BIN FEES FOR EMERGENCY REPAIRS AS RESULT OF FEBRUARY 8, 2017 FLOODING**

Walz began that one of the things the City thought they might do for those who experienced damage from the flood and the same was done during the earthquake, was to waive building permit fees and dumping fees while repairs are being made. The City has been providing a dumpster for those people. Jared Martin from Elko Sanitation was at the meeting and stated that ESC would like to donate the use of the dumpsters that have been put in the area for flood victims. Martin thought the one in February may have already been billed out but it can be reversed. Walz and Supp thanked Martin for doing that. Walz wanted to clarify that this is only to waive the building permit fee not the building permit process. Stuart made a motion to approve Resolution 17-07. DelRio seconded the motion and the motion passed unanimously.

## **CONTINUED DISCUSSION CONCERNING THE FLOOD OF FEBRUARY 8, 2017 AND MATTERS THEREOF**

Supp began that President Trump approved the major debt disaster declaration today for Nevada. That allows for public assistance but are still waiting for the private assistance declaration that has not been signed yet. Elko, Eureka and Lander counties had all of the disaster assessments done and sent in to the Department of Emergency Management. This was delayed so as to include Washoe County, specifically Lemmon Valley. The State stepped in to help Lemmon Valley with their disaster assessment and then Washoe County was attached to Lassen County California as the adjacent county and now Lemmon Valley and Washoe County have received the individual assistance and Elko, Eureka and Lander counties are still waiting. Annette Kerr contacted the state director and expressed her disappointment in how it was handled and has also let the County Commissioners know.

Supp was in the FEMA meeting last week and there is a 25% cash match for the City and lots of rules and regulations. Supp stated there are two areas that the City needs to apply for assistance with and that is for the asphalt and culverts. Supp added that only overtime is eligible to be part of the 25% cash match.

## **CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS**

Jackson made a motion to approve Warrant Register dated March 15, 2017 to March 28, 2017 in the amount of \$74,183.01. DelRio seconded the motion and the motion passed unanimously.

## **COUNCILMEN'S REPORTS**

Stuart attended the Elko County Recreation Board meeting today. The main discussion was the budget for next year. The City of Wells will hopefully have access to \$18,000 from the Elko County Rec Board. At the meeting, Stuart asked if approval would go strictly through the City so someone couldn't go directly to the Rec Board and get funding that should have been cleared through the city. The NRS Statute will be looked at so a ruling can be made at the next meeting.

Walz attended the NNRDA meeting by phone on Monday. NNRDA is struggling with incentives and what the state offers. There was a manufacturer who wanted to go into Eureka County and now doesn't qualify because they would have to export 51% of their product. Anything in the mining industry is not incentivized in the State of Nevada. Walz feels the City wants to be on board with them and give GoEd and the governor ideas on what the City thinks the State of Nevada could do differently to help incentivize rural development. It seems that rural areas don't get incentive packages that Reno and Las Vegas would be able to offer. It has been five years since there was an incentive offered in a rural community and has been the only one. Walz noted there was a larger

group attending this meeting. Another idea they have had is to take the meetings on the road and host them in the different communities.

Walz continued that she had received a compliment on the Wells City crew. A resident was very impressed because the crew worked well into the night and on a weekend to resolve a sewer issue and were very happy with the hard work.

## **STAFF REPORTS**

Supp began that the Americorp crew will be here the end of May through June and have a full crew. Supp is working with the Baptist Church to house this group again like was done last year. The Baptist Church also received some damage from the flooding and may be able to receive some help from the Americorp crew.

Supp would like to bring back some building permit changes/exemptions. The latest trend is the bully barns being sold in Elko on Idaho Street. The building code says anything larger than 120 square feet, which is ten by twelve, has to have a building permit. Supp thinks most of those are bigger than that. Supp would like this reviewed as well as demolition permits. Technically, the International Building Code requires demolition permits and the City of Wells has never issued a demolition permit. Walz added it would be nice if Ed Achurra could be in attendance or at least give some recommendations. The county just exempted hoop houses of any size.

Supp has had several people comment they felt the City of Wells looked quite disheveled. The Castle Street block between Clover and Ruby was specifically mentioned and that the whole block looked bad. Supp suggested people be encouraged to clean up. Staff will be coming on for the blue bin but Supp is willing to open the blue bin for anyone wanting to clean up in town. Supp has talked to law enforcement about getting unlicensed vehicles off the street. Walz knows there is free dump day but wondered if maybe a big dumpster should be placed somewhere else around town but was also concerned things would be put in that shouldn't be. Supp said the nice thing about the free dump day is that there is man power available to check what is being put in the blue bin. It was decided free dumping will be allowed April 28 – 30<sup>th</sup> and May 26 – 28<sup>th</sup>.

Stuart stated she has had people ask her about the gas line and broadband with Frontier. Supp stated she and Kelby from Better City met with the State last Friday trying to incentivize the gas line as well as the company that has been looking at Wells. The State of Nevada has a law that limits the amount of increment you can charge to 20% of your assessed value. For Wells that would be \$160,000 which is not enough to buy a gas line. The fiber is here for the broadband and Frontier is still waiting for the NDOT permit to cross Easy Street to over behind Wells Propane.

Supp has talked with the ambulance director, Lee Cabiniss. The April schedule for the ambulance is totally filled with the exception of two shifts. Two people that were in the training program are now on site in Wells filling shifts. Cabiniss looked at the facility

and was going to give Supp a list of what he thought was needed. One thing is that there is only one bed at the ambulance barn.

Pengelly has hired two part-time people for the golf course who will start on April 3, 2017, one for the blue bin starting on April 5, 2017 and one for public works. Pengelly continued that his crew has been working at the park on the middle softball field and brought in more dirt to make it safer.

Justus reported that so far eleven bricks have been ordered.

Iveson stated there is a blood drive tomorrow at the LDS Church from 1:30 p.m. to 6 p.m. The City has two jobs posted for the pool for a cashier and a lifeguard that closes Friday. Supp added the cashier can be fifteen years old and the driver's license requirement has been waived

#### **CITIZENS TO ADDRESS THE COUNCIL**

There were none.

#### **ADJOURNMENT**

The meeting adjourned at 9 p.m.

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**LAYLA M. WALZ**, Mayor

ATTEST:

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**JOLENE M. SUPP**, City Manager/Clerk

