

February 24, 2016

City Council Members  
City of Fernley  
595 Silver Lace Blvd.  
Fernley, NV 89408

Dear City Council Members,

I am writing in response to the notification we received about the proposed business license fee restructure that is currently in a period of public comment. After reviewing the fee calculation, it appears that our business license fee could increase by more than 1,390% in a single year, depending on the definition of what is applicable gross receipts. We find an increase of this magnitude to be a hardship as it constitutes a large and permanent increase to our companies fixed overhead costs that will restrict our margins.

We don't feel that increases in taxes and fees such as this is good for business and for the creation of jobs in Fernley, especially at the rate of increase being purposed. Just because other cities in this state have done this, does not make it a good decision for the citizens of Fernley. Please consider the following points:

- this fee structure will create an extra administration burden for the City to manage and to audit. We would expect a large percentage of the revenues earned by the new fees to be exhausted in these efforts due to a higher noncompliance rate.
- a fee structure like this with unpredictable revenue would make the City's financial planning difficult.
- taxing a company's gross receipts adversely affects companies with lower margins and/or passes the increased cost on to the residents of Fernley.

We strongly feel that keeping a simple fee structure based upon the type of business and number of employees a company has is a better way to charge the fee since that is more stable and something that is easier to verify. Furthermore, increasing these fees needs to be something that is more gradual and so companies can plan and budget for the increase.

Our company employs approximately 50 Fernley residents and wants to continue to grow and be a valuable contributor to the Fernley community, as we have been for the past 21 years. Should an increase be warranted, we would want to see a detailed plan of how the fees would be distributed as our business is located in the area off of Newlands Dr. and we know you are aware of the poor road conditions and drainage issues in the area. Since many of the businesses in this area would be contributing greatly, we would want to see that those resources would help solve these issues. Please carefully consider all of our feedback as we feel it is in the best interest of both the residents and businesses of Fernley.



### PUBLIC COMMENT FORM PROPOSED BUSINESS LICENSE FEE RESTRUCTURE

City staff members are soliciting information from businesses regarding the proposed Business License Fee Restructure. The funds collected will be deposited to the City General Fund. In December 2015 the City Council set priorities for the coming year. The priorities include road improvement and maintenance, City parks improvement and maintenance, and funding plans. We are soliciting the information to prepare a "Business Impact Statement" pursuant to NRS 237.090. Attached is the Summary of the proposed restructuring of the City Business License Fee Schedule. The current fees are assessed based on the number of employees a business has. The new proposal figures commercial business license fees based on Gross Annual Receipts of the business as well as protocol for license exemption for qualified home-based Sole Proprietors. Interested parties are encouraged to provide written comments by completing this Public Comment Form and returning it to the City Clerk's office. Two (2) Public workshops will be held regarding the proposed business license fee restructure. They will be held at City Hall, Council Chambers located at 595 Silver Lace Blvd. Please attend either workshop on Monday, February 22, 2016 at 5:30 pm or Saturday, February 27<sup>th</sup>, 2016 at 10:00 am. Any and all comments, data, or arguments must be received by Saturday, February 27<sup>th</sup>, 2016 at 10:00 am to be considered for the Business Impact Statement.

Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?  
*None worth mentioning*
- 2) Describe the direct beneficial effects of the proposed rule on your business?  
*Better roads, more beautiful parks are a good thing*
- 3) Describe the indirect adverse effects of the proposed rule on your business?  
*N/A*
- 4) Describe the indirect beneficial effects of the proposed rule on your business?
- 5) Will there be a direct and significant economic burden upon your business or restrict the formation, operation or expansion of your business?  
*NO*

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email address: \_\_\_\_\_

IN RESPONSE to THE PROPOSED BUSINESS LICENSE FEE RETRACTURE

Our business is residential and commercial rentals.

I would first like to know what the expected increase in revenue to the city is. Is it going to be enough to make it worthwhile?

There is no benefit to our business, it is just an increase in our expense to operate.

It will, as time goes on, increase the rents to our tenants.

I believe that this proposal will make liars out of some property OWNERS. Rental management does deal with some cash which may or may not be recorded. This makes some people skew the income. The present way is per employee, which would allow a business to add or subtract people from or to staff as needed, and would not encourage them to skim funds and break the law.

If this increase is necessary why not use a percentage increase to get the number of dollars you expect to gain. Upon renewal of the business license an employer will adjust the number of employees and that will reflect in what the license fee would be. The city is contemplating this situation with the water and sewer I believe.

That brings me to another question? Lots of discussion at the council meeting about raising the water fee 3%. That amounts to \$3.00 per hundred per month. That is less than a pack of cigarettes or having your fingers manicured. No one wants to pay more for anything, but we all know that costs do go up and that has to be covered. Whether it be 3% or more or less it has to be worthwhile to do or don't do it.

