

**MINUTES OF THE
FERNLEY CITY COUNCIL
BUDGET MEETING
APRIL 13, 2017**

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, Councilwoman Sue Seidl, Councilwoman Shari Whalen, Councilman Stan Lau, Councilwoman Fran McKay, Councilman Dan McCassie, City Manager Daphne Hooper, City Attorney Brandi Jensen, Public Works Director Dave Whalen, City Treasurer Denise Lewis, City Clerk Kim Swanson, Senior Planner Tim Thompson, City Engineer Derek Starkey.

1.2. Public Comment

City Manager Hooper reported AB439, the Diesel tax bill passed out of committee. She stated the next stop is the Senate floor. She will keep the City Council updated.

1.3. Approval of the Agenda

Motion: MOVE TO APPROVE THE AGENDA AS SUBMITTED, **Action:** Approve, **Moved by** Councilwoman Sue Seidl, **Seconded by** Councilwoman Frank McKay. **Vote:** Motion passed (**summary:** Yes = 5). **Yes:** Councilwoman Fran McKay, Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau.

Councilwoman Whalen disclosed that she is married to Public Works Director Whalen. She stated she will vote on most of the matters before City Council. If there is a conflict

she will have the discussion on the record. If City Council considers the Position Control document separate votes will need to be taken.

Mayor Edgington also disclosed that he will gain no more or no less than anyone else. He stated he would not vote unless there is a tie.

2. Discussion And Possible Action Regarding Fiscal Year 2017/18 Proposed Budget Including But Not Limited To; All Funds Including The Water Enterprise Fund, Sewer Enterprise Fund And General Fund; The Capital Improvement Program; All Departments; The Budget Process: Timelines; The Existing Budget; Assessment; Staffing Levels Across All Departments, And Goals For The Next Year.

City Manager Hooper reviewed the changes that were made to the budget since Monday evening including, the increase to the Mayor's salary, \$1,000 was added to the Community Support line item which was requested for community workshops, City Manager's Office CTax line item was changed to Outside Counsel and reduced to \$2,000, and the Professional Services line item was increased to \$112,000 to cover the cost of previously approved contracts. She continued saying the 4% increase was added to the City's Attorney budget as required by her contract, the Contingency Fund in the Finance Department changed slightly but it is still at 3%, the request for reclassification in the City Clerk's Office was withdrawn. She continued by saying she wanted to leave business license revenue at \$230,000 for the upcoming Fiscal Year. She explained in the Department of Building and Public Safety, the revenue was reduced slightly. She stated the Position Control document was changed to include a building inspector II level position. City Manager Hooper explained there may be an opportunity for Lyon County to help with inspections and resources. She stated included in the budget is the inspector II position, a vehicle and the OBR Inspection System.

Mayor Edgington asked the City Council to consider purchasing the OBR System using emergency funds from this Fiscal Year. He stated this would help with basic inspections.

Motion: MOVE TO PURCHASE THE SOFTWARE THAT THE BUILDING DEPARTMENT REQUESTED FOR DOING REPORTS, THE FUND WILL BE TAKEN FROM THE CONTINGENCY FUND FROM THIS CURRENT YEAR'S BUDGET. **Moved** by Councilwoman Sue Seidl, **Seconded** by Councilwoman Fran McKay.

Amended Motion: MOVE TO PURCHASE THE SOFTWARE THAT THE BUILDING DEPARTMENT REQUESTED FOR DOING REPORTS, THE FUND WILL BE TAKEN FROM THE CONTINGENCY FUND FROM THIS CURRENT YEAR'S BUDGET OR OTHER SAVINGS AS IDENTIFIED. Moved by Councilwoman Sue Seidl, **Seconded by** Councilwoman Fran McKay.

Amended Motion: MOVE TO PURCHASE THE SOFTWARE THAT THE BUILDING DEPARTMENT REQUESTED FOR DOING REPORTS, THE FUND WILL BE TAKEN FROM THE CONTINGENCY FUND FROM THIS CURRENT YEAR'S BUDGET OR OTHER SAVINGS AS IDENTIFIED. INCLUDING ANY EQUIPMENT NEEDED TO MAKE THE SOFTWARE USEABLE WHEN IN THE FIELD, THE DOLLAR AMOUNT TO BE CAPPED AT \$6,000. Moved by Councilwoman Sue Seidl, **Seconded by** Councilwoman Fran McKay.

Vote: Motion passed (summary: Yes = 5). **Yes:** Councilwoman Fran McKay, Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. **Action:** Approve.

