

**MINUTES OF WELLS CITY COUNCIL
MEETING OF APRIL 11, 2017**

CALL TO ORDER

Date: Tuesday, April 11, 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
Cindy Fuller, Vice-Mayor
Laura Moore-DelRio, Councilwoman
Tamrah Jackson, Councilwoman

Absent: Yvonne Stuart, Councilwoman

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

George McIntosh led the Pledge of Allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Fuller made a motion to approve special meeting minutes of March 21, 2017. Jackson seconded the motion and the motion passed unanimously. Jackson made a motion to approve meeting minutes of March 28, 2017. DelRio seconded the motion and the motion passed with Fuller abstaining.

CITIZENS TO ADDRESS THE COUNCIL

There were none.

DISCUSSION AND POSSIBLE ACTION TO APPROVE LEAK CREDIT FOR GEORGE & CARRIE MCINTOSH

Supp reminded everyone that meters are not read during the winter months to protect the meters from freezing. Supp stated 409,000 gallons went through the McIntosh's meter and the normal winter consumption is 24,000 gallons. McIntosh provided a map showing where the leak was. As soon as the leak was detected, McIntosh took steps to get it repaired. McIntosh stated Chris Dixon was at his residence when City employee Glen Shamblyn read the meter. Shamblyn contacted McIntosh after reading the meter to let him know there must be a leak because of the high usage. Dixon discovered that the leak was under the back patio as you could see where there had been settling. McIntosh didn't think much of it all winter because there was no water on the surface. Dixon started pulling up the concrete and found the leak. McIntosh said nine years ago, new pipe was put in and it was galvanized electrical pipe instead of galvanized water pipe. The contractor that performed the work is no longer in Wells. Walz stated she has no problem with issuing a leak credit. Jackson moved to approve a leak credit for George and Carrie McIntosh bringing the balance down to \$81.45 for the month of March 2017. Fuller seconded the motion and the motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION TO APPROVE JUDGE CALTON'S PANEL OF SUBSTITUTE MUNICIPAL JUDGES PURSUANT TO NRS 5.023

Calton stated the Elko County Commission received this same request for the Justice of the Peace. The statute allows this action in the event Calton is unable to perform her duties due to surgery, vacation, voluntarily recuses herself or is challenged. The panel listed are all current municipal court judges. There are also two senior judges in the county. Calton has done this before and thought with there being new council members, it needed to be done again. Fuller made a motion to approve Judge Calton's panel of substitute judges. DelRio seconded the motion and the motion passed unanimously.

REVIEW OF APPLICATION FOR ZONING AMENDMENT FROM OFFICE RESIDENTIAL TO R-2 RESIDENTIAL MEDIUM, LOT 23-24, BLOCK H, APN #002-546-012, MYLES NANCE. RELATED DISCUSSION AND ACTION TO APPROVE OR DENY ZONING AMENDMENT

Supp wanted to declare that she was one of the recipients on the mailing list for this activity and will remain neutral. Walz stated that Nance has sold his house and there was an issue with the appraisal because of the zoning. Supp stated it was rezoned in the last six months to Residential Office. Supp continued that even with the Residential Office zoning, it was not acceptable with this lender. Supp stated the courthouse is right beside this property and is a commercial use as is the property in the back. The adjacent property has already been zoned R2 and everything else is Residential Office. Supp said if the zoning is changed, it would match the lot beside it and all the property on the south side which is zoned R2. Walz stated its use has been R2 for as long as she could

remember. Fuller made a motion to approve the rezoning of Lot 23-24 to R2. Jackson seconded the motion and the motion passed unanimously.

