MINUTES OF THE
FERNLEY CITY COUNCIL MEETING
JUNE 19, 2019

Mayor Edgington called the meeting to order at 5:00 pm at Fernley City Hall, 595 Silver Lace Blvd, Fernley, NV.

1. INTRODUCTORY ITEMS
1.1. Roll Call
Present: Mayor Roy Edgington, Councilman Ray Lacy, Councilman Dan McCassie, Councilman Stan Lau, Councilwoman Sue Seidl. City Manager Daphne Hooper, City Attorney Brandi Jenson, Deputy City Attorney Brent Kolvet, Public Works Director Dave Whalen, City Clerk Kim Swanson, City Treasurer Denise Lewis, Planning Assistant Olivia John, Deputy Public Works Director Barry Williams. Planning Director Tim Thompson
Absent: Councilwoman Fran McKay

1.2. Public Comment
Michael Kuberski, lives on Rainbow Lane requested that the City install speed bumps on this street. He stated cars speed through his neighborhood and he is worried someone will get hurt.

Reed Cousins with Resource Concepts stated his contract was on the Consent Agenda for renewal. He thanked the City for their continued business and stated he was available for questions.

1.3. Approval of the Agenda
Motion: MOVE TO APPROVE THE AGENDA AS SUBMITTED. Action: Approve,
Moved by Councilwoman Sue Seidl, Seconded by Councilman Stan Lau. Vote: Motion

6/19/2019
carried by unanimous roll call vote (summary: Yes = 4). Yes: Councilman Dan McCassie, Councilman Ray Lacy, Councilman Stan Lau, Councilwoman Sue Seidl. Absent: Councilwoman Fran McKay

2. CONSENT AGENDA:
2.1. (Possible Action) Approval of Voucher Report.
2.2. (Possible Action) Approval of Minutes from May 15 & June 5th
2.3. (Possible Action) Approval of Business Licenses
2.4. Possible Action to award a Contract for Professional Engineering Services for the Transportation Master Plan (TMP) Project, to Kimley-Horn and Associates, Inc. (Kimley-Horn), in an amount not to exceed $149,933.2.5.
2.5. Possible approval of a contract for Water Rights Services to Resource Concepts Inc. in an amount not to exceed $50,000.
2.6. Possible Action to purchase two (2) 1/2-ton, 4wd pickup trucks from Carson Dodge Chrysler Jeep for the City of Fernley Water Distribution Department in an amount not to exceed $60,552.
2.7. Possible Action to purchase three (3) 3/4-ton, 4wd pickup trucks from Jones West Ford & Utility bodies from Worthen Equipment for the City of Fernley's Waste Water Department in an amount not to exceed $114,079.
2.8. Possible action to authorize the transfer of budget appropriations between City functions in the general fund.
2.9. Possible Action to approve the renewal of the City's accounting and ERP software package with Caselle, Inc. The cost of the renewal for FY 2019-2020 is $34,700.
2.10. Possible Action to Approve Contract with Kenneth V. Ward for Public Defender Services not to Exceed $60,000.
2.11. Possible Action to Approve a joint funding agreement between the City of Fernley and the State of Nevada, Truckee Meadows Water Authority, Washoe County, the City of Reno, and the City of Sparks to pay for Nevada's share of costs for the administration of the Truckee River Operating Agreement.

Motion: MOVE TO APPROVE THE CONSENT AGENDA Moved by Councilman Stan Lau, Seconded by Councilman Ray Lacy.

Mayor Edgington clarified that Items 2.6 and 2.7 are for future purchases approved in the FY2019/20 budget. He stated due to the lead time they are being ordered now.

3. REPORTS This item is for various public entity representatives to provide general information to the Council and public. No action will be taken.

3.1. Reports by City Staff, City Council and the Mayor, including but not limited to monthly statistical reports by city departments.

