

**MINUTES OF WELLS CITY COUNCIL  
MEETING OF DECEMBER 13, 2016**

**CALL TO ORDER**

Date: Tuesday, December 13, 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  
Kenny W. Huff, Vice-Mayor  
Cindy Fuller, Councilwoman  
Robert D. Stanhope, Councilman  
Yvonne Stuart, Councilwoman

Absent: None

Quorum: Yes

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

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Vice-Mayor Huff.

**APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

Stuart made a motion to approve meeting minutes of November 22, 2016. Stanhope seconded the motion and the motion passed unanimously.

**CITIZENS TO ADDRESS THE COUNCIL**

Ryan Pritchett, Client Services Manager from Armstrong Consultants introduced himself and stated his company does design and planning for airports and looks forward to working with the City in the future.

## **NEWMONT TO ADDRESS BOARD OF COUNCIL REGARDING LONG CANYON UPDATES AND PHASE 2 OF LONG CANYON**

Pamela Smith from Newmont and Gordon Mountford, General Manager of the Long Canyon site were at the meeting to give an update. Mountford gave a little history on the development of Long Canyon and stated the first shipment of carbon went out ahead of schedule on November 1, 2016. Newmont is in the process of meeting with the Bureau of Land Management to get started on the permits for phase two. Phase two will most likely involve going from an open pit to underground. Smith stated Newmont is meeting with all City Councils and Tribe Councils in the area to get community feedback. One of the biggest challenges Newmont faces is the cost of getting power installed. Newmont will be holding a luncheon in March and will be giving tours starting in April through September of 2017.

## **PRESENTATION OF 2015-2016 AUDIT BY EIDE BAILLY AND ACTION TO ACCEPT FINANCIAL REPORT**

Teri Gage from Eide Bailly was at the meeting to present the audit for the City of Wells. Gage stated that the City had a clean opinion, the net position increased, total cash was up, capital assets were up from last year and the ending fund balance was also up. Gage commended the staff for doing a good job. Stanhope made a motion to accept the 2015-2016 financial report prepared by Eide Bailly. Huff seconded the motion and the motion passed unanimously.

## **SHERIFF PITTS TO GIVE MONTHLY REPORT ON WELLS AND MATTERS THEREOF**

Sheriff Pitts was not available.

## **ACTION TO DECLARE THE RESULTS FOR THE 2016 GENERAL ELECTION AND DECLARE ELECTED OFFICIALS**

Walz stated that there was a question as to if the election results needed to be declared due to the fact that the City of Wells did not have an election as there were three open seats and three candidates. The Secretary of State thought the process should still be completed. Stuart made a motion to accept the General Election report. Huff seconded the motion and the motion passed unanimously.

## **REVIEW AND ACTION TO APPROVE CDBG GRANT REQUEST FOR SUBMITTAL TO THE STATE OF NEVADA GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT CDBG PROGRAM FOR EL RANCHO STABILIZATION IN THE AMOUNT OF \$142,000, REVIEW OF GIFT DEED TO GIFT THE BUILDING TO THE CITY OF WELLS**

Supp began that this form is different than in the past, the process has been simplified and is paperless. Supp expressed that this is part of the Master Plan and has suggested the El

Rancho be the future business incubator. Supp has three different businesses that have shown an interest to do business in the City of Wells, if there is space available. One is a ranch that is USDA certified to sell beef products, a potential restaurateur and the third from the Elko County Growers Coalition to market their goods from April to November.

Another service Supp would like to use the building for would be to work with NNRDA in providing business counseling, teach the Next Level class which has been streamlined as well as mentor new and emerging business ideas. This would be a phased project and the first phase would only be stabilization. The State Historic Preservation has stated they could possibly help fund the first floor; maybe the second floor in the future. The gift deed was attached and the ownership of the building is intended to transfer to the City of Wells. The building could be subleased to a potential non-profit or could go to a management company, which may not be feasible because there are no local management companies. Supp added this will not be a short term project. The City's request to CDBG for the stabilization portion is \$142,000 but the engineers estimate for the entire project is just under a million dollars. This project could create fifteen jobs. Walz added that the City of Wells would not be eligible for the grant if it does not take the building, because a grant cannot be received for private property. The City can back out of this project if no funds have been received. If grant funds are received and not used for this project, the City will have to pay the grant back.