JAMIE CALTON FROM THE WELLS JR. BASEBALL LEAGUE TO ADDRESS THE BOARD OF COUNCIL REGARDING THE LIGHTS THAT NEED TO BE REPLACED AT THE BASEBALL FIELD

Walz began that a message had been received that Jamie was not going to be able to attend the meeting. Michelle Peterson stated she was President of the Wells Jr. Baseball League and was at the meeting to address this issue. Peterson came forward stating that the City had been contacted the last couple of years to replace the lights at the City Park that were not working on the Little League field, which is the field by the old swimming pool. Both years the City stated it was not in the budget and this year got the same response. Peterson stated a lot of the parents are upset about it.

Kevin Smith and Jimmy Weeks went to the field and determined that there were twenty bulbs burned out. Replacements were ordered and Western Line Builders is going to pay to replace the bulbs. Walz stated from the City standpoint, Wells Rural Electric had been approached about upgrading those lights and came back with a price tag of \$50,000. Peterson had heard it was \$30,000 and informed WREC that LED lights were not needed. Walz added that Supp had approached Western Line Builders and asked them if they could help donate to the cause. Walz continued that different grant options have been looked at as well as funding and there were no rebates, no grants and no way to fund an upgrade to those light fixtures. Peterson stated a grant is available through the MLB.

Supp stated infield mix was ordered for the ball fields and the mix was put on the Little League Field and the softball field. Last year metal was put on all the dugout roofs. Supp continued that an upgrade to the lights is inevitable. Walz added there wasn't an existing retrofit and the bulb could not be replaced, the entire fixture had to be replaced. Pat Calton thought the ball fields are being ignored and have been for years. Supp and Walz disagreed. Calton stated the City is doing more than they used to. Walz stated she gets compliments from people coming to Wells about the nice ballfields. Peterson added that she felt Pengelly and his crew have really stepped up this year on the fields. The upper part of the cook shack at the Little League field has never been accessible but is this year.

Peterson added that she thought it was time for the City to tell the school to build their own softball field. Peterson stated there are twelve teams and the kids should be able to use the field. Peterson met with the school board and was told the first thing to be done is the City needs to state they need to take their property back, then contact needs to be made at the school. The school needs to tell the City "no" at the local level then Admin needs to be contacted. Peterson stated it is not fair to the high school girls to have to play on the Babe Ruth field. The girls have every right to play on a high school softball field like everyone else in the State of Nevada. Walz will contact Principal McAnany and move forward from there.

DISCUSSION AND POSSIBLE ACTION TO DETERMINE COURSE OF ACTION FOR EMPLOYEE HEALTH INSURANCE TO INCLUDE PLAN(S), DEPENDENT OPTION AND AMOUNT TO BE PAID PER EMPLOYEE BY THE CITY OF WELLS

Walz began that the City of Wells and all municipalities in the State of Nevada are required to offer insurance to retirees per the NRS Statutes. This year, the provider has informed the City they will no longer offer retiree insurance and costs have gone up significantly. Supp stated there are two health insurance companies in the state that are willing to cover the full time employees of the City of Wells. Prominence is one and Sierra Health and Life is the other. Neither will comply with state law and offer retirees insurance. The current policy increases range from 26% to 43% with an HMO policy being a possibility. Supp asked Nate from LP to work up a policy with a health savings account. The City could put money in the HSA in a lump sum the beginning of the year or it could be done monthly or quarterly. The employee would own the HSA but only the amount that has been put in. Nate added that the company that offers the HSA is the one company that he has the most administrative issues with paying claims and the Elko ER will not accept this insurance as payment. The ER doctors would be billing patients back for the amount written off or not paid. LP Insurance is still looking for a plan that makes better sense for the employees as well as something the City can afford. Supp does not think a policy will be found that covers the retirees. The League of Cities use to offer a group policy that all of the small entities participated in. That was deemed illegal with the Affordable Care Act and had to be dissolved.

Wes Henderson with the League of Cities is lobbying to change the law regarding retirees this legislative session. Supp stated the risk is the retiree could challenge the City. There are three retirees and a spouse on the current plan. Two of those retirees are eligible for Medicare and could have a very good supplemental policy along with Medicare with what they currently pay the City. The current policy expires June 30th.

