

**MINUTES OF WELLS CITY COUNCIL
MEETING OF MARCH 22, 2016**

CALL TO ORDER

Date: Tuesday, March 22, 2016
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, Councilwoman
Robert D. Stanhope, Councilman
Yvonne Stuart, Councilwoman

Absent: Kenny W. Huff, Vice-Mayor

Quorum: Yes

Staff Present: Tony Franco, Golf Course Superintendent
Sherry Justus, Deputy Clerk
Samantha Naveran, Administrative Services
Jason Pengelly, Public Works Director
Jolene M. Supp, City Manager/Clerk
Patti J. Zander, Deputy Clerk

PLEDGE OF ALLEGIANCE

Allen Hess led everyone in the Pledge of Allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Stanhope made a motion to approve meeting minutes of March 8, 2016. Fuller seconded the motion and the motion passed unanimously.

CITIZENS TO ADDRESS THE COUNCIL

There were none.

DISCUSSION AND POSSIBLE ACTION TO APPROVE RECREATION FUND CAPITALIZATION EXPENSE TO INCLUDE BATHROOM REMODEL AND MATTERS THEREOF

Supp stated everyone had a copy of the layout Palmer Engineering had prepared. Supp also had a larger drawing available. Steve Doudy, who is a golf professional from the Pilot Valley area and has given lessons at the Chimney Rock Golf Course was at the meeting. Supp and Doudy have had several conversations about the future of Chimney Rock Golf Course and different ways to improve the club house. Doudy suggested expanding the addition for a future pro shop so that the floor of the club house could be multi-purpose and expand the capacity. Supp took the plans back to Glen Palmer after Doudy made the comments about adding on for a pro shop, and Palmer's comment was that it would be more difficult to tie it in to the room line but it would be very easy to extend it out. Supp asked Franco to do some measuring to see how much room there was and Franco said there was about fifteen feet. This remodel would also make the golf course ADA accessible. Supp added this is the first draft.

Another issue is the roof at the club house has no insulation under the shake shingles or decking. Supp thinks the elevated area and steps need to be removed for safety reasons. Doudy offered his carpenter experience from a supervision assistant to oversee this project, at a fee. Supp stated this project would have to be done in phases as the budget allows. Supp thinks the roof and insulation would be the last part of the project. Supp was approached a few weeks ago as to if the club house would be better used as a community building rather than the expense of renovating the Ranch House. If the club house is made into a community building, it would be eligible for USDA funding at a low interest but would require a full architectural review and environmental assessment. Stanhope would like to have more specifics on the first phase and the cost. Fuller wanted to hear from some of the citizens in the audience about their concerns.

Don McDonald, Manager at the Chimney Rock Golf Course came forward and thought a committee needed to be appointed to go over the plans. McDonald thought that the restrooms, especially the ladies restroom, had to be top priority and should be the first item to be addressed. The consensus was to be able to keep the current restrooms available for this season and be able to have the new area all enclosed so it could be worked on during the fall and winter. Supp was also concerned making the club house a community building because McDonalds own inventory is not in a secure area and needs to be moved every time there is a function. Another item to be addressed is the alcohol and food areas. These areas are also not secured which makes the club house not able to be used as a community area. Supp inquired as to if the Board wanted to appoint a committee or how should the committee be established. Walz stated there is a golf association and members should serve as well as a City representative to make sure the budget is adhered to. Stuart would like to be on the committee.

Steve Doudy came forward stating he has spent a lot of time in Elko and Wendover. Doudy felt Wells needed to start progressing with what is to come in the future. Ideally

what is on the plan is a perfect situation and a pro shop could be incorporated with the bathrooms which would create more space for a community center. Doudy thought this project could be completed while the golf course is open. Come winter, the addition could be opened up and worked on throughout the winter. Doudy stated the liquor and restaurant area could be rearranged and the liquor could be locked up in cabinets. Doudy did suggest that there are golf pro architects available that could come up with a design for the club house. Supp asked Doudy if he would like to be a committee member and Doudy agreed. Stanhope asked McDonald if more than one event could be designated as a fund raiser for this project. McDonald thought it could be possible. Supp stated that if the Board were to assign a committee, the committee would be subject to the open meeting law, agendas, and minutes. If the golf association set up a committee of those interested, it would not be subject to the open meeting laws.

