

CITY COUNCIL PRIORITIES

FY 2017 – 2018 PRIORITIES

City Council directed staff to pursue priorities of Asset Management and a Funding Plan with a focus on fees and alternative revenue generation tools (Special Assessment Districts, Redevelopment District, etc.) to support the FY 2017 – 2021 Strategic Plan for Water Enterprise, Sewer Enterprise, and General Funds.

ACCOMPLISHMENTS

REVENUE GENERATION TOOLS:

- **Water and Sewer Rates:** As of January 2017 (residential) and July 2017 (commercial), the City of Fernley implemented new increased water/sewer rates to manage costs and address aging infrastructure and deficiencies. The utility rates are used to provide services, maintain infrastructure, while preserving adequate cash reserve to handle any planned repairs or emergencies (per NRS 354). There will be an annual increase effective each July for at least three years. These rates will be reviewed for potential adjustments during the annual budget review.
- **Water Ancillary Fee:** Council adopted a resolution for the water ancillary fee (previously called the water bond debt fee). This fee will be collected as part of the Lyon County Property Tax Statement in an amount equal to the annual Water Enterprise Fund debt service payments (principal and interest). This amount will be reviewed annually for potential adjustment based on the revenue requirement for the upcoming fiscal year and based upon the number of meters in the system.
- **Business License Fees:** The City Council adopted Resolution 16-027 to modify the business license fee structure based on gross receipts for certain business classifications and established fees for specialty businesses. This new fee structure became effective January 1, 2017.

The comparison between 2016 and 2017 for business license revenue is provided below:

2016*	2017*	FY 2017/2018 (Budgeted)	FY 2017/2018 (Actual)
195,045.50	271,615.46	230,000	56,404.68 (24.5%) as of Sept.

*The revenue provided is for January thru September (not the entire year).

- **Building Permits and Development Services Fees:** The Building Permit and Development Services Fees were not updated since 2008. In September 2017, the City Council adopted a resolution to fix, impose, and collect service charges for various services primarily benefiting individuals or groups rather than the public at large, specifically building permits and development services. The purpose of the fees is to recover the cost of providing the services associated with planning application, land division, engineering, and building permit review. The recently adjusted fees are reasonable and are now consistent with the fees of other local jurisdictions.

- **Redevelopment District:** In June 2017, City Council adopted a resolution to examine, explore, and assess the feasibility of establishing a Redevelopment Area and a Redevelopment Agency, as laid out in NRS 279. Redevelopment and reuse are processes for taking previously developed property or areas to a higher, more productive use. The redevelopment process may provide benefits such as increased revenue streams from increased levels of economic activity, sales tax revenue, business license revenue, transient lodging tax revenue, and gaming revenue. It provides a long-term financing strategy to address long-term economic and social trends, and allows for the pursuit of new and transformative projects and initiatives.

- **Other Revenue:** Staff will continue to analyze revenue streams that need to be adjusted in the upcoming Fiscal Year, including, but not limited to:
 - Franchise Fees
 - Transient Lodging Tax Fees
 - Animal Licensing Fees

- **Strategic Plan:** The City of Fernley held several community workshops to develop the Strategic Plan. These workshops began in late 2015 and were completed in the summer of 2016. The final strategic plan was adopted by City Council on October 19, 2016 and covers a five-year period (2017 – 2021). The goals and objectives identified in this plan are the basis for many of the decisions made moving forward. Staff will review the plan annually and develop an action plan for the fiscal year ensuring the goals and objectives are addressed.
 - **Action Plan FY 2017-2018**

In coordination with the adopted Strategic Plan, the following action plan was implemented and tied to the goals and objectives outlined in the Annual Budget. Staff tracks items for progress throughout the year to ensure completion. An annual action plan will be completed with the goals and objectives established for FY 2018-2019.

- **Communications Plan:** A strategic communications plan was developed in coordination with the organizational strategic plan. This effort was in response to the challenges within the City of Fernley relating to growth and development and need for new or expanded service delivery. Part of the increased demand for public services in a growing insistence from area residents, property owners, and businesses that they be made aware of policy actions taken by the City and how those policy actions are implemented and administered by staff. (Accepted Sept 2017).
 - **Community Engagement Efforts**
 - Citizens Leadership Academy
 - Spooktacular
 - Annual Christmas Tree Lighting/Fernley Hometown Christmas
 - OpenGov transparency platform
 - Updated website
 - Coordination with local media
 - Social Media outreach
 - Arts and Culture Task Force

- **Water Resource Plan:** Staff will be working on developing a basic water resource plan during FY 2017/2018 focusing on limited resources in managing the water resource program. This plan will officially document and provide policy related to the City's ability to provide a sustainable water supply to its customers in periods of above and below average precipitation. The plan will begin during FY 2017/2018 and completed during FY 2018/2019. (See end of report for Water Rights).