Lt. Baltes reported the stats for the Sheriff’s Department for the month of May 2019. He stated there are a lot of traffic complaint calls already, adding it is going to be a busy summer. He reported staffing levels for Fernley are down by 20%. Lt. Baltes stated Lyon County Commissioners recently denied pay raises and money for increased staffing to reduce the number of vacancies in the department.

Mayor Edgington stated school is out so use discretion when driving. The 2019 Legislation Session is over.

4. PRESENTATIONS

4.1 Presentation by Kim Burgess with United States Census Bureau

Kim Burgess with the US Census Bureau presented facts regarding the upcoming Census. She stated On-line response will begin on March 12, 2020. She explained the Complete Count Committee and stated she needs volunteers for the committee. (See attached presentation).

4.2 Presentation by Capital Partners of the 2019 State of Nevada Legislature

Mendy Elliott with Capital Partners stated it was a very interesting 120-day session. She stated there were 1,293 Bill Draft Requests. Total bills introduced were 1117. The Assembly introduced 556 Bills, Senate introduced 561. 639 total bills passed and 636 were signed. The governor vetoed 3 Bills. She stated affordable housing was one of the
main topics of conversation for this session. Tax abatements, renewable energy were also hot discussion topics.

Nick Vander Pool with Capital Partners reported on SB48 which will authorize the Lyon County Commissioners if they choose to, vote for up to .5 increase on diesel fuel. He updated City Council on other bills including; SB287 Public Records Request, SB243 Geographical Prevailing Wage, SB245 Tort Action Increase and SB250 Water Dedication.

5. PROCLAMATIONS BY THE MAYOR

There were none.

6. PUBLIC HEARINGS

a. Discussion with City Council & Staff
b. Public Input
c. Additional Discussion with City Council & Staff
d. Council Action or Direction to Staff

A Zoning Map Amendment and Special Use Permit request from Ground Breaking Development, LLC, on a site approximately ± 5.0 acres, located at 2040 Farm District Road, Fernley, NV. (APN: 021-331-05)

A. Consideration and possible action to adopt Bill # 275 as an ordinance authorizing the City to enact a Zoning Map Amendment, ZMA 2019-001, to change the zoning from RR-3T (Rural Residential, 5-Acre Minimum Parcel Size with a Mobile Home Overlay) to E-2 (2nd Estates Residential, One-Half Acre).

B. Consideration and possible action on a Special Use Permit request to allow for a second permanent dwelling in the RR-3T (Rural Residential, 5-Acre Minimum Parcel Size with a Mobile Home Overlay) zoning district with a proposed zoning change to E-2 (2nd Estates Residential, One-Half Acre)
Assistant Planner John presented ZMA 2019-001 and the SUP 2019-002 associated with 2040 Farm District Road. She explained this is the second reading to adopt Bill 275 as an ordinance and approval of the SUP to allow for the second permanent dwelling on the lot.

6/19/2019
Mayor Edgington opened public input. There was none.

**Motion:** MOVE TO ADOPT BILL # 275 AS AN ORDINANCE AUTHORIZING THE CITY TO ENACT A ZONING MAP AMENDMENT, ZMA 2019-001, TO CHANGE THE ZONING FROM RR-3T (RURAL RESIDENTIAL, 5-ACRE MINIMUM PARCEL SIZE WITH A MOBILE HOME OVERLAY) TO E-2 (2ND ESTATES RESIDENTIAL, ONE-HALF ACRE) BASED ON FINDINGS A THROUGH E AND THE FACTS SUPPORTING THESE FINDINGS AS SET FORTH IN THE STAFF REPORT. **Moved by** Councilman Stan Lau, **Seconded by** Councilman Ray Lacy. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 4). **Yes:** Councilman Dan McCassie, Councilman Ray Lacy, Councilman Stan Lau, Councilwoman Sue Seidl. **Absent:** Councilwoman Fran McKay.