DISCUSSION AND POSSIBLE ACTION TO APPOINT ACCOUNTING FIRM EIDE BAILLY FOR FISCAL YEAR 2016 AUDIT

Supp began that NRS Statutes require the Board appoint an auditing firm for the fiscal year audit. Eide Bailly has traditionally done all of the accounting and auditing. Supp spoke with Teri Gage last week and Eide Bailly would like to be considered for the 2016 audit. Supp thinks it is good to have them for the audit but would like to suggest going out for proposals for next year. Stuart made a motion to appoint the accounting firm of Eide Bailly for the fiscal year 2016 audit. Stanhope seconded the motion and the motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION FOR RESIDENTIAL HOUSING INCENTIVES TO INCLUDE DEFERRAL OF UTILITY HOOKUP FEES AND BUILDING PERMIT FEES TO BE PAID AT THE TIME OF ISSUING THE CERTIFICATE OF OCCUPANCY

- **Single Family Residential**
- **Private development for owner living vs. larger scale multiple development from developer resale**
- **Multi-Family Development**
- **Promissory Note-Lien on Property Consideration**

Walz attended the housing summit and felt the City needs to decrease the risk for developers to get them into the community. Supp called City attorney Bob Goicoechea to ask if offering a deferral was possible and feasible. Goicoechea stated it was but suggested if any utility hookups were deferred, that it all be in writing and the property owner sign a statement stating they understand it is a deferral not a waiver. At the time a certificate of occupancy is given or a closing, the City would be reimbursed for these fees. This would be a deferment on future revenues.

Supp contacted Bailey Homes who purchased a lot from the City last fall to ask them if a deferment were offered, would that give them the incentive to start construction on that lot. The thought was this could motivate them to move forward. Justus prepared a handout showing the water installation fees and Supp stated for a single family house, the

amount being deferred would be \$5,150.00 until construction is completed and/or ready to sell the home. Supp wanted to know if the Board wanted to just cover single family housing or if a multi-unit apartment complex would be offered the same type of deferral. Supp offered an example of a seventy-two unit apartment complex. The current resolution says the cost for utilities would be \$5,150 times seventy-two units. There may be a master meter as opposed to seventy-two individual meters. Stanhope asked if this could be approached on a case by case basis and Supp said that it could. Walz also felt if it were going to be offered to one developer it should be offered to all. Fuller was in favor of giving incentives to get developers to come and build. Walz asked Supp if this fee could be added in to a home loan for a house currently being built. Supp said many times it is being rolled into the financing. Walz inquired if this also included the building permit. Supp said it was put on the agenda that way but for a single family home, the building permit is not that much.

Pengelly added that he thought incentives were great but only budgets \$10,000 a year which only allows for three water hookups and the 4th meter starts to eat into the budget. Pengelly suggested the sewer could be deferred instead of the water. Walz doesn't want the City to be in a position to purchase the meter and material and carry that cost for six months to a year. Pengelly thought if the sewer were deferred and the water was paid for, then the owner would have an investment in that property and less likely to abandon the development. Walz would like to send the message that the City is in full support of development. Walz added maybe the fees for single family homes could be waived and the City could carry the cost for six months but multi-family would be case by case. Supp suggested the connection cost, less the cost of the sewer saddle, meter and meter box be deferred. Stuart and Stanhope agreed with that. Bottari thought this was moving in the right direction. Bottari also thought it would be helpful if the City could work with Newmont and survey their employees at Long Canyon to see what was needed in the way of housing. Supp stated a survey has been set up on line through survey monkey asking those questions to the Newmont employees. Supp added that Pamela Smith has access to the survey which was something that was going to be included in the new employee orientation. Better City has also met with Newmont specifically to see if the City could get access to that information. This survey is not just for Newmont employees, it is available to anyone. Walz thought some of the infrastructure could be funded through a special improvement district as well as some bond options.