- **Surface Water to WTP:** Funding will be allocated in the FY 2018/2019 budget development using in-lieu-of fees, which will be intended to expand the use of surface water within the City of Fernley. Diversification of the water supply to use surface water will assist in sustainability and will be carried out over several years.

- **Master Plan:** Staff appropriated \$100,000 in the FY 17/18 budget to update the master plan. This plan provides guidance on the location of different types of develop to protect public health, safety, and welfare. It includes several different elements as well as an action plan to address specific development and quality of life issues within the City.
- **Growth and Development:** The City of Fernley adopted Resolution 17-020 establishing policies related to new. How and where the City of Fernley chooses to grow has a direct impact on revenues and the City's ability to provide services to residents/customers. Providing for the timely, orderly, and efficient arrangements of adequate public facilities and infrastructure that support existing and planned land use patterns and densities will benefit the residents of Fernley by ensuring that any development will be fiscally sustainable. Focusing planning efforts on fiscally sustainable development will at the very least help to preserve and maintain the quality of life enjoyed throughout the City and may very well better some of the quality of life indicators.
- **Capital Improvement Committee:** The City Council directed staff to develop a Capital Improvement Committee as an important tool for planning, reviewing, and prioritizing capital improvements for the upcoming budget cycle and for the next five years. Because of the sizeable investments public improvements require, decisions on timing and priority carry much greater risk than decisions regarding operating expenditures. Identification, prioritization, and funding of the public improvements will be reviewed to understand the long-term impacts and needs of the City's assets.
- **Code Enforcement Task Force:** The Code Enforcement Task Force was established at the direction of City Council. The group will establish a code enforcement process to overcome capacity and monetary constraints and incorporate the positive aspects of code enforcement. The strategy will include a plan that clearly and consistently outlines long-term goals. Consistency throughout the plan will provide solid backing for code enforcement within the community. The goals and vision should be reflected in the code as well as an implementation plan.
- **Vueworks:** This year staff has input the installation dates of water, sewer, and storm drain underground pipe infrastructure into the geographic information system (GIS) database. This is a positive step in achieving the goal of utilizing the Vueworks asset management software to forecast future infrastructure replacement needs. Previously, the strategy was to track hours dedicated to tasks that were completed each day. This strategy did not improve the GIS data and led to frustration among departments completing the work orders. The strategy has been changed to focus on improving the GIS data relating to the age, type, and condition of pipes. To do this, information contained in existing record drawings and work orders is used to populate the program. Once the available information is exhausted, Engineering/GIS will work with Public Works to create practical work orders in Vueworks for items such as water main breaks and sewer main flushing and cleaning. Work orders once populated into the program will help track where and when tasks are performed, adding more information into the GIS infrastructure database. The data will begin to build a more refined database of information that can be used to select and budget for future repair and replacement projects.
- **Parks Master Plan:** The primary purpose of the parks master plan update is to ensure the City's fiscal resources are appropriately utilized and that parks, trails, and open spaces meet the needs of the community and enhance the quality of life for residents. This plan also provides recommendations for funding, a list of improvements for short and long-term implementation, and a high-level review and recommendations for operations and maintenance. (adopted Sept. 2017)

Staff has completed many upgrades and improvements to existing parks and open spaces. Below is a sample of the items addressed since July 2017:

- **Depot**
 - Purchased 8.5-acres adjoining the existing 1.2 acres of the depot property to the east and south for future site of Community Center.
 - Coordination with Lyon County, Fernley Community Foundation, Lyon County School District, Boys and Girls Club of Truckee Meadows, Lyon County Sheriff's Office, and Western Nevada College for the proposed Community Center. Negotiation of MOU for use of the land in cooperation with the county.

- **Out of Town Park**
 - Reseeded, placed compost, raised 20 sprinkler heads, and replaced 10 more sprinkler heads at the Babe Ruth and Softball fields.
 - Raised 11 sprinkler heads at the soccer field.
 - Improvement project at little league fields, including new concrete walkways and bases for bleachers.
 - New LED lights for lighting of new pathways between major and minor field.
 - Constructed new planter walls and flatwork.
 - Coordination with FHS students for steel artwork including deer and elk at soccer fields. Other decorative artwork done in steel have been included in the pergolas located within the landscaping.
 - New concrete flatwork around 10-acre softball field, including small retaining walls.