**Motion:** MOVE TO APPROVE THE SPECIAL USE PERMIT REQUEST, ASSOCIATED WITH SUP 2019-002 TO ALLOW FOR A SECOND PERMANENT DWELLING, ADOPTING FINDINGS A THROUGH G AND THE FACTS SUPPORTING THESE FINDINGS AS SET FORTH IN THE STAFF REPORT AND SUBJECT TO THE CONDITIONS OF APPROVAL 1 THROUGH 9, **Action:** Approve, **Moved by** Councilman Stan Lau, **Seconded by** Councilman Ray Lacy. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 4). **Yes:** Councilman Dan McCassie, Councilman Ray Lacy, Councilman Stan Lau, Councilwoman Sue Seidl. **Absent:** Councilwoman Fran McKay.

6.2. Discussion and Possible Action to adopt Bill 276 an ordinance allowing the City Manager to condition first amendment presentations with reasonable time, place and manner restrictions

City Attorney Jensen was available for questions.

Mayor Edgington opened public input. There was none.

**Motion:** MOVE TO ADOPT BILL 276, AN ORDINANCE ALLOWING THE CITY MANAGER TO CONDITION FIRST AMENDMENT PRESENTATIONS WITH REASONABLE TIME, PLACE, AND MANNER RESTRICTIONS. **Action:** Approved. **Moved by** Councilman Stan Lau, **Seconded by** Councilman Ray Lacy. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 4). **Yes:** Councilman Dan McCassie,
Councilman Ray Lacy, Councilman Stan Lau, Councilwoman Sue Seidl. **Absent:** Councilwoman Fran McKay.

7. STAFF REPORTS

7.1. **Direction and Possible Action to approve a contract for professional services for the Community Center Design, Public Outreach, and Traffic Study to TSK, in an amount not to exceed $80,000.**

City Manager Hooper explained stated the City received $80,000 through CDBG Funds for the design of the Community Center. She explained this was put out to as a Request for Proposal and staff recommends the selection of TSK.

**Motion:** I MOVE TO APPROVE THE CONTRACT FOR PROFESSIONAL SERVICES FOR THE COMMUNITY CENTER DESIGN, PUBLIC OUTREACH, AND TRAFFIC STUDY TO TSK, IN AN AMOUNT NOT TO EXCEED $80,000. **Action:** Approved. **Moved by** Councilman Stan Lau. **Seconded by** Councilwoman Sue Seidl, **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 4). **Yes:** Councilman Dan McCassie, Councilman Ray Lacy, Councilman Stan Lau, Councilwoman Sue Seidl. **Absent:** Councilwoman Fran McKay

Break 6:14 – 6:27

8. RESOLUTIONS

8.1. Discussion and possible action to approve Resolution #2019-008, establishing the City of Fernley Water and Sewer Reserve Fund Policy.

City Treasurer Lewis presented a power point presentation regarding the City of Fernley Water and Sewer Reserve Fund Policy. (See attached PowerPoint)

**Motion:** MOVE TO APPROVE RESOLUTION #2019-008, WHICH ESTABLISHES THE CITY OF FERNLEY WATER AND SEWER RESERVE FUND POLICY. **Action:** Approved. **Moved by** Councilman Stan Lau. **Seconded by** Councilman Ray Lacy. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 4). **Yes:** Councilman Dan McCassie, Councilman Ray Lacy, Councilman Stan Lau, Councilwoman Sue Seidl. **Absent:** Councilwoman Fran McKay

6/19/2019
McCassie, Councilman Ray Lacy, Councilman Stan Lau, Councilwoman Sue Seidl. 
Absent: Councilwoman Fran McKay,

9. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS.
Councilwoman Seidl requested a future agenda item regarding Ordinance #1 that covens how councilmembers conduct themselves and to make general changes especially where the mayor sits one the dais.

Councilman McCassie requested a future agenda item regarding requirements for events in the City of Fernley.