DISCUSSION AND POSSIBLE ACTION TO APPROVE OR DENY COMMUNITY CENTER TO MOVE FORWARD WITH THE USDA LOAN

Walz had asked Supp to put this on the agenda because of recent discussion. It was not clear as to what the Council wanted to do moving forward with what is currently the clubhouse and the previous plan to turn it into a community center. Walz stated there is definitely a need for a community center which is how the clubhouse is being used. The Booster Club has sold 110 tickets for the crab/tri tip feed that will be held at the clubhouse. The roof is leaking and the floor in the bathroom is sagging. Something needs to be done with that building but it cannot be funded without making it into a community center. Walz stated that initially when the discussion was just replacing the bathrooms, the cost was \$100,000.

Supp added that Stuart was in her office before leaving town and suggested moving the top storage room to between the men's and women's bathrooms so the area listed as the locker room would go to a storage room and leave off the pro shop office and extra square footage, change the elevated area and current bathrooms and use that area for a pro shop. Supp liked the idea of building the pro shop and leaving the main assembly area clearly a community center, not part pro shop part assembly area. Walz stated the way the plan was drawn up originally was because of where the load bearing beams were located. Stuart also liked the front pergola indoor/outdoor area on the front. Walz thinks the pro shop needs to be separate. The proposed changes would take the occupancy from 60 to 124 occupants. The USDA loan is 3 ½ % interest. Walz stated she is not prepared to make any floor plan changes but would like to determine if the City wants to move forward with the community center and apply for funding. The kitchen equipment could be covered under a grant as a community center. This could become a year round facility.

Peterson thinks the City needs something with all the fundraisers that are held that have to be planned when the golf course is open from April through October. There would be so many more things that could be done. Don Hall mentioned that the current facility is not handicap accessible and is the biggest concern he sees. Hall continued that if the pro shop is put in the elevated area, it still needs to be handicap accessible. Concerns were brought up about how long a remodel would last and would it be better to build a new building and demolish the old building. Supp thinks the cost of a new building would be a lot more than remodeling the current building. Supp stated the existing building has had three different remodels already. Supp stated the design for the remodel has been prepared by a structural engineer and would double the occupancy from sixty to one hundred twenty four, bring the electrical up to code and remove the shake shingle roof, add insulation and replace the roof.

Walz stated it sounds like the consensus is that a community center is needed but would like to know the price of a new one before remodeling the old one. Supp stated the cost of a new building has never been calculated but for the remodel with the current floor plan is \$500,000. Hall asked about making the old Ranch House into a community center. Supp said that was what she was hoping for a long time but thinks the Ranch House is compromised and deteriorated but could be the site for a community center.

Supp thought if a recreation center could be built out of a metal building, it could save a lot of money in terms of total cost. Walz referred to the Indian Colony having a metal building that is available to rent for events. Walz stated she felt there were two different needs. Fuller stated there is definitely a need for something and is curious to see the price of a new building. DelRio also thinks there is a need but thinks it is two separate concepts. Fuller thought a rec center would be better suited by the swimming pool or by the park. DelRio added it should be accessible for kids to be able to walk to. Melissa Hall thought to get more use at the pool, if the rec center were next to the pool, it could be used by those who didn't want to swim or they could go back and forth between the two. Walz added that the clubhouse has been used as a community center for so long that the

building has been over taxed and something needs to be done before the building is lost. Don Hall thought more seating could be added by getting rid of some of the storage area.

Supp stated that Michael Pace had approached her regarding the City purchasing coin operated batting cages. Supp thinks it is a great idea if people will use them. Coin operated batting cages cost between three and seven thousand dollars, depending on how many accessories are added. That price includes the tunnels and covers and is very affordable. Jackson liked the idea. Supp thought a good location would be by the pool. Pengelly thought they should be put inside because they would be kept out of the weather, it would be less maintenance, could be utilized year around and could be put in a metal building. Noise was also brought up as a concern. Supp stated there are recreation grants available but will have to get more information. Supp mentioned that on April 26, 2017 will be a recreation meeting at 7 p.m. hosted by Better City for anyone interested in serving on a rec board. DelRio made a motion to move forward with the USDA loan and look at the cost of new construction and compare the two. Jackson seconded the motion and the motion passed unanimously.