- **In Town Park**
 - Replaced sprinkler and repaired drip system
 - Raised four electrical boxes and water to elevation.
 - Concrete flatwork including walkways around concession and curbing along HIGHWAY row. Bleachers were placed on concrete.
 - Basket hoops installed, and stripping of courts complete.
 - New fencing

- **Other areas**
 - Millennium Park improvements along Silver Lace to prepare for future improvement. Remove weeds and placed fabric and decomposed granite.

- **Cemetery**
 - Planted four new trees at east end of cemetery.
 - Planted 10 rose shrubs.
 - Planted 3 yucca plans at south border of cemetery.
 - Planted 4 burning bush shrubs and mid strip at east side of cemetery.

GRANTS:

The City continues to look for funding opportunities through granting agencies. While we have recently closed out federal grants for Water Resources, we are researching opportunities for future projects, specifically infrastructure funding. This will be coordinated through our Capital Improvement Committee.

Current Open CDBG Grants – Total \$447,982

SBDC Business Counseling Grant – 2016

Purpose: The Nevada Small Business Development Center provides business counseling and training to low-income microenterprise owners throughout rural Nevada.

Grant Amount: \$87,075

Grant Agreement Period: July 1, 2016 – December 31, 2017

Fernley Depot Community Center Grant – Phase 1

Purpose: Planning, design, and environmental review for a sanitary sewer and potable water hook-up for the Fernley Depot.

Grant Amount: \$60,000

Grant Agreement Period: January 1, 2017 – December 31, 2017*

*This project will require an extension.

Fernley Depot Community Center Grant – Phase 2

Purpose: The purpose of this project is to dedicate funds for the construction of a sanitary sewer and potable water hook-up for the Fernley Depot and for the engineering and design of the separate amenity building.

Grant Amount: \$300,907

Grant Agreement Period: July 1, 2017 – December 31, 2018.

Proposed Future CDBG Grants (will not receive notification until March 2018) – Total \$480,000:

Fernley Depot Community Center – Phase 3

Purpose: Conceptual design of the future multi-purpose Fernley Community Center. In addition, the scope of work will include a strong focus on community outreach and visioning for the facility. The community outreach portion will include (but is not limited to) charrettes, focus groups, and online surveys. A traffic study will also be included in the design process.

Grant Amount: \$80,000

Grant Agreement Period (if funded): July 1, 2018 – June 30, 2019

Downtown Fernley Revitalization – Phase 3

Purpose: Implement beautification strategies previously identified in phases 1 and 2. The scope of work will include contracting with a landscape architect/planner to coordinate the purchase and installation of streetscape elements including the following: benches, bicycle racks, trash receptacles, above ground planters, downtown entry signage, a city clock, and public art.

Grant amount: \$400,000

Grant Agreement Period (if funded): July 1, 2018 – June 30, 2019

CAPITAL IMPROVEMENT PROJECTS:

GENERAL FUND

Project Name	Description	Amount	Status
Building Dept. – vehicle	Purchase of new Compact SUV for use conducting building inspections and code enforcement	\$22,336	Complete
Depot – Roof and Paint	Install new roofing on the train depot and pay for new paint on the exterior of the building	\$173,000	Council approved to move forward with the lead abatement and painting during Spring of FY 17/18. Roofing will not be completed during FY 17/18. Roofing will be an additional expense. Roofing bid specifications have been prepared to advertise when appropriate.
Replacement Mower	72-inch deck, commercial grade mower with material collection system for the Parks Department	\$28,011	Complete
3-Yard Electric Sander	3-yard electric salt sand spreader for the Streets and Storm Drain Division	\$8,500	Complete
6-Yard Electric Sander	6-yard electric salt sand spreader for the Streets and Storm Drain Division	\$12,000	Complete
Cottonwood Shop Automatic Gate	Replace the existing gate for the City's corporation yard located at 355 Cottonwood Lane	\$30,000	Two quotes received. Staff will begin prep work for installation winter/spring.
Farm District Road Multi-Use Path Phase II	Grant funding to construct an additional multi-use path along NDOT corridors within the City extending down Farm District Road from Crimson Road east to Jasmine Lane.	\$139,953 (Streets) \$75,047 (Capital Fund)	60% plans complete. Amendment to LPA agreement was received and approved by Council on June 7. Staff received updated plans for the project and sent comments to NDOT design personnel.
Hardie Lane Roadway Reconstruction Project	Hardie Lane reconstruction will include curb and gutter, along both sides of the roadway, and drainage improvements, water system improvements, sewer improvement, and complete roadway reconstruction.	\$5,524,100	Staff awaiting waiver approval for Buy America requirements. Staff submitted final comments on the 100% plans. USPS and FHWA negotiating easement.
PMP Assessment, Analysis and Final Report	Update the City's StreetSaver Database to track the Pavement Condition Index (PCI) of the City's Street Network	\$60,000	Pavement Assessments approximately 60% complete as of 09.29.17.
PMP Project, Autumn Winds, Golf Course, COF Facilities	Complete appropriate maintenance treatments for streets that have been selected using key parameters of the City of Fernley Pavement Management Program.	\$500,000	Staff is working with a consultant to scope the project limits and intends to bid the project in February 2017.
Retention Basin Maintenance	Allow staff to contract out for improvement of City-owned retention basins, and for minor maintenance tasks.	\$100,000	The budget included \$10,000 rather than \$100,000. Staff will complete minimal improvements and additional amounts should be included in FY 18/19.