Mayor Edgington requested a future agenda item regarding working with US Census Committee and providing assistance to them.

10. PUBLIC COMMENT
Tammy Dittman, Fernley resident, stated the trees need to be trimmed at Andy Way and Jenny’s Lane. She also stated there is funding available for government projects thru USDA.

ADJOURNMENT
There being no further business to come before it, the Fernley City Council meeting adjourned at 6:49 pm.

Approved by the Fernley City Council on July 03, 2019 by a vote of:

AYES: 5  NAYS: 0  ABSTENTIONS: 0  ABSENT: 0

ATTEST: City Clerk Kim Swanson

Mayor Roy Edgington

6/19/2019
The Road to 2020 and a Complete Count

Kim Burgess
Partnership Specialist
U.S. Census Bureau
Los Angeles Regional Census Center

Shape your future
START HERE
United States
Census 2020

History of the Census

- Mandated by Article 1, Section 2 of the U.S. Constitution
  - The Census has been taken every 10 years since 1790
  - Count includes the United States and its territories.

- Confidentiality
  - Data is protected under Title 13 and Title 26 of the U.S. Code
  - No information is released to any government agency or entity, including DMV, IRS, ICE, Welfare Agency, etc.

Why Does the 2020 Census Matter?

- Power
  - Political representation and redistricting

- Money
  - $675 billion in Federal Funding

- Nevada
  - Over $6.2 billion to the State of Nevada for FY16
  - (Based on 2010 Census)
Complete Count Committees

State, local and or tribal governments work together with partners in their communities to form CCCs to promote the 2020 Census to their constituents.

A volunteer committee made up of members from:
- Government
- Education
- Media
- Business
- Service Providers
- Community Organizations
- Faith-Based Organizations

Low Response Score (LRS)
### Key Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1, 2020</td>
<td>Data Collection: Non-respondent follow-up</td>
</tr>
<tr>
<td>August 19, 2020</td>
<td>Data Collection: Respondent follow-up</td>
</tr>
<tr>
<td>March 2020</td>
<td>Self-Response Mail</td>
</tr>
<tr>
<td>April 1, 2020</td>
<td>Census Day</td>
</tr>
<tr>
<td>April 2020</td>
<td>Early Non-Response Follow-up (EEN)</td>
</tr>
<tr>
<td>May 2020</td>
<td>Self-Response Reminder (SER)</td>
</tr>
<tr>
<td>December 31, 2020</td>
<td>Final Count Complete</td>
</tr>
</tbody>
</table>

### Resource Links

- **Website**
  [https://2020census.gov](https://2020census.gov)

- **Statistical Reports**

- **KOHM**

- **Recruiting**
  [https://2020census.gov/recruit/](https://2020census.gov/recruit/)
  1-888-658-3534

### Thank You

Kim Burgess
Partnership Specialist Nevada
kimberlyum@nevada2020census.gov
775.901.9563
THE RESERVE PLAN

The RESERVE PLAN being proposed is all about savings for the enterprise funds and planning for the future — something the City has never been in a position to do. Council made many difficult decisions at the end of 2016, which were in the best interest of the City and those actions are now producing benefits.

Reserve Funds being proposed for enterprise funds:

- Operating Reserve
- Capital Replacement Reserve
- Emergency Reserve
- Capacity reserve

Reserve Accounts Proposed

1. Operating Reserve
   The purpose of the Operating Reserve is to provide working capital to meet cash flow needs for normal operations and to support the operations, maintenance and administration of the utility. The reserve is also intended to reduce impact fees unforeseen events such as drought, loss of revenue, heavy rainfall, litigation and legislative actions. This reserve ensures that operations can continue should there be significant events that impact cash flows.

2. Capital Reserve
   The purpose of the Capital Reserve is to fund replacement of system capital assets and capital projects. It shall provide for timely major maintenance and repair of systems. It shall also provide for the replacement of other assets such as vehicles and equipment, which meet capital asset thresholds.

