

**MINUTES OF THE
FERNLEY CITY COUNCIL MEETING**

June 15, 2011

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

1. ROLL CALL

Present: Councilman Curt Chaffin, Councilman Cal Eilrich, Councilman Roy Edgington, Councilwoman Kelly Malloy, Councilman Parsons, City Attorney Brandi Jensen (Not voting), Deputy City Treasurer/Finance Director Katherine Orsley (Not voting), City Engineer Shari Whalen (not voting), Interim City Manager/Community Development Director Fred Turnier (Not voting), City Clerk Lena Shumway (Not voting).

2. APPROVAL OF THE AGENDA.

Interim City Manager Fred Turnier noted there were no changes to the agenda. There was no action taken on this item. **Item 4 was addressed next.**

3. LEGISLATIVE UPDATE FROM NEVADA BUSINESS STRATEGIES INCLUDING, BUT NOT LIMITED TO, PROPOSED SENATE AND ASSEMBLY BILLS, CONSOLIDATED TAX, AND OTHER LEGISLATIVE ISSUES THAT RELATE TO THE CITY OF FERNLEY (LIST OF BDRS, ABS AND SBS IS AVAILABLE UPON REQUEST AND CAN BE VIEWED ON-LINE).

This item was heard after item 4. Mrs. Marsha Birkbigler, Nevada Business Strategies, said this year's Legislature was over. She reviewed a few of the Bills that passed and may affect the City of Fernley. Two changes to the Open Meeting Law (OML) were passed. AB 257, effective July 1, 2011, requires any public body to provide two separate periods of public comment. This could be done by opening each item on the agenda for public comment or place a public comment period at the beginning of the agenda and another at the end. AB 59, also effective July 1, if any public body took action that the Attorney General's Office determines to be in violation of the OML, the violation would have to be placed on an agenda for discussion to allow the public and the public body to discuss the item. The City Attorney's Office was reviewing the entire Bill. Mrs. Birkbigler said with the approval of AB 578, an interim committee would set up an interim hearing structure. Historically the Legislature has allowed a certain number of interim studies, but restricted the maximum to 40. The changes in the Bill would establish standing,

permanent interim committees that would mirror the standing committees within the Legislature. The Director of the Department of Taxation spoke about Fernley, as a City that clearly needed its Consolidated Tax (CTAX) revised when AB 71 was on the floor of the Legislature. AB 71 called for a study on the CTAX, which would definitely impact Fernley. The standing Government Affairs Committee and Commerce Committee were scheduled to meet monthly. She encouraged Fernley to have someone actively watching the matters addressed in the Committees. AB 405 set up an interim study to look at retirement and disability issues for public employees. AB 228 directed the study of a feasibility of a standard form contract that all agencies of the state and local governments will have to use anytime when contracting anyone. SB 98, as a part of the budget compromise, would study how to reduce the impact of collective bargaining units.

Mrs. Birkbigler said they had followed AB 449 very closely which would set up three entities for economic diversification throughout the State. The City of Fernley will be asked to decide which entity they would like to work with. AB 416 raised some concerns and there was a very strong push to get the Governor to veto it. The Bill allowed an existing public utility to recover costs related to the development of transmission facilities from the taxpayers, even if the facilities are not delivering services to the taxpayer. Mayor Goodman appreciated efforts made by Nevada Strategies to assist the City during this Legislative Session. **Item 5 was addressed next.**

4. PROCLAMATIONS BY THE MAYOR.

This item was addressed after item 2. Interim City Manager Fred Turnier gave a quick PowerPoint presentation on the recent Mayor's Clean Sweep held on Saturday, May 7th 2011. He thanked the event corporate sponsors: PSC, Sherwin Williams, Wal-Mart Distribution Center, Lowe's Home Improvement, and TrashPros. This year's event included household hazard collection and removal. Councilman Edgington presented Girl Scouts Troop 1035 with City lapel pins and certificates in appreciation of their efforts during the clean up. Mayor Goodman issued certificates of appreciation to the event's corporate sponsors of Sherwin Williams, Lowe's and PSC. **Item 3 was addressed next.**

5. PUBLIC INPUT

This item was addressed after item 3. Mr. Dave Stix, Jr., TCID Board Member, reported that the Canal had been closed approximately a week ago due to some seepage issues near Ricci Lane. It had previously repaired before the Canal breach. The repair calls for layering sand and

gravel to make sure the water coming out of the seep is clear. Monday evening the Gilpen Spill was closed there is 80 cubic feet per second (cfs) in the Canal right now. TCID has made to requests to increase the flow. The Bureau of Reclamation (BOR) had approved both.