WATER ENTERPRISE FUND

Project Name	Description	Amount	Status
Fire Hydrant Replacement	Replace fire hydrants needing replacement as defined in the FY 15/16 Fire Hydrant Maintenance Program.	\$25,000	Seven of ten replaced to date. Will complete by end of FY 2017/2018.
Hardie Lane Waterline Replacement	Design and construction of improvements to portions of the City's Water Distribution System that are approaching the end of useful service life.	\$651,600	Staff awaiting waiver approval for Buy America requirements. Staff submitted final comments on the 100% plans. USPS and FHWA negotiating easement.
Preliminary Engineering Report, Ricci Tank Interior Recoat	Evaluate alternatives and provide recommendation of a preferred alternative for the Ricci Tank Interior Recoat Project and Ricci Tank Drainage Basin Project.	\$10,000	09.18.17 – Diving inspection reported emailed to Shaw. 09.11.17 – Water model submitted from Farr West to Shaw.
Preliminary Engineering Report, Sage Ranch Booster Pump Repair/Relocation	Evaluate alternatives and provide recommendation of preferred alternative for the Sage Ranch Booster Pump Repair/Relocation Project. Design and Construction scheduled for FY 18/19.	\$20,000	09.18.17 – SCADA information emailed to Shaw. 09.11.17 – Water model submitted from Farr West to Shaw.
Pipe Bridge Rehabilitation Construction	Construction of improvements to three (3) existing Water Distribution System pipeline crossings, located at Miller Lane, Ricci Lane, and Cottonwood Lane. Construction scheduled for FY 18/19.	\$20,000	09.11.17 coordination call with Hyytinene on compilation of 100% contract documents.
Water Meter Replacements Citywide	Increase the rate at which the City can replace failing water meter components citywide.	\$250,000	Project manager assigned to track each month's purchase of CIP over 12-month cycle to stay within budget. On track for completion of CIP by end of FY. Approximately 3-4 more years anticipated to fully replace meters citywide.
Well No. 4 Replacement VFD Assembly	Allow the City to eliminate water discharge to bypass the system during the daily startup and shutdown process for Well No. 4.	\$25,000	One quote received, waiting on second. Will schedule for winter replacement during low system demand.
Well No. 9 Shaft Replacement	Replace the current oil lube system on the Well 9 motor and pump shaft with a water lube system.	\$25,000	Scheduled for winter replacement during low system demand. Quote received under budget. "Used" shaft is available at half cost of new.
Improvements to deliver and treat surface water to Water Treatment Plant	Evaluate alternatives and provide recommendations for a preferred alternative to deliver surface water to the Treatment Plant.	\$300,000	Preliminary alignments developed for 3 alternatives. Draft report anticipated for first quarter of 2018. Legal description and PUE easement in place for a potential localized route. TCID plans for BOR approved take-out structure anticipated for first quarter of 2018.