3. Capacity Reserve
   The purpose of a Capacity Reserve is to accumulate connection fees revenue, which are fees imposed upon development as a condition of connecting to the City's water or sewer system. These funds shall be used to fund new infrastructure projects, for system changes, for system expansion or for system improvements relating to overall system capacity and conveyance.

4. Emergency Reserve
   The purpose of an Emergency Reserve is to provide for recovery from natural disasters, such as earthquakes, floods and other catastrophic events as well as system failures, uninsured events, etc. and allow for timely repair of capital infrastructure. These reserves may also be used to pay expenses attributed to the planning and preparation for such events.
GOALS of 2016 Rate Study

Given the concerns of staff, there were three primary goals to be addressed by the rate study, which ultimately initiated approval of the rate increases that began on 1/1/17.

1. To keep the enterprise funds from becoming insolvent; and
2. To be able to continue operations; and
3. To begin saving for capital replacement

IT HAS BEEN 2.5 YEARS

What are the results and what have we found?

1. The City is now covering enterprise operating costs, when before it was not.
In the past, results showed operating losses. Now, results show operating income.

IT HAS BEEN 2.5 YEARS

2. Customers as a whole have not cut back on water usage as assumed in the original study.

Residential usage has remained flat, even though more customers have been connected.
Average Water Usage/Gallons per customer

IT HAS BEEN 2.5 YEARS

3. The original study calculated rates based on the revenue requirement to cover all costs including preventative maintenance and system rehabilitation projects planned at the time over a 5-year period (2017-2021).

It did not provide for the catchup of asset replacement, but this reserve plan does.

Based on the Rate Study
Prepared by Hansford Economic Consulting

**Water**
- In 2016 $20M was needed for major water improvements during (2017-2021).
- In 2016, the City needed a savings of $15.4M and in 2021 a savings of $223M for capital replacement. In 2016, there was no money saved for capital replacement. The rate study didn’t include catchup for asset replacement.

**Sewer**
- The City has about $7M for capital reserves now. With this plan, in 2021, the City is projected to have $144.8M in capital reserve with a target of over $274M.

Additional Projects not in the rate study or the City’s 5-year Capital Impr. Plan

**Water**
- Add additional water storage as the City needs a new tank ASAP (currently the City has a tank that cannot be recharged because it cannot come offline) - $2.5M
- Add an isolated section of the city that has only one main line to supply water, looped system needed ASAP. - $5-15M depending on variable

**Sewer**
- Upgrade the WWTP to process sewage through a mechanized system. - $30-40M
- Replace existing lines in ponds - $5-10M
- Replace aging wet wells and replace lift stations - $5-15M
IT HAS BEEN 2.5 YEARS

4. Raising rates was the right thing to do. The City is now covering its operating costs and cash balances are increasing. Given cash balances have been increasing and are projected to continue to increase, the City will have money to put in reserve.

However, the City still has a way to go to reach its targets as shown on pages 21 and 22.

Assumptions

Assumptions used for projecting cashflows:

- Enterprise funds include a 2.5% increase each year for operating expenses
- After 2021, they include a 3% increase each year in user fees
- They include a 3% increase each year for personnel costs
- The current capital projects plan was used
- No additional debt has been included
- Collections are typically less than 1%, so no adjustment was made
Reserve Target Recommendations

1. **Operating Reserve**: 9 months of budgeted expenses; best practice is 3 months or more.

2. **Capital Reserve**: 75% of Accumulated Depreciation for all assets; best practice and would accumulate once operating reserve targets are met. Mayor Edgington has requested an additional $2M in the sewer fund for future sewer projects.

3. **Emergency Reserve**: 5% of the book value of infrastructure; would accumulate once operating and capital reserve targets are met.