Mr. Mike Lowrey, Fernley resident, expressed concerns about the reduced levels of water in the Canal due to the shut down after the breach and because of water transfers. Water users were not receiving water timely or sufficiently, which was having an adverse effect on their property. He had concerns about the Desert Terminal Lake provision that originated from the Farm Bill of 2002. He said \$17.2 million was allocated to the Pyramid Lake Paiute Tribe (PLPT) to lease approximately 900 acre feet (af). He felt loosing this water from Fernley would have a significant effect on the community. He would like to know if the City of Fernley was willing to join in a concerted effort to stand against such devastating loses of water. He asked if anyone had read the legislation related to the Desert Terminal Lakes provision.

Mrs. Janice Prichard, Fernley resident, said she recently reported a water leak on her street. City personnel were able to quickly assess and handle the situation, but she had concerns because they were not wearing hard hats. Mrs. Fran McKay, Arts & Culture Commissioner, reminded everyone about the next installment in the Summer Garden Concert Series. The Commission was pre-selling tickets for \$10 or \$ per couple.

6. CONSENT AGENDA:

A. ACCEPT VOUCHERS REPORT.

B. APPROVAL OF MINUTES – 05/17/2011

C. AUTHORIZE THE WRITE-OFF OF WATER AND SEWER ACCOUNT BALANCES THAT ARE DEEMED TO BE UNCOLLECTIBLE IN THE AMOUNT OF \$18,398.49.

D. AWARD THE 2011 ANNUAL FIRE PROTECTION CONTRACT TO ABC FIRE AND CYLINDER SERVICE IN THE AMOUNT OF \$2,599.00.

E. APPROVAL OF AGREEMENT WITH NV ENERGY FOR ELECTRICAL UTILITY RELOCATION DESIGN AS PART OF THE NEVADA PACIFIC PARKWAY EXTENSION.

F. APPROVE INTERLOCAL AGREEMENT BETWEEN THE WESTERN NEVADA HOME CONSORTIUM (WNHC), CITY OF FERNLEY, AND OTHER MEMBER ENTITIES FOR FISCAL YEARS 2012, 2013, AND 2014.

G. APPROVAL OF A CONTRACT FOR WATER RIGHTS SURVEYOR / ENGINEERING SERVICES RELATED TO WATER RIGHTS TO STANKA CONSULTING, LTD. IN THE AMOUNT NOT TO EXCEED \$50,000, AND OTHER MATTERS PROPERLY RELATED THERETO.

- H. APPROVAL OF A CONTRACT FOR LEGAL SERVICES RELATED TO WATER RIGHTS TO TAGGART & TAGGART, LTD. IN THE AMOUNT NOT TO EXCEED \$150,000, AND OTHER MATTERS PROPERLY RELATED THERETO.
- I. AWARD OF AUTUMN WINDS EXERCISE PATH CONSTRUCTION CONTRACT TO ATLAS CONSTRUCTION IN THE AMOUNT OF \$32,673.00 AND THE PURCHASE OF AN ENERGI FITNESS SYSTEM TO BE FUNDED BY RESIDENTIAL CONSTRUCTION TAX (RCT) REVENUE.
- J. AWARD OF THE IN TOWN PARK TENNIS COURT RECONSTRUCTION CONTRACT TO ADVANCED ASPHALT IN THE AMOUNT OF \$39,799.00 TO BE FUNDED BY RESIDENTIAL CONSTRUCTION TAX (RCT) REVENUE.
- K. AWARD OF OUT OF TOWN PARK PARKING AREA IMPROVEMENT CONTRACT TO KING CONSTRUCTION, INC. IN THE AMOUNT OF \$14,260.00 FUNDED IN PART BY RESIDENTIAL CONSTRUCTION TAX (RCT) REVENUE.
- L. AWARD OF FERNLEY BMX PARK CONSTRUCTION CONTRACT TO KING CONSTRUCTION INC. IN THE AMOUNT OF \$41,692.50 TO BE FUNDED BY RESIDENTIAL CONSTRUCTION TAX (RCT) REVENUE.
- M. APPROVAL OF PURCHASE OF A BACKUP PUMP FROM SMITH AND LOVELACE FOR \$11,057 FOR THE WEST LIFT STATION.