Through 2015 it seems that the city bought a new vehicle every other month. The one that sticks out in my mind the most is, and I might be wrong, is a quad cab, long dump bed, for use with the retention ponds. I would bet that there are a number of pickups available in the city that could be used for that purpose, but maybe someone would have to manually unload it. That would be a small price to pay verses a dump bed, and another a new vehicle.

I would hope that the city does not take over the retention ponds as proposed. They were not planned for properly in the first place and I hope that they will be different as the developers start up again. The ones that are existing are a problem. The next ones, and there will be some, need to be done with some criteria in my opinion.

1. If the subdivision is piped with storm drains the pond needs to have enough side slope that a lawn tractor could mow the weeds without the danger of tipping. This makes it easier and quicker to maintain.
2. There needs to be an assessment in that subdivision to maintain that pond. Expecting a property owner to do that is not going to happen, as we have seen in the past. The assessment needs to be enough to support the expense the city will have to keep it clean and clear of everything that doesn't belong in it, and should have be an escalation clause that allows the city to increase the assessment as time goes on because of inflation if nothing else. This is a long time commitment for the city and a full time job for personnel. We need storm drains.
3. In doing this, these ponds need to be their own separate parcel that is deeded to the city. At some time in the future, when storm drains are developed, the city can sell these parcels to a builder. These, in my opinion, may or may not be large enough to call them a park. They are fenced and designed to contain water run off of the subdivision and nothing more. Some thought should be given for planning for storm drains as to their location in the subdivision.

Maybe last but not least.

Spending \$30,000+- to have someone analyze the city sewer and water system to tell us if we are financially stable with water and sewer is a waste of money. We had the annual auditors report tell us that we were not, that the income was not enough and the rates needed to be increased. I believe our treasurer (she is very efficient I believe and should be listened to) has told us the same thing. The city council should be listening. I to would like to see the assessment go away but that is some time off. Don't raise the assessment, raise the rates a %??.

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February 22, 2016

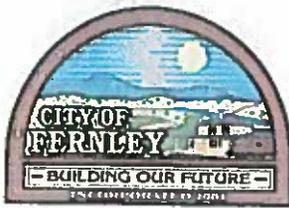
City Of Fernley  
595 Silver Lace Blvd.  
Fernley, NC 89408

RE: Proposed Business License fee Restructure

To whom it may concern,

The new business tax proposal would adversely affect our business. The hospitality business has an inordinate amount of overhead compared to most other businesses. Given the profit margins are slim to none we work tirelessly to govern all expenses. This new proposal would be a 300% increase in business tax expense.

Best regards,



## PUBLIC COMMENT FORM PROPOSED BUSINESS LICENSE FEE RESTRUCTURE

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Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?
- 2) Describe the direct beneficial effects of the proposed rule on your business?
- 3) Describe the indirect adverse effects of the proposed rule on your business?
- 4) Describe the indirect beneficial effects of the proposed rule on your business?

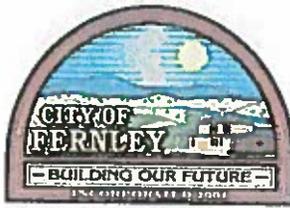
- 5) Will there be a direct and significant economic burden upon your business or restrict the formation, operation or expansion of your business?

*Yes. The cost of doing business in Fernley has cut into our profit margin considerably. Between water, garbage & more expensive EVERYTHING ITS HARD TO MAKE A LIVING ON OUR RETIREMENT INVESTMENT. THAT'S OUR LIVING*

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email address: \_\_\_\_\_



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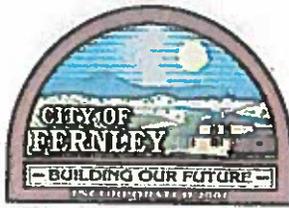
Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?  
*NONE*
- 2) Describe the direct beneficial effects of the proposed rule on your business?  
*PROVIDE MORE REVENUE TO THE CITY OF FERNLEY WHICH WILL ALLOW FOR BETTER SERVICES BY THE CITY INCLUDING ROAD REPAIR*
- 3) Describe the indirect adverse effects of the proposed rule on your business?  
*NONE*
- 4) Describe the indirect beneficial effects of the proposed rule on your business?  
*BETTER INFRASTRUCTURE*
- 5) Will there be a direct and significant economic burden upon your business or restrict the formation, operation or expansion of your business? *NO*

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email address: \_\_\_\_\_



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Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?
- 2) Describe the direct beneficial effects of the proposed rule on your business?
- 3) Describe the indirect adverse effects of the proposed rule on your business?
- 4) Describe the indirect beneficial effects of the proposed rule on your business?
- 5) Will there be a direct and significant economic burden upon your business or restrict the formation, operation or expansion of your business? *NO. MY BUSINESS IS SO SMALL, THERE WILL BE NO EFFECT TO MY COMPANY.  
THANK YOU,*