4. **Capacity Reserve**: All Connection fee revenues since 7/1/2017

5. **To fund as soon as possible**

Current Reserve Targets

<table>
<thead>
<tr>
<th>Reserve Type</th>
<th>Current Reserve Target (Target will change each fiscal year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utilities</td>
<td></td>
</tr>
<tr>
<td>Operating Reserve (net)</td>
<td>$5.0M</td>
</tr>
<tr>
<td>Capital Reserve (77% of value each year)</td>
<td>$4.3M</td>
</tr>
<tr>
<td>Emergency Reserve (5% of cap)</td>
<td>No Target, $2.2M</td>
</tr>
<tr>
<td>Capacity Reserve (5% of cap)</td>
<td>No Target, $1.1M</td>
</tr>
<tr>
<td>Total Water Reserve</td>
<td>$10.4M (current target)</td>
</tr>
<tr>
<td>Sewer Utilities</td>
<td></td>
</tr>
<tr>
<td>Operating Reserve (net)</td>
<td>$1.6M</td>
</tr>
<tr>
<td>Capital Reserve (77% of value each year)</td>
<td>$11.667M (555K each year)</td>
</tr>
<tr>
<td>Emergency Reserve (5% of cap)</td>
<td>No Target, $250K</td>
</tr>
<tr>
<td>Capacity Reserve (5% of cap)</td>
<td>No Target, $125K</td>
</tr>
<tr>
<td>Total Sewer Reserve</td>
<td>$15.5M (current target)</td>
</tr>
</tbody>
</table>

How Long will it take to reach targets?

Water Reserves

Sewer Reserves
Recap on How Targets are Calculated

1) Using budgeted expenses for operating reserves
2) Using total accumulated depreciation for capital reserves
3) Using actual revenues collected for capacity reserves
4) Using total infrastructure for emergency reserves

Budgeted 2020 Expenses

Water: $10,073,514 in budgeted expenses
9 months of operations expense = $7.6M

Sewer: $3,403,181 in budgeted expenses
9 months of operations expense = $2.6M

CAPITAL ASSETS

Water Assets (Unaudited as of 5/31/19) Total: $118.4M
Total Infrastructure: $106.7M x 5% = $5.3M
Total Improvements: $1.9M
Total Vehicles & Equipment: $1.2M
Construction in Progress: $1.6M

Total Accumulated Depreciation for all assets: $50M x 75% = $12.7M

Sewer Assets (Unaudited as of 5/31/19) Total: $44.3M
Total Infrastructure: $35M x 5% = $1.5M
Total Improvements: $1.6M
Total Vehicles & Equipment: $1.1M
Construction in Progress: $2.6M

Total Accumulated Depreciation for all assets: $15.5M x 75% = $11.6M x 50% = $16.6M

Connection/Capacity Fees

When a homeowner or a business wishes to connect to the City water system, a connection fee is assessed per the City's Municipal Code and then a permit is issued for construction. The connection fee is related to the hydraulic capacity of the water system. The connection charge represents the contribution share of the cost to expand existing facilities, or construct new water facilities. In other words, the amount of water we need to supply to our customers is directly related to the demand on the system. Customers who use a greater share on the water system should bear a greater share of the costs. An development occurs, population increases, and there is a larger demand for water. Connection fees are the only funding source we have to build new facilities that will ensure a continuing supply of potable water for our customers as well as adequate fire protection.

Water (as of 3/31/17)
- FY2018: $550,537
- FY2019: $555,002
Total Connection Fees: $1.1M

Sewer (as of 3/31/19)
- FY2018: $178,597
- FY2019: $466,072
Total Connection Fees: $44.3M
Input

The City Treasurer met with the Mayor and all 5 council members to discuss this Reserve Plan and the methodology.

Each of you were in agreement with the proposed Reserve Plan as it is written here.

Staff recommends moving forward with this plan and approval of the resolution as written. Staff also recommends continuing with annual increases until which time reserve targets are met since it is very important to move forward toward meeting those targets.