{END OF CONSENT AGENDA}

Councilman Eilrich disclosed that he had a professional relationship with the vendor listed in item 6.K. That relationship is totally unrelated to the item on the agenda. **Motion:** TO APPROVE CONSENT AGENDA ITEMS 6.A THROUGH 6.M, **Action:** Approve, **Moved by** Councilman Chaffin, **Seconded by** Councilman Edgington. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **Item 18 was addressed next.**

**7. DISCUSSION AND POSSIBLE APPROVAL OF MAYOR’S APPOINTMENT OF:
 A. JOE MACHADO TO PLANNING COMMISSION; AND
 B. RE-APPOINTMENT OF LESLIEANN HAYDEN TO WESTERN NEVADA HOME CONSORTIUM.**

This item was heard after item 18. Mayor Goodman said Mr. Machado was being offered to fill the seat left vacant by Mr. Michael Johnson. Mr. Machado is a local contractor. **Motion:** MOVE TO ACCEPT THE NOMINATION OF MR. MACHADO, **Action:** Approve, **Moved by** Councilman Edgington, **Seconded by** Councilwoman Malloy. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy.

Motion: MOVE TO ACCEPT THE MAYOR’S REAPPOINTMENT OF LESLIEANN HAYDEN TO THE WESTERN NEVADA HOME CONSORTIUM, **Action:** Approve, **Moved by** Councilman

Chaffin, **Seconded by** Councilman Eilrich. **Vote:** Motion passed (summary: Yes = 4, No = 1, Abstain = 0). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons. **No:** Councilwoman Malloy. **Item 24 was addressed next.**

8. PRESENTATION AND POSSIBLE ACCEPTANCE OF RENEWAL PROPOSAL FROM NEVADA PUBLIC AGENCY INSURANCE POOL (POOL).

This item was addressed after item 24. Mr. Steven Romero, Wells Fargo Insurance Services, provided a PowerPoint presentation (Attachment 2) on the changes to the City's coverage in the upcoming years. He relayed that POOL/PACT shouldn't be viewed as just an insurance provider but a risk management tool. Mr. Romero relayed that premium costs had gone down for the upcoming fiscal year mainly due to a reduction in coverage for the Water Treatment Plant (WTP). Since it was a new facility, the City initially had over insured it. An adjustment had been made to reflect a 5% increase in property value rates. Mr. Romero commended the City for keeping a safe work force, as there was a 3% drop reflected in worker's compensation insurance (PACT). However the rates did increase by 9% for the entire PACT participation group for worker's compensation. The maintenance deductible was retained at \$5,000, thus any loss would result in the first \$5,000 being the responsibility of the City of Fernley. Mr. Romero reviewed the City's flood and earthquake coverage and the changes in premiums from previous years to the current year. **Motion:** MOVE TO ACCEPT THE RENEWAL TO ACCEPT THE PROPOSAL FROM NEVADA PUBLIC AGENCY INSURANCE POOL, **Action:** Approve, **Moved by** Councilman Parsons, **Seconded by** Councilman Edgington. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **Mayor Goodman moved to item 21 next.**

9. REVIEW AND POSSIBLE ACTION ON TENTATIVE AGREEMENT BETWEEN CITY OF FERNLEY AND IBEW LOCAL 1245 FOR A COLLECTIVE BARGAINING AGREEMENT WITH A TERM OF JULY 1, 2011 TO JUNE 30, 2012.

This item was addressed after item 21. Interim City Manager Fred Turnier said the City and IBEW 1245 had come to a tentative agreement for July 1, 2011 through June 30, 2012. He said the Staff report highlighted some of the changes to the agreement: allowance for management to modify the forty hour workweek; more flexibility in the promotion and transfers of current employees; use of a community work experience program; frozen salaries and Cost of Living Adjustments (COLAs); increase the number steps allowed in each pay range; a commitment to

update job descriptions to reflect current work duties, address career paths for City Staff; and renewal of current health and dental plans.