WASTEWATER ENTERPRISE FUND

Project Name	Description	Amount	Status
Cedar Street Sewer Line Replacement	Design and construction of improvements for portions of the City's wastewater collection system that has been found to be failing.	\$350,000	9.20.17 - 100% PS&E received from AM Engineering. Lumos and Assoc. selected to complete Geotech Engineering report. Work to commence week of 10.23.17.
Farm District Road Electrical Upgrades	Fix the functionality of the electrical controls of the Farm District road Lift Station.	\$30,000	Complete.
Hardie Lane Sewer Line Replacement	Design and construct improvements to portions of the City's wastewater collections system that has failed.	\$72,500	Staff awaiting waiver approval for Buy America requirements. Staff submitted final comments on the 100% plans. USPS and FHWA negotiating easement
Highway 50 Bypass Upgrade	Upgrade the recently installed headworks bypass at the City's Highway 50 Lift Station	\$50,000	Equipment quotes requested.
Highway 50 Cutter Heads and Brushes	Replace the cutter heads and brushes on the mechanical bar screen at the City's Highway 50 Lift Station.	\$40,000	Complete.
Sewer Master Plan Update	Update the 2009 City of Fernley Sewer Master Plan which is outdated and is needed for planning and operations of the City.	\$60,000	Staff met with Farr West Engineering on 11.08.2017 to discuss the scope of the project.
East Lift Station Bypass, Hot Tap and Line Stop	Install an emergency bypass, hot tap and line stop at the City's East Lift Station, which will allow staff and/or contractor to make repairs to Influent Pump No. 1, which is currently offline.	\$125,000	Complete.
Donner Trails Lift Station	Replace the existing Donner Trails Lift Station.	\$1,100,000	Construction has commenced and is currently 60% complete.
Fernley Depot Sewer Extension Phase 1	Design an extension of the existing sewer main located north of Main street to the Fernley Depot property.	\$60,000	Confirmation received from HUD that an EA will be required prior to issuance of NTP for Construction. RCI is currently completing this requirement. An extension for Phase I Grant Funding has been requested by the City.

WATER RIGHTS

Water resources are critical to the City of Fernley's future. A water resource plan is being developed to provide policy related to the City's ability to provide sustainable water supply to customers. This plan will address source water reliability, management of water resources, future water resources, and water rights.

In December 2016, the City Council adopted Ordinance 2016-020, placing an expiration date of January 1, 2018 for the ability to pay a fee in lieu of dedication. In the past, the City allowed developers to pay a fee rather than dedicate an actual water right. The City would then serve such developments using its inventory of existing rights. The fee was placed in an account and used for the acquisition of additional replacement of water rights or for projects designed to expand/enhance the quantity and quality of water available to and within the municipal water system. Due to concerns about the depletion of the City's water rights inventory, in 2004 the City Council made certain changes to the Municipal Code designed to phase out the right of residential development to pay these "in-lieu-of" fees.

Further studies conducted in 2013 showed the City had enough water and current infrastructure to fulfill outstanding obligations. It is critical that the City plan and prepare to have water available for future development, encourage new development, but not over-allocate the City's available water resources.

Over the past two years, there have been several items that have and will continue to affect water resources at the City of Fernley, including the implementation of the Truckee River Operating Agreement (TROA) and the finalization of the upstream storage contract. The City continues to review the water resources needed for the City, and will be provided in greater detail in the Water Resource Plan being developed.

The City tracks water assignments, dedications, debits, and will-serves. Below is a tracking list for these items:

Completion Date	Acre Fee	APN	AD,DBW Number
07.01.16	4.2	021-251-22	DBW
07.06.16	42.345		AD
07.22.16	9.135	020-382-05	Dedication
08.03.16	4.815		AD
09.07.16	3.4		AD
09.07.16	91.44		AD
10.21.16	4.5	021-101-17	Dedication
11.04.16	24.43	Many	DBW
11.10.16	0.54		AD
11.10.16	0.51		AD
11.16.16	6		AD
04.06.17	4.5	022-321-04,05	DBW
05.19.17	4.005	021-472-17,18	Dedication
06.07.17	5.12		AD
07.31.17	34.16	021-103-11	AD
07.19.17	5.35		Dedication
08.02.17	44.775		AD
08.16.17	2.34		AD
08.16.17	17.46	021-051-08	Dedication
08.16.17	4.78		AD
09.20.17	8.73	020-132-02	Dedication
11.01.17	10.295	020-353-32	Dedication
11.15.17	2.25	021-132-21	Dedication
11.15.17	50.256		AD
11.15.17	10.31	021-303-15	AD
11.15.17	10.31	021-303-15	AD
11.15.17	20.6	021-303-15	AD

***Please note:** The Water Resource Plan will provide information on the long-term impact and need of water resources for the City. This information only reflects dedications, assignments and assumptions, and authorizations of debit.

DBW = Authorization of Debit (Water rights being applied immediately)

AD = Assignment and Assumption of water rights

Dedication = Initial dedication of water rights to the City

FY 17/18 (to date):

5 Dedications

8 Assignment and Assumptions

Total for FY 16/17 and FY 17/18:

8 Dedications

16 Assignment and Assumptions

2 Authorizations of Debit