Walz realizes there is concern about the liability to the City but also thinks there is a lot of support to pursue this grant. Walz feels this fits with the strategic plan and mission statement and should move forward because the option is there. The City does not have to assume the building if it does not get the grant. Supp is meeting weekly through teleconferences and other avenues, brainstorming ideas on how to push this project through. Supp has been in touch with Nevada Preservation and the State Historic Preservation Office and it has been a huge benefit working with the State Historic Preservation Office. SHPO has been very helpful and suggested getting the stabilization in place and then go back to them for CCA money, Commission on Cultural Affairs. A teleconference is scheduled for next Wednesday called "What's the Skinny on Historic Tax Credits." Supp has talked extensively with the City's Building Inspector regarding phasing occupancy in the building and he is totally on board. Structural Engineer Glen Palmer is very passionate about the building and the Nevada Governor's Office of Economic Development is very supportive and recognizes how far the City has come since the 2008 earthquake.

Huff doesn't think there is anything to lose at this point if awarded the grant. Huff is still concerned if the City can't find anyone to come in and manage the building, the City will be stuck with it. Stanhope shares Huff's concern for phase two and three if no one is willing to step in and help or occupy the building. Stuart feels anything that is done in business is a risk and this is a step forward for the downtown redevelopment. Fuller added that one complaint she has heard is why was the City spending government money on a building that is privately owned. The gift deed will resolve that complaint but Fuller also thinks it is a risk. Supp stated one of the biggest problems with downtown is when

the sun goes down, it looks like there is no activity because it is dark and very few lights are on. Supp would like to get the lights on in the building to make the downtown look alive. Stanhope made a motion to approve the CDBG grant request for the El Rancho stabilization and accept the Gift Deed. Huff seconded the motion and the motion passed unanimously. Jason Pengelly inquired if the City gets the deed to the building and the grant doesn't go through, would the City sign the building back over to Kaplan. Supp stated the contract states the City can give the building back.

### **REVIEW AND ACTION TO APPROVE USDA GRANT REQUEST OF \$550,000 FOR A COMMUNITY CENTER LOAN**

Supp began that plans and pictures from Cherie at Palmer Engineering were made available to each Council member. The cemented area currently on the east side of the golf course is where the pergola top would go as shown in the first picture. In the Staples Golf assessment, Staples wanted more of a grand look to bring people off the freeway and be more attractive to the community. Supp continued that there was conversation at the last meeting regarding the placement of the bar and Supp stated the bar could be moved to the west side. Supp also provided a copy of the feasibility report as well as the budget that was submitted, using numbers out of Glen Palmer's report to put into the feasibility application. Supp added that this meeting was advertised to the public so it was known the Board would be making a decision as to whether to move forward with this project with a USDA loan. Huff thinks keeping the assembly area separate from the golf pro area is a good idea and may be more appealing to non-golfers. Stuart thinks a nice entrance gives a pleasant experience and makes you want to see the rest of the building. Supp said the City is grant eligible for the kitchen equipment but because the USDA is on a continuing resolution and waiting for the new President to take office, there are no grant funds available at this time. There would be a possibility for an equipment grant in the future. Supp informed the Board that the Wells Family Resource Center kitchen was funded through a USDA grant.

Walz wanted to know what the term of the loan was and Supp replied it could be as long as forty years, an interest rate of 3.125% with no early pay off penalty. Stanhope said this is a big step forward for Wells and it is better to have the Golf Course than to not have the Golf Course. Walz thinks it adds value to the Golf Course for those who don't golf.

Stuart informed the Board that through the Commission of Tourism there is grant money available to build walking trails around the Golf Course which would make it more attractive and enhance community participation for non-golfers. Huff made a motion to approve moving forward with the USDA loan for the Community Center. Stanhope seconded the motion and the motion passed unanimously.

### **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 16-10 RESOLUTION ESTABLISHING GOLF COURSE FEES AND MATTERS PROPERLY RELATING THERETO**

Supp stated there is an error in the agenda. The agenda says Resolution 16-10 but it should be Resolution 16-20 so no action can be taken but there can be discussion. Supp began that the only change in the resolution is that a five hole rate has been added at a cost of \$9.00 for adults and \$5.00 for juniors. Don McDonald, Chimney Rock Golf Course Director, asked if the couples pass could be changed so a couple does not have to be married to be able to purchase a couples pass. McDonald does not ask people if they are married. A situation came up this last season where two outstanding citizens that are new couples wanted to buy couple passes and were not happy that they could not get the couples pass because they were not married. Supp stated the way this could work would be to have those two names put on the passes. Fuller thought as long as the pass was tied to two specific names it should be allowed.