Councilman Chaffin asked for clarification, the three additional steps did not have any monetary effect on the City? Interim City Manager Turnier said there wouldn't be any impact this year with the salary increase and hiring freezes. Councilman Chaffin said it would be setting the conditions as such that when the freeze was lifted, the City would have more cost in the higher levels. Interim City Manager Turnier said overall that would be true in subsequent years. In the meantime a comprehensive classification and compensation study needed to occur. They had committed to look at all the job descriptions this year. responded that over time it would effect and they are planning to do a compensation study. Councilman Chaffin was concerned about the ability for staff to go to higher paid positions without changing jobs. When personnel topped out of their range, they should be looking for a more responsible position. Mr. Wayne Vanassche, Union Shop Steward, said the primary purpose for the extension was to allow those who are maxed out to still receive a benefit as many positions didn't have a job advancement process or ability. Many of the positions are limited in terms of growth, thus the need for Staff to create career paths. Once the freeze was lifted only the more recent hires or those that have not reached the top step would be eligible for a salary increase. It was a benefit for those that have been maxed out, to allow for a small four percent increase.

Mayor Goodman noted a typographical error. Councilman Parsons asked what the longevity bonus was and how many people were eligible. Interim City Manager Turnier replied it was \$150 a year for those employees that have reached the top of their range. He didn't think it was fair for those employees to be receiving a benefit when other employees were not receiving any increases. City Manager Turnier explained the longevity pay had not been discussed in the negotiations. Councilman Parsons asked if a person who bumps another staff member instead of being laid off gets to keep the salary they had in their originating position. Mayor Goodman clarified that was a current policy, it had not been changed.

Councilman Eilrich also had concerns with the added steps. He wasn't opposed to adding one or two, but adding three at one time was too much. He understood the desire to reward employees that had maxed out. Mayor Goodman did not have an issue with the three additional steps. He said in the future it would also aid in the delaying of longevity payments. He reminded that this was a relatively small organization and there was not a lot of room for movement for

employees. The Union was willing to forgo the step increases and COLAs; he didn't think adding three additional steps would be a big issue. Councilman Chaffin thought the City's system should be modeled after the Federal government's system of ten steps, once the tenth step is reached, if the person would like more they need to look for a new position. Mr. Jay Freeman, Union Steward, explained for many there was no other place for employees at the top of their skill to move. Adding the three additional steps would be incentive to continue to excel. He added that many of the people in these positions perform many duties outside their job classification.

Mrs. Janice Prichard, Fernley resident, pointed out that the agreement included language about the modified work week that would be discussed in a later agenda item. She inquired if approving this item would automatically approve the modified work week to be discussed.

Mr. Vanassche thanked everyone for working together to create an agreement that was meant to retain good employees and provide some incentives during these hard times. The employees have sacrificed for several years in light of the economic downturn and continue to carefully monitor expenses; however they were just looking for some type of incentive that employees could hold on to. Councilwoman Malloy suggested the idea of possibly added levels of a position i.e. level I, level II, etc instead of extra steps. Councilman Chaffin said the City in the past had a full evaluation several years ago. He thought adding additional steps may skew the plan that was implemented. Councilman Edgington was concerned that the people working in the WTP could leave to take a similar job in other jurisdictions for much more money to do the same job. He suggested performing a salary comparison with surrounding jurisdictions. He thought it should be done in conjunction with the review of the job descriptions. Mayor Goodman asked both parties to consider two steps at this time. Mr. Vanassche was agreeable to going two steps instead of three. He said the whole salary scales had to be evaluated. There were instances where people with lesser responsibilities were being paid more than those with greater responsibilities. It was not made part of the agreement, but was discussed during the negotiations. Interim City Manager Turnier emphasized this was a tentative agreement; any modifications would be reviewed by the Union and then come back before the Council for final approval. **Motion:** MOVE TO APPROVE THE TENTATIVE AGREEMENT BETWEEN THE CITY OF FERNLEY AND IBEW LOCAL 1245, THE COLLECTIVE BARGAINING AGREEMENT WITH A TERM OF JULY 1, 2011 THROUGH JUNE 30, 2012 WITH THE CHANGE OF

DROPPING STEP L, **Action:** Approve, **Moved by** Councilman Eilrich, **Seconded by** Councilman Parsons. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5).