Councilwoman Whalen stated she was concerned that code enforcement is not being addressed. She expressed it is a priority for City Council to have dedicated Code Enforcement staff. She was not comfortable with an administrative employee being in the field doing inspections.

Code Enforcement was discussed. There was a consensus among City Council regarding enforcing code enforcement issues within the City.

Motion: MOVE TO CONTINUE TO FUND THE BUILDING INSPECTOR I/II POSITION IN THE EXISTING POSITION CONTROL WITH PRIORITY TO ADDRESS CODE ENFORCEMENT COMPLAINTS INCLUDING IF APPROPRIATE A HALF TIME DEDICATION TO CODE ENFORCEMENT WITH AS MUCH FLEXIBILITY TO THE BUILDING DEPARTMENT AS POSSIBLE. THIS ALSO INCLUDES A MEASURABLE CODE ENFORCEMENT GOAL IN THE BUILDING COST CENTER THAT COULD INCLUDE EITHER, AND/OR TIME TO RESPOND OR THE NUMBER OF CASES

UNANSWERED THAT ARE INITIATED IN THE NEXT FISCAL YEAR. **Moved by** Councilwoman Shari Whalen, **Seconded by** Councilwoman Sue Seidl.

Councilwoman McKay stated she could not support the motion. It should be kept as an unfunded position until City Council gets results from the computer program. It may free up some time.

Vote: Motion passed (summary: Yes = 4, No= 1). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. **No:** Councilwoman Fran McKay **Action:** Approve.

City Manager Hooper stated the Planning Department staff was able to incorporate the additional \$25,000 for the Master Plan. In the Engineering Department, the tracking for Capital Projects as a Measurable Goal was added to the document. In the Parks Department, the City Council voted to increase the General Finds line item to \$110,000. She stated staff was able to use RCT Funding that is specifically meant for park improvements. She stated the general supplies line item was left at \$50,000. The projects are identified in the RCT Fund totaling \$60,000.

Councilwoman Whalen expressed concern regarding cutting the RCT Line Item. She wanted to see money set aside to improve the parks in coordination with the Parks Master Plan. Public Works Director Whalen outlined projects that have recently been completed in the parks including the batting cages, inside of the concession stand was remodeled, and security cameras were installed. City Manager Hooper explained she did not have Council approval to use RCT Funds but they had to address the Ending Fund Balance in a way that made sense. She stated if the Council would like to provide more funding for parks that could be accomplished.

Motion: MOVE TO INCREASE THE PARKS GENERAL SUPPLIES LINE ITEM TO \$67,000. **Moved by** Councilwoman Shari Whalen, **Seconded by** Councilwoman Sue Seidl. **Vote:** Motion passed (summary: Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl, Councilman Dan McCassie, Councilman Stan Lau, Councilwoman Fran McKay **Action:** Approve.

Break 6:24 – 6:31

WATER ENTERPRISE FUND

City Manager Hooper stated the information on surface water will be back to the City Council. She stated money needs to be budgeted for the planning and design. She stated \$100,000 has been added to the Cash Flow Statement as a Capital Project in the Water Enterprise Fund. She explained this money would come from in-lieu of fees that have been collected and specifically dedicated for the use of surface water. She stated the connection fees were reduced slightly. This reduction related to \$150,000 in the Water Fund and \$100,000 in the Wastewater Fund.

City Hooper explained the Storm Water Enterprise Fund stating that staff will bring the ordinance and fee proposal forward to the City Council. With that, \$60,000 was moved from the General Fund in the Streets Department back to the Storm Water Enterprise Fund.

Motion: MOVE TO INCLUDE THE \$100,000 IN THE WATER ENTERPRISE FUND FOR THE DESIGN OF THE WATER TREATMENT PLANT, ALSO THE CHANGE IN CONNECTION FEES FOR WATER DISTRIBUTION TO \$150,000 THE CHANGE IN THE WASTEWATER ENTERPRISE FUND CONNECTION FEES TO \$100,000 AN THE TRANSFER OF \$60,000 INTO THE STORM WATER ENTERPRISE FUND AS OUTLINED ON PAGE THREE OF THE APRIL 13TH MEMORANDUM FROM THE CITY MANAGER'S OFFICE. **Moved by** Councilwoman Shari Whalen, **Seconded by** Councilwoman Sue Seidl. **Vote:** Motion passed (**summary:** Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau, Councilwoman Fran McKay **Action:** Approve.