CONTINUED DISCUSSION AND ACTION TO ADOPT FISCAL YEAR 2017-2018 TENTATIVE BUDGET

Supp began that the recreation fund ending balance is \$127,000 which is 23% of the 2018 expenditures. This is better than what the City has had in the last few years and is due to the transfer from the general fund to the recreation fund. Supp continued that the general fund budget is in pretty good shape. Consolidated tax, which is 70% of the general fund, is up slightly. Capital outlay in recreation has been budgeted to be \$120,000. The general fund has \$348,500 in capital outlay which will cover the completion of the sidewalks on Wells Avenue, the new loader and streets. Supp stated at the second meeting in May, approval of the final budget will be needed to submit to the Department of Taxation by June 1st. Fuller made a motion to adopt fiscal year 2017-2018 tentative budget as outlined. Jackson seconded the motion and the motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION TO APPROVE CORRECTION ACTION PLAN FOR 2016 AUDIT VIOLATIONS AND SUBMIT TO THE DEPARTMENT OF TAXATION

Supp began that the court fund was overspent because the capital outlay was not included in the final budget. The sanitation fund was over \$50 and the capital improvement fund was over \$842. Fuller made a motion to approve the correction action plan for 2016 audit violations and submit to the Department of Taxation. DelRio seconded the motion and the motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION TO EXEMPT BUILDING PERMIT REQUIREMENTS ON ACCESSORY BUILDINGS AND HOOP HOUSES

Walz began that this was briefly discussed at the last meeting and exempting hoop houses is something Elko County has done. Under the International Building Code, a building permit is required to bring in a bully barn or anything larger than 10 x 12. If exempted, as long as there is no water, electricity or permanent foundation, this type of building would not require a building permit. This would only be for accessory buildings as defined in the code and would not pertain to a garage or shop. Pengelly asked if it would still have to comply with setbacks and property lines. Supp stated yes per the zoning code but some zoning codes allow accessory buildings to go right out to the property line. Pat Calton asked if a variance for the zoning code setbacks was still needed and was told yes. Jackson made a motion to exempt accessory buildings and hoop houses from the building permit requirements. Fuller seconded the motion and the motion passed unanimously.

PROCLAMATION DECLARING APRIL 29, 2017 “COMMUNITY SERVE DAY”

This is a nationwide movement and is an opportunity to help clean up the community and will be held in conjunction with free dump day. Supp stated Pace Coalition brought over a bunch of trash bags. DelRio asked if this would be something like what was held in the past called the trash-a-thon and thought different organizations could get involved. DelRio also mentioned that there are now Girl Scouts that could earn a badge by participating. Walz stated that WREC used to sponsor the trash-a-thon and the class that collected the most trash won a monetary prize that went into the class fund. Walz thought there might be some local businesses that would contribute. DelRio added that there was no track, softball or baseball scheduled for that day and might be a good day to get the different organizations out to participate. Lori Bottari brought up the “lazy daisy” award that the Chamber of Commerce used to give out. There was discussion as to how to incentivize this to get people involved and Supp will get posters out to advertise.

DISCUSSION ON UPGRADING COMMERCIAL CUSTOMERS TO SMART METERS AND MATTERS THEREOF

Walz began that there has been a lot of discussion about smart meters. Supp stated at a previous meeting, a citizen had suggested the City ask businesses to pay for their own smart meters. Supp had contacted some businesses and was surprised when several said they would be willing to pay for their own smart meter because it was a financial benefit. Supp doesn't know what the City would do with the businesses that don't want to buy a smart meter. Supp also wondered if businesses should receive an incentive or discount for paying for the meter in advance. Pengelly stated it takes two to three days to read commercial meters including re-reads and this would save manpower each month as well as catch leaks a lot faster. Beth Woodbury asked if there could be a payment plan for the meter and was told it might be possible.