Yes: Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **Mayor Goodman called a recess at 7:01pm. The meeting reconvened at 7:12 at which time item 20 was addressed.**

10. DISCUSSION AND POSSIBLE ACTION REGARDING ACCEPTANCE OF JOB DESCRIPTION CHANGES FROM TREATMENT PLANT OPERATOR I TO WATER TREATMENT PLANT UTILITY OPERATOR AND FROM TREATMENT PLANT OPERATOR II TO WATER TREATMENT PLANT SHIFT OPERATOR TO INCLUDE DIRECTION TO STAFF FOR MODIFICATION OF THE POSITION CONTROL AND SALARY RANGE CHART.

This item was heard after item 20. Interim City Manager Fred Turnier explained this was a clean up item stemming from the existing union agreement. The City updated the job descriptions of the Water Treatment Plant Operator and Wastewater Treatment Plant Shift Operator to reflect the current duties. The changes were provided in the Staff report. It was clarified that there was no salary range movement with the changes, no fiscal impact at this point. **Motion:** MOVE TO APPROVE THE JOB DESCRIPTION OF WATER TREATMENT PLANT UTILITY OPERATOR AND WATER TREATMENT PLANT SHIFT OPERATOR IN LIEU OF TREATMENT PLANT OPERATOR I AND TREATMENT PLANT OPERATOR II AND MODIFICATION OF THE POSITION CONTROL AND SALARY RANGE CHART AND OTHER MATTERS PROPERLY RELATED THERETO, **Action:** Approve, **Moved by** Councilman Chaffin, **Seconded by** Councilman Eilrich. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy.

11. PRESENTATION AND DISCUSSION ON THE PROPOSED TEMPORARY COMMERCIAL BOND DEBT ASSESSMENT, INCLUDING BUT NOT LIMITED TO HISTORY OF WATER BOND DEBT, SUMMARY OF ACTION RELATED TO ADDRESSING THE BOND DEBT SHORTFALL, AND APPROACHES TO CALCULATION OF TEMPORARY COMMERCIAL ASSESSMENT SUCH AS CONSUMPTION BASED, METER BASED, OR FLAT FEE BASED ASSESSMENT.

City Engineer Shari Whalen provided a PowerPoint presentation (Attachment 3) outlining the history of the Water Treatment Plant (WTP) and the bonds associated with it. The City was taking measures to reduce expenses and cut costs, including deferring capital projects and not filling vacant positions, but was not able to fill the deficit for the bond payments. Through the budget process the shortfall was reduced from \$2.8 million to \$1.6 million. A Business Impact

Statement was prepared based on information received from commercial accounts. At the time of publishing the Business Impact Study (BIS) the fee estimated to best fill the need was estimated at \$36 per meter for commercial users. The projected shortfall of \$1,624,200 will be covered by a total of \$1,479,600 from a temporary residential assessment, leaving a shortfall of \$144,600. City Engineer Whalen provided several options: a flat rate of \$36 per meter; a rate based on meter size; consumption based fee; proportionate consumption fee; and an ERC based fee. She reviewed each option and the benefits and challenges of each along with the estimated impact to the user. Discussion followed about how multi-unit residential customers would be charged and what the impact would be under each scenario. Councilwoman Malloy asked what the impact would be on the City budget as a large irrigator. City Engineer Whalen estimated an average increase of \$10,000 with the assessment.

Councilman Eilrich asked to speak from the podium. He read a statement (Attachment 4) that provided some historical information and said that whatever decision is made, it should be equitable. He proposed that small businesses be charged the same flat rate as residential customers. For larger businesses he suggested the user pay \$18 per ERC and for larger users he suggested a fee of up to a cap of \$300 per meter. Adding a cap would protect some of the higher water users as they already paid higher rates as established in the rate structure. Councilman Eilrich said his plan protected small businesses in Fernley and still allowed commercial users to pay their share. Councilman Chaffin asked what the revenue would be from the suggested plan. Councilman Eilrich said it was \$189,540 a year. That would be reduced as it would only be in effect for ten months of that year. Should the Council move in that direction, a BIS would be necessary delaying the implementation even more. Discussion followed regarding the proposed change with the suggested caps. There was interest in looking at a more equitable solution for small business, but any change to the established flat rate proposal would require another delay, putting the collection of the assessment off even further. Councilman Eilrich said it was necessary to make a decision on an exact method and do another BIS listing the options. Should another BIS be required it would only allow eight months of revenue to be generated with the assessment. Councilman Eilrich understood it was the easier method to go ahead with the current BIS and the flat fee, but he didn't think it was the right action. Councilmen Parsons and Chaffin suggested moving forward with the flat rate as described in the BIS and consider Councilman Eilrich's proposal when the fee was evaluated for the next fiscal year.