Supp and Walz had a conversation with Wilde Brough on the phone regarding a development being a three way deal involving the property owner, the utility provider and the builder. All three could come up with an agreement so that upon closing, all three parties could recover costs. The City should not profit but the property owner and builder have to profit.

In the Better City affordable housing, one section Supp has asked to upgrade and add to is an overlay in color or two colors showing all of the residential lots available. There is a lot of property within the City limits that has potential for development.

Supp would like to put together a draft with John Bailey that upon receipt of a set of plans, the cost of the meter and materials would be needed. This would be around \$1,000 having the deferral be \$4,150.00. Supp said this could be brought back as a resolution or policy change. Wilde Brough mentioned there could be a situation where land owners may want to partner which Supp thought would be great. Supp said if a land owner was wanting all the utilities put in on 200 acres, the City would not be able to do that. Fuller would like to see something on a larger scale so it doesn't have to come back to board every time for approval. Walz said this may be less of a risk to developers.

DISCUSSION AND ACTION TO ENTER INTO CONTRACT AGREEMENT WITH RANDY L. PRICE FOR THE WELLS MUNICIPAL AIRPORT MANUFACTURED HOME/AIRPORT CARETAKER

Supp began that Price came to talk with Supp this last week. Price is an Alaskan bush pilot, has a Cessna 210 and employed by Newmont. Price wanted to know if he would be allowed to park his Airstream trailer at the airport. Supp informed him that would not be allowed. Price expressed an interest to Supp to be the caretaker at the airport. Supp informed Price that the manufactured home at the airport was what the airport caretaker lived in at a cost of \$300 a month plus utilities and pet deposit. Price and Supp discussed what the responsibilities would be for the caretaker. Stanhope wanted to know the condition of the trailer. Supp informed the Board that she and Stuart went and looked at it today and it and the carpets need to be cleaned, holes in the walls patched and a couple of outlet covers replaced. Stuart made a motion to allow Randy L. Price to rent the manufactured home at the airport under a contract agreement. Stanhope seconded the motion and the motion passed unanimously.

UPDATE AND DISCUSSION ON BETTER CITY TELECONFERENCE FROM MARCH 17, 2016 AND MATTERS THEREOF

Supp began that every two weeks, a teleconference with Better City is held to be updated. Supp asked Better City for their opinion of the utility hook-up deferral. Better City did not recommend incentivizing in terms of give a ways unless it was necessary but did like it because it was not a give a way. Supp continued that two more sections are left on the economic plan. One is a regional traffic study as well as the tenant recruitment with letters of intent from some companies. Better City thought this was about six weeks out. There was also conversation about the next chapter of Better City. After these two sections are done, Better City will transition into working for the private sector. Better City wanted to make sure the Board was aware there would be a charge for what is called a "success fee" to the private entities for getting them here.

The geothermal activities were discussed. Supp attended the County Commissioners meeting last week and Rich Perry was in attendance. When Perry was in Elko, he was involved in the Elko heating district but is currently working in water resources in Carson City which includes geothermal. Supp talked to him after the meeting and informed him the City was moving forward with a geothermal study. Perry offered to come to Better City and the City of Wells to give a presentation about what he knew about geothermal in

this area, the opportunities available and offered any and all technical assistance he could give. Supp thought the City should take advantage of this and Better City agreed. Perry said he could check and get verifiable data but was sure with the depth of the Noble Energy well that was drilled that it was very hot. Kelby from Better City has recruited a company interested in looking at Wells should we find two hundred and thirty five degree water and be the quality and quantity needed. Supp stated that there are four specific sights put in for the environmental work for the potential drilling and geo probing. Those sights are the pivots at the sewer pond, the triangle beside the swimming pool parcel, the heavy industrial park and Reynolds Ranch.

Supp asked Kelby if he could put a number on the quantity of housing that the study suggested the City target to. Kelby felt that number was between thirty to fifty multi-family units. No time frame was discussed but over the next two years could be a possibility. There was no number for single family residential.