FACILITIES

Public Works Director Whalen presented the proposed budget for Facilities and explained the operating expenses are distributed across the General Fund and the two Enterprise Funds. The proposed budget includes a request to retain the seasonal worker to help

during the Vector Season. For Capital Improvements, he requested to carry over the \$100,000 from the General Fund that was allocated for the roof on the Depot. He also stated the sewer lateral and design and build are also included in Facilities Capital Improvements.

Motion: MOVED TO ACCEPT THE FACILITIES BUDGET AS PRESENTED FOR FY 17/18 **Moved by** Councilwoman Shari Whalen, **Seconded by** Councilman Stan Lau.

Vote: Motion passed (**summary:** Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay **Action:** Approve.

VECTOR CONTROL

Public Works Director Whalen presented the proposed budget for Vector Control. He explained due to the wettest year on record there will be more overtime than what is proposed in the budgeted.

Motion: MOVED TO ACCEPT THE VECTOR CONTROL BUDGET WITH AN INCREASE IN OVERTIME PAY LINE ITEM #130 FROM \$4,000 TO 9,000. **Moved by** Councilwoman Shari Whalen, **Seconded by** Councilman Stan Lau. **Vote:** Motion passed (**summary:** Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay **Action:** Approve.

CEMETERY

Public Works Director presented the proposed budget for the Cemetery. He explained the operating expenses are higher to the water rate increase. Director Whalen explained that a consultant was hired to perform ground penetrating radar to address issues that were inherited from the Lyon County. He explained there were some anomalies that were within the records and potentially within the ground. He stated it was money well spent.

Motion: MOVED TO APPROVE THE CEMETERY BUDGET FOR FY 17/18 AS PRESENTED. **Moved by** Councilwoman Shari Whalen. **Seconded by** Councilman Dan McCassie **Vote:** Motion passed (**summary:** Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay **Action:** Approve.

STREETS AND STORM DRAINS

Public Works Director Whalen presented the proposed budget for the Streets and Storm Drains Department. Director Whalen reviewed the functions of the Department. He requested to retain the two seasonal workers to assist with weed control and other duties. He explained the Capital Improvement purchase request equates to half of the Cottonwood Shop Security Gate which is approximately \$15,000. He proposed replacing two sanders with polyethylene ones so they will not rote.

Councilwoman Whalen inquired about the \$60,000 for the P&P Assessment. City Engineer Starkey explained as identified in the Pavement Management Plan inspections take place every three years. This is funding needed for those inspections. Councilwoman Whalen stated she was disappointed the City does not have the revenue to fix Cedar Street as part of the Sewer Project. She was also opposed to spending \$35,000 for a PE Report for Sage Drainage. She felt it would be more appropriate to look at Design Standard changes and the cost associated with that.

Councilman McCassie was opposed to removing the funding for Sage Drainage. He stated it was agreed on as a body to address repairs. Director Whalen stated the agenda report regarding the Sage Drainage is ready to be presented to City Council.

Councilwoman Whalen expressed concern over the fact that there were no road reconstructions on the Capital Improvement Plan. City Manager Hooper suggested using the road assessment to come up with a plan that the City can move forward with.

Motion: MOVED TO APPROVE THE STREETS AND STORM DRAINS BUDGET FOR FY 17/18 AS PRESENTED. **Moved by** Councilman Stan Lau. **Seconded by** Councilwoman Fran McKay.

Councilwoman Whalen pointed out that money could not be found in the General Fund to increase a line item in the Parks Budget by \$45,000 but nothing was said about an increase in the Street Budget by \$96,000. She was concerned the budget was balanced at the expense of the Parks Department every year.

Vote: Motion passed (summary: Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay **Action:** Approve.

CAPITAL IMPROVEMENTS

City Manager Hooper stated City Engineer was ready to make a presentation but each improvement has been identified as part of the General Fund Operating Budgets.

Motion: MOVED TO APPROVE THE CAPITAL IMPROVEMENTS BUDGET FOR FY 17/18 FOR THE GENERAL FUND AS PRESENTED. **Moved by** Councilman Stan Lau.

Seconded by Councilwoman Fran McKay. **Vote:** Motion passed (summary: Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay **Action:** Approve.

SPECIAL REVENUE FUNDS

City Manager Hooper explained the expenses for this fund include the Farm District Road Multi Use Path, a portion of the Hardie Lane Design & Construction and Fernley Depot Improvements.

Councilwoman Seidl inquired if City Council could get a report on the money in the Fund and how soon it needs to be spent. City Manager Hooper stated she would provide a report that will explain the costs. Councilwoman Seidl inquired if these funds could be used for the Water Treatment Plant Surface Water Project. City Manager Hooper stated she would research the requirements and report back to City Council.