12. DISCUSSION AND POSSIBLE APPROVAL OF BUSINESS IMPACT STATEMENT AS IT RELATES TO THE ADDITION OF A COMMERCIAL TEMPORARY ASSESSMENT FOR WATER BOND DEBT SERVICE.

City Engineer Shari Whalen explained this item was to approve the BIS as required per NRS for the assessment of any additional fee. **Motion:** MOVE TO APPROVE THE BUSINESS IMPACT STATEMENT AS IT RELATES TO THE ADDITION OF A COMMERCIAL TEMPORARY ASSESSMENT FOR WATER BOND DEBT SERVICE (ATTACHMENT A) AS REFLECTED IN ITEM 12, **Action:** Approve, **Moved by** Councilman Chaffin, **Seconded by** Councilwoman Malloy. **Vote:** Motion passed (summary: Yes = 3, No = 2, Abstain = 0). **Yes:** Councilman Chaffin, Councilman Parsons, Councilwoman Malloy. **No:** Councilman Edgington, Councilman Eilrich.

13. DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION #2011-003 FOR FLAT RATE FEE ASSESSMENT FOR COMMERCIAL USERS.

This item was the action that would allow the City to assess the flat rate fee discussed in the previous two items. **Motion:** MOVE TO ADOPT A RESOLUTION #2011-003 FOR A FLAT RATE FEE ASSESSMENT OF \$36 PER MONTH FOR COMMERCIAL USERS, **Action:** Approve, **Moved by** Councilman Parsons, **Seconded by** Councilwoman Malloy. **Vote:** Motion passed (summary: Yes = 3, No = 2, Abstain = 0). **Yes:** Councilman Chaffin, Councilman Parsons, Councilwoman Malloy. **No:** Councilman Edgington, Councilman Eilrich.

14. DISCUSSION AND POSSIBLE DIRECTION TO STAFF TO COMPLETE A NEW BUSINESS IMPACT STATEMENT FOR TEMPORARY COMMERCIAL WATER BOND DEBT ASSESSMENT.

This item was not necessary as the BIS were adopted by the Council.

15. DISCUSSION AND POSSIBLE ADOPTION OF BILL #166 AS AN ORDINANCE AMENDING FERNLEY MUNICIPAL CODE, TITLE TWO (BOARDS AND COMMISSIONS), BY THE MODIFICATION OF CHAPTER FOUR, ESTABLISHING THE CITY OF FERNLEY CONVENTION AND TOURISM AUTHORITY, BY DESIGNATING THE CITY COUNCIL OF THE CITY OF FERNLEY AS THE CITY OF FERNLEY CONVENTION AND TOURISM AUTHORITY, COMPENSATIONS AND EXPENSES, OPERATING REGULATIONS AND OTHER MATTERS PROPERLY RELATED THERETO.

City Clerk Lena Shumway explained this was the second hearing on this item. The changes previously discussed changes had been implemented. She outlined the changes as highlighted in the Staff report. **Motion:** MOVE TO ADOPT BILL #166 AS AN ORDINANCE AMENDING FERNLEY MUNICIPAL CODE, TITLE TWO (BOARDS AND COMMISSIONS), BY THE

MODIFICATION OF CHAPTER FOUR, ESTABLISHING THE CITY OF FERNLEY CONVENTION AND TOURISM AUTHORITY BOARD, BY DESIGNATING THE CITY COUNCIL OF THE CITY OF FERNLEY AS THE CITY OF FERNLEY CONVENTION AND TOURISM AUTHORITY BOARD OPERATING REGULATIONS AND OTHER MATTERS PROPERLY RELATED THERETO, **Action:** Approve, **Moved by** Councilman Chaffin, **Seconded by** Councilman Eilrich. **Vote:** Motion passed (summary: Yes = 4, No = 1, Abstain = 0). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons. **No:** Councilwoman Malloy.

16. DISCUSSION AND POSSIBLE ADOPTION OF BILL #167 AS AN ORDINANCE AMENDING FERNLEY MUNICIPAL CODE, TITLE TWO (BOARDS AND COMMISSIONS), BY THE MODIFICATION OF CHAPTER TWO, BY DISSOLVING THE CITY OF FERNLEY ARTS & CULTURE COMMISSION, AND OTHER MATTERS PROPERLY RELATED THERETO.