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: \_\_\_\_\_

Phone Number: + \_\_\_\_\_ Email address: \_\_\_\_\_



## North Lyon County Fire Protection District

195 East Main Street  
Fernley, Nevada 89408  
District Office (775) 575-3310 District Fax (775) 575-3314

Scott Huntley, Fire Chief

### MEMO

TO: City of Fernley Clerk's Office

FROM: Scott Huntley, Fire Chief

DATE: February 10, 2016

RE: Proposed Business License Fee Restructuring

I understand the City staff is soliciting comments regarding the proposed new business license restructuring. Based on past history my recommendation is that fees in most cases be part of inspections. To hold a City Business License businesses are to be in good standing and compliant with all City regulations and in good standing with other agencies regulations. Through our Fire Code Inspections we have found many businesses simple have remained compliant by sending in fees to the City of Fernley with out inspections. Inspections need to be preformed to ensure local businesses are compliant and the scope of the business is truly reflected. Additionally, the inspections plus fees should be based on the impact of the business. Some businesses, for example a residence, might have the same hazards as non-residential businesses. The frequency of the inspections should also be based on past violations, operational hazards, changes in ownership, and changes in scope.

I support the proposed fees and believe many businesses have gone under the City of Fernley's radar. The Fire District is leaning heavy on prevention to reduce the hazards in our community based on improper funding for staff. We have been very successful in making the community safer by being proactive with inspections. To truly have the system work correctly the City of Fernley needs to be an active player with all businesses. All businesses fitting the definition of a "Business" need to be charged some kind of fee and to ensure proper licensure they need to be inspected.

**TEAMWORK\*\*INTEGRITY\*\*SERVICE**



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Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?  
*By raising the proposed rate increase for speciality business (RV & Trailer Parks) this would put the small business owner out of business.*
- 2) Describe the direct beneficial effects of the proposed rule on your business?  
*there are none*
- 3) Describe the indirect adverse effects of the proposed rule on your business?  
*With the proposed speciality business license fee, we would have to raise rates, making some prices higher than Reno/Sparks so why*
- 4) Describe the indirect beneficial effects of the proposed rule on your business? *Stay in Fernley.*  
*None*
- 5) Will there be a direct and significant economic burden upon your business or restrict the formation, operation or expansion of your business? *Yes, we would not be able to ~~took~~ to cover overhead and stay in business.*

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email address: \_\_\_\_\_

## Kimberly Swanson

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**From:**  
**Sent:** Sunday, February 28, 2016 9:29 PM  
**To:** Kimberly Swanson  
**Subject:** Business license proposed increase

Kim,

Thank you good at taking the time to have a business informative meeting on the possibility of raising business licenses. As discussed at the meeting if that propose changes were to go into effect; RV park zoning and trailer park's would need to pay 10 times what the current business license fee is. For us with the new purposed fee, we would be posting \$1000 a year. Which would be have a devastating effect on us, to the point of closure. I think that alot of the mom and pop businesses would ne affected the same way.

Perhaps the fee schedule should be more of a sliding schedule figured on occupied/average sites for the current year.

I know that our business will not survive and would be forced to close/sale.

I am considered that the monies are going to the general fund, although at the discussion it was led to believe that it was for road improvements, i would like to see a little bit more defined avenues for the revenue.

With the projected increase of business license fees with the proposed fees for an RVP zoning our business would have to raise the rates which would put us neck and neck with the same rights as a parks in Reno/Sparks in Washoe County. This could deter the traveler from staying in Fernley, which would not only affect the license pay off things, but could reduce the income that the city of Fernley receives in transisit tax.

RV parks especially in northern nevada are considered seasonal, Fernley is not a destination point. So if apay was closed for the winter season, how would the business license work then. already pays alarge sum for Water & sewer, not to mention the Water treatment plant fee on our taxes.

I don't belive that a seasonal business should have a higher fee than a service oriented, production business; a business who makes a decent profit tear around.

My mind is racing on all of this and i hope these few comments make sense.

Please keep me informed on the upcoming meetings regarding the business license fee impact study and other agenda items for the City Council I appreciate your time and thank you once again



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Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?  
*INCREASED REVENUE EXPENSE*
- 2) Describe the direct beneficial effects of the proposed rule on your business?  
*NONE KNOWN AT THIS TIME*
- 3) Describe the indirect adverse effects of the proposed rule on your business?  
*GENERAL REVENUE LOSS RESULTING IN FEWER BUSINESS EXPANSION OPPORTUNITIES.*
- 4) Describe the indirect beneficial effects of the proposed rule on your business?  
*NONE KNOWN AT THIS TIME.*
- 5) Will there be a direct and significant economic burden upon your business or restrict the formation, operation or expansion of your business? *YES.*

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email address: \_\_\_\_\_

*SEE OTHER SIDE →*

I believe a gradual business license fee<sup>increase</sup> would better suit our economic recovery process. Imposing the suggested increases would directly effect all our local current businesses AND could hamper anyone considering starting a new business in Trenton.

Basing business license fees on other jurisdictions does not encourage business growth, and in these economic times we should be attempting to attract prospective businesses.