Supp stated that every meter that is currently being purchased is a smart meter. Pace asked if a resident bought a smart meter, would the City install the meter and Pengelly replied yes. Pengelly stated with smart meters, the whole town could probably be read in

a half a day where now there are one or two guys spending a week reading meters. Supp thought it would take a year and a half in labor savings to pay for the software cost of \$15,496. Pengelly added that there would also be savings with all the water loss which this year alone was around a million gallons. Pengelly added that the City can't have some people have smart meters and others the old style meters, it has to be all or none. Pengelly continued that putting in new meters will save money from the start. The longer the old meters are installed, more water is being given away because the life span of a meter is ten years and these meters have been in since 1989. Walz asked if the City purchases the software and are purchasing smart meters now, would the City develop a plan to convert a certain number of residential meters a year. Pengelly stated that the City would want to get the commercial users converted to smart meters first. Pengelly added that all the meter pits being put in now are getting new smart meters put in. The smart meters have a ten year battery in them and then you replace the battery after ten years. Walz feels if businesses are willing to pay for the new smart meters and it will save in labor, the City should move in that direction.

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

Supp stated she has attended several meetings with the Department of Emergency Management as well as FEMA. The public side has received a declaration, FEMA has offered granting and offered to help with the granting and procurement process. Supp continued that there is still a major gap when it comes to private assistance. For the State of Nevada's population, including Clark County, there had to be five hundred and eighty two houses that were complete losses and that number was not met. The State of Nevada had to make an argument to FEMA for discretionary funding and that has not been acted on yet. Supp went to the County Commission meeting and was at the legislature today and this is in the hands of the feds. Supp urged everyone to get on the phone with our federal representatives to urge them to have FEMA make a decision. It has been more than sixty days since the flood and there are still no answers for the private residents that suffered loss. Caleb Cage from the Department of Emergency Management said it could take four months and Supp said that is not acceptable. Supp stated Wells, Nevada is lucky to only have four residents with loss, Elko has whole blocks that lost homes.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Jackson made a motion to approve the check register dated March 1, 2017 to March 31, 2017 in the amount of \$23,556.79. DelRio seconded the motion and the motion passed unanimously. Jackson made a motion to approve Warrant Register dated March 29, 2017 to April 11, 2017 in the amount of \$71,983.22. DelRio seconded the motion and the motion passed unanimously.

COUNCILMEN'S REPORTS

Minutes of Wells City Council
Meeting of April 11, 2017

Walz reported that the NNRDA Meeting for April has been cancelled.

STAFF REPORTS

Supp was in Carson City this morning testifying for AB417 which is the Main Street Program and it is looking pretty good with a lot of support across the state.

The decision for the CDBG Grant will be announced next Tuesday and Supp will be in Carson City for the decision.

April 26, 2017, Better City will be here for the recreation meeting at 7 p.m.

The Turkey Federation dinner will be this Saturday at the golf course and is a fundraiser for the Senior Citizen Center.

The Fire Department will have the Easter egg hunt Sunday at 1 p.m.

Pengelly reported that NAVCO has finished the sewer extension for the Hampton Inn. There is still a little bit of work needed in the ditch.

Iveson announced the blue bin is now open on Wednesdays from 11 a.m. to 2 p.m. and Thursday through Sunday from 10 a.m. to 2 p.m. Free dump days will be April 28-30.

CITIZENS TO ADDRESS THE COUNCIL

There were none

ADJOURNMENT

The meeting adjourned at 9:16 p.m.

LAYLA M. WALZ, Mayor

ATTEST:

JOLENE M. SUPP, City Manager/Clerk