### **DISCUSSION AND POSSIBLE ACTION TO GRANT OR DENY PAYMENT PLAN AND ESTABLISH RELATED CONDITIONS FOR PURCHASING A SEASON PASS AT CHIMNEY ROCK GOLF COURSE**

Walz began that something that had been discussed previously was allowing golf course passes to be paid in payments like what is done at the swimming pool for memberships. Walz suggested that this is something that could be started now and by the time golf season starts, the pass could be paid for. Supp had some draft payment plans stating when payments would be due and the payment amounts for the different type of passes. It was discussed having payments due the first open for business day of the month but would have until the fifteenth to pay. Pengelly asked if this was something that could be set up through Xpress Bill Pay and Justus stated she would have to check into that. There was also discussion on charging a late fee if the payment is not made on time and the golfer would have to pay daily green fees until the second and third payments are paid. Justus also suggested if the City takes peoples credit card information to process the payment in house, a form be provided signed by the card holder giving the City authorization to draft the payment in the three installments. Supp stated staff will do some more work on this item and make the changes that were discussed.

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

Fuller made a motion to approve check register dated November 1, 2016 to November 30, 2016 in the amount of \$26,660.13. Stuart seconded the motion and the motion passed unanimously. Fuller again made a motion to approve Warrant Register dated November 23, 2016 to December 13, 2016 in the amount of \$75,288.45. Stuart seconded the motion and the motion passed unanimously.

### **COUNCILMEN'S REPORTS**

Fuller stated she had a citizen ask her why the City was not plowing roads when it snowed. Pengelly stated the City doesn't have the budget to plow every time it snows and streets will be plowed when there is six inches or more.

Huff reported that the Tree Festival was pretty successful and the Resource Center made just under \$5,000 and the Boys and Girls Club made about \$650.

Stanhope attended the Elko County Recreation Board Meeting earlier today. Stanhope learned that many years ago, Ladybird Johnson got a bill passed concerning cleaning up the highways, including regulations on billboards. That is one reason DOT is very strict on allowing billboards. Supp added that is the reason there are not billboards anywhere up and down the interstate. A billboard cannot be put anywhere visible from I- 80 except for in a commercial business zoning area. Stanhope said in the future, there will be less billboards and those that have been blank for more than a year will stay that way or be removed. Stanhope added that the Board is looking at changing the qualifications for reimbursement and the next meeting will be March 28, 2017.

Stuart began that Decadent Desserts raised \$199 and there were delicious desserts. The museum is planning a fundraiser January 21, 2017 and it will be “souper bowl” at the Wells Propane building with different kinds of soups being served. There will also be an auction as a fundraiser. An application for a liquor license will be submitted to serve beer and wine at this event.

Walz wanted to wish everyone a happy, safe Merry Christmas. Walz continued that a couple of years ago, there were vacancies on the City Council and people graciously stepped in offering to fill these vacancies for a couple of years. Tonight is their last council night and Walz had plaques to present to Denny Stanhope and Kenny Huff. Walz went on to say that Huff served for twelve years and has served on every non-profit board in town. Huff has served a total of sixteen years, serving out Van Duzer’s term as well as time on P & Z and stated it has been a privilege and a pleasure and wishes the best for Wells.

## **STAFF REPORTS**

Supp began that Rob Maxwell from NDOT will be here tomorrow to talk about the frontage roads and Supp will report on this at the next meeting.

Supp has had several visits from company’s interested in coming to town. The Microtel people will not be in until after the first of the year.

The geothermal two meter survey has been completed and there was some exciting news from this survey. There will be a teleconference tomorrow and the first layer of data will be put into the models.

The City Christmas Party is Thursday night at Luther’s with cocktails at 6 p.m. and dinner at 7 p.m.

Supp stated that Executech came out Saturday to update the server.

Supp wanted to remind everyone that the office will be closed on December 23<sup>rd</sup> and 26<sup>th</sup>.

Justus stated that direct deposit is one step closer and hopefully will be ready by the next pay period.

Iveson reported that the office will also be closed on January 2, 2017 for New Years. The blue bin is closed for the winter but will be open sometime after Christmas to dispose of trees and other Christmas garbage.

Pengelly reported that the landfill that has been used for earthquake clean-up is 99% capped and closed. The shed at the old pool has been torn down and the main building has been gutted to make one big room, a garage door has been installed and it will be the parks maintenance shop.

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

There were none.

#### **ADJOURNMENT**

The meeting was adjourned at 9:15 p.m.

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**LAYLA M. WALZ**, Mayor

ATTEST:

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