CONTINUED DISCUSSION OF THE 2017 BUDGET AND MATTERS THEREOF

Walz informed the Board that copies of the new budget were in the packets. Supp stated the capital improvement numbers have been put into the budget. Supp has Naveran comparing insurance, accounting, benefit and wage numbers. The City was informed that health insurance was increasing 30%. Supp has put a 10% increase in the budget for health insurance. The next meeting, the tentative budget will need to be approved. Supp would like the Board to look at the numbers in the budget very thoroughly to see what may have to be removed or reduced. There will be another five weeks before the public hearing will be held and the last week in May is when the final budget will need to be adopted.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Fuller made a motion to approve Warrant Register dated March 9, 2016 to March 22, 2016 in the amount of \$68,657.17. Stanhope seconded the motion and the motion passed unanimously.

COUNCILMEN'S REPORTS

Stanhope would like to request the Sheriff's Department be advised that there is still a dog problem in town. There is constant barking, whining, yelping dogs as well as loose dogs all over town. Stanhope has personal experience of this problem as he was walking down the street, was attacked from behind and bitten.

Stuart attended the sports expo in Salt Lake City to represent the City through Cowboy Country which is the designated area the Commission of Tourism has stated the City is in covering from Wendover to Winnemucca. Stuart also announced a Chamber of

Commerce meeting will be held on Thursday at the Overland at 12:00 noon. The commerce taxes will be discussed.

Walz mentioned that she and Supp will be heading to Carson City in the morning to present the CDBG grant proposals to the committee for the geothermal drilling and hydroponic feasibility study. Walz also said the Easter egg hunt will be at the park at 1 p.m. on Sunday.

STAFF REPORTS

Supp announced that the City received the grant for the gazebo at the Old West Park. It is a hexagon unit that is thirty-six feet wide. It will take six weeks to arrive. The plans will have a Nevada engineer stamp on them. The footings and foundation will be designed to meet local codes. Naveran has all of the grant files for this project ready. The AmeriCorp team will be here April 27, 2016 and will be here for just under a month.

Supp announced that Heather Iveson was not at the meeting tonight because she was in Las Vegas attending ICC Code training to get permit technician certified. Iveson will be able to receive building permits over the front counter. Supp needs to do some research but has heard neighboring cities have the ability to issue small permits administratively right over the counter to speed up the process.

The Fire Marshal's Office has approved the Golden Gate Petroleum construction. The City is waiting to receive the second set of plans then this project is ready to move forward.

The plans for the Hampton Inn have been reviewed. There were a few things that needed to be addressed. One of the things is the Hampton Inn is a four story building and the City has fifty-five pounds of water pressure on the ground floor. Calculations need to be done to make sure there is enough water pressure to meet the state standards on the fourth floor. A pressure pump may have to be installed so the fourth floor has adequate potable water. The fire department does not have a pumper truck so adequate fire protection and adequate fire pumps will be required on the building as well as some upgrades in the stair wells.

The USDA is offering a farmers market grant that is a nationwide grant. Supp stated she has a conflict of interest because her sister and daughter are interested in this and wondered if there is an opportunity for a farmers market in Wells, what was involved in the grant and if the City would want to participate.

Supp announced that the Senior Citizen's Director has given her two weeks' notice. Supp stated Naveran is very knowledgeable of the administration at the Senior Center. There is also staff that is not full time that would consider more hours so everything should be covered.

Pengelly informed the Board that WW Clyde is doing the job on I-80 and is giving the grindings from the job to the City. These grindings are being put on every dirt street possible. Pengelly also reported that at the Nevada Rural Water conference last week, information was gathered regarding remote read meters and there will be someone coming to meet with Pengelly and Supp regarding these meters. Tony Prado took his test to become a certified sewer operator.

Justus informed the Board that accounts receivable has been added to the Xpress Bill Pay and everything is going good.

Tony Franco reported that the ladies restroom at the golf course club house had a leak. There was daylight around the vents that Franco caulked. Franco has been replacing valves on the course. Supp did mention that Franco was not budgeted for the whole year in anticipation of a buyout.

CITIZENS TO ADDRESS THE COUNCIL

There were none.

ADJOURNMENT

The meeting was adjourned at 8:50 p.m.

LAYLA M. WALZ, Mayor

ATTEST:

JOLENE M. SUPP, City Manager/Clerk