Motion: MOVED TO APPROVE THE CAPITAL FUND. **Moved by** Councilwoman Sue Seidl. **Seconded by** Councilman Stan Lau.

Councilwoman Whalen inquired about matching funding for future grants to extend the Bike Path along Farm District. City Manager Hooper stated this fund may be a solution.

Vote: Motion passed (summary: Yes = 5). **Yes:** Councilwoman Shari Whalen, Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay **Action:** Approve.

RESIDENTIAL CONSTRUCTION TAX FUND

City Manager Hooper explained this is part of the General Fund that is used to account for the fees that are received. This year \$60,000 was moved into this fund for park improvements.

Motion: MOVED TO APPROVE THE RESIDENTIAL CONSTRUCTION TAX. **Moved by** Councilwoman Sue Seidl. **Seconded by** Councilman Stan Lau.

Councilwoman Whalen stated Residential Construction Tax is protected money. This is the only money the City has to implement the Parks Master Plan. She was disappointed that this money is being used to augment the general supplies line item in the budget.

Vote: Motion passed (summary: Yes = 4, No= 1). **Yes:** Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay. **No:** Councilwoman Shari Whalen. **Action:** Approve.

POSITION CONTROL

City Manager Hooper explained the adjustments and updates to the Position Control. She added also included is a 2% salary increase and a 15% increase for health insurance benefits pending union negotiations.

Councilwoman Whalen disclosed that she is married to public works director. She stated the Position Control includes the Public Works Director's salary and benefits. She felt it was easier for her to abstain from that specific line item in the budget. She requested a separate motion regarding the Public Works Director.

Motion: MOVED TO APPROVE THE POSITION CONTROL, WITH THE EXCEPTION OF THE PUBLIC WORKS DIRECTOR'S POSITION. **Moved by** Councilwoman Sue Seidl. **Seconded by** Councilman Stan Lau. **Vote:** Motion passed (**summary:** Yes = 5). **Yes:** Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay, Councilwoman Shari Whalen. **Action:** Approve.

Motion: MOVED TO APPROVE THE POSITION CONTROL FOR THE PUBLIC WORKS DIRECTOR. **Moved by** Councilwoman Sue Seidl. **Seconded by** Councilman Stan Lau **Vote:** Motion passed (**summary:** Yes = 4, Abstain = 1). **Yes:** Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay. **Abstain:** Councilwoman Shari Whalen. **Action:** Approve.

ORGANIZATIONAL CHART

City Manager Hooper explained the Organizational Chart reflects the changes made to the Position Control with a total of seven seasonal positions.

Motion: MOVED TO APPROVE THE ORGANIZATIONAL CHART WITH THE FOLLOWING CHANGES; UNDER THE CITY TREASURER THE ADMIN SPECIALIST II SHOULD BE CHANGED TO ACCOUNTING TECHNICIAN, UNDER THE BUILDING OFFICIAL, THE BUILDING INSPECTOR UNFUNDED WOULD BE CHANGED TO BUILDING INSPECTOR I/II, UNDER THE PARKS FOREMAN THE SEASONAL WORKERS PROPOSED WILL BE CHANGED TO SEASONAL WORKERS. **Moved by** Councilwoman Sue Seidl. **Seconded by** Councilwoman Shari Whalen **Vote:** Motion passed (**summary:** Yes = 5). **Yes:** Councilwoman Sue Seidl. Councilman Dan McCassie, Councilman Stan Lau. Councilwoman Fran McKay, Councilwoman Shari Whalen. **Action:** Approve.

City Manager Hooper explained the Budget will be submitted to Department of Taxation before Monday. She stated she would like to schedule another workshop after union negotiations to finalize discussions. She continued the budget would be finalized at the second regular Council Meeting in May.

Councilwoman Whalen stated there was some work that needed to be done between Tentative Budget and Final Budget specifically with long term planning and looking at revenue streams which were identified as a priority in the budget process. She also wanted a discussion as part of the final budget the process to have a grant sponsored by the City to replace the piece of art that was sold in the Art Park.

3. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS.

Councilman McCassie requested that next year's budget process be held during the day possibly during Spring Break.

4. PUBLIC COMMENT

There was none.

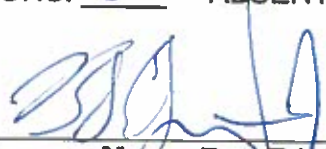
There being no further business to come before it, the Fernley City Council meeting adjourned at 8:17 pm.

Approved by the Fernley City Council on May 17, 2017 by a vote of:

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



ATTEST: City Clerk Kim Swanson



Mayor Roy Edgington