City Clerk Lena Shumway stated there were no changes to the report or changes requested at the proposal hearing. Councilman Eilrich disclosed that his wife was a member of the Arts & Culture Commission, but it did not have an effect on his vote for this item. **Motion:** MOVE TO ADOPT BILL #167 AS AN ORDINANCE AMENDING FERNLEY MUNICIPAL CODE, TITLE TWO (BOARDS AND COMMISSIONS), BY THE MODIFICATION OF CHAPTER TWO, BY DISSOLVING THE CITY OF FERNLEY ARTS & CULTURE COMMISSION, AND OTHER MATTERS PROPERLY RELATED THERETO, **Action:** Approve, **Moved by** Councilman Eilrich, **Seconded by** Councilman Parsons. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy.

17. DISCUSSION AND POSSIBLE ADOPTION OF BILL #164 AS AN ORDINANCE MODIFYING THE RESIDENTIAL CONSTRUCTION TAX FOR PARK RECREATION FACILITIES AND TO AMEND FROM TWO SEPARATE DISTRICTS INTO ONE DISTRICT, AND OTHER MATTERS PROPERLY RELATED THERETO.

City Engineer Shari Whalen stated there were no changes to the Staff report or ordinance since its proposal. **Motion:** MOVE TO ADOPT BILL #167 AS AN ORDINANCE MODIFYING THE RESIDENTIAL CONSTRUCTION TAX FOR PARK RECREATION FACILITIES AND TO AMEND FROM TWO SEPARATE DISTRICTS INTO ONE DISTRICT, AND OTHER MATTERS PROPERLY RELATED THERETO, **Action:** Approve, **Moved by** Councilman Eilrich, **Seconded by** Councilman Parsons. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5).

Yes: Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **Item 19 was addressed next.**

18. PRESENTATION AND DISCUSSION ON THE BENEFITS AND CHALLENGES OF REDUCTION TO THE WATER RIGHT DEDICATION RATE.

This item was addressed after item 6. Associate Engineer Derek Starkey gave a PowerPoint presentation (Attachment 1) on the benefits and challenges associated with the reducing the existing water right dedication rate. The reduction being proposed currently was for ground water on property less than one acre. The new basis for reduction was submitted to the State Engineer for review. The State Engineer will also determine the City's factor for safety. Associate Starkey explained that larger lots would have higher dedication rates.

Some of the comments surrounding the change included concerns about losing a safety factor and poor drought protection. Associate Engineer Starkey assured the information was based on real data and real numbers collected during a four year time period. The rate currently being used was arbitrarily set by the State. The proposed dedication rate was based on real use in the area. The benefits were that it was a lost cost, quick way to extend the amount of water in the City's bank. Right now the City held 292 acre feet (ac), given the current ERC rate that would only allow for approximately 260 more connections for single family dwellings. Lowering the dedication rate was a more economical solution at the present time. Otherwise the City would have to find ways to supplement the water supply by pumping water into the area. It would buy the City some time in the long term plan to use recharge recovery and take advantage of available surface water rights.

Councilman Eilrich noted that some of the larger lots, over one acre, tended to have less grass than homes in smaller subdivisions. He asked Staff what the impact would be if they moved the guideline to RR-2, Rural Residential, 2 acre minimum lot size. Mr. Michael Stanka, Stanka Consulting, said his office did much of the background work to establish the calculation equations. In reviewing the data set provided by the State Engineer a majority of the lots grouped around 0.2 af for anything under one acre. If there was justification and if there were enough data points a request could be put in to have that considered.

Mr. Dave Stix Jr., Fernley resident, said his family owned surface and ground water rights. He wanted to be sure that he was speaking as someone who was familiar with what was happening with water in the basin and was familiar with the data. He said making any adjustments to dedication rates or water is very serious. He cautioned the City to consider the change very

carefully as changing the dedication rate was not as easy as changing a policy or procedure that wasn't working out. Once the water goes, the City would not be able to get it back. He said in the past he heard a presentation by the former City Engineer on the City of Fernley Sewer and Water Master Plan. One of the items presented was that when the actual use of water for residential property was around 0.5 or 0.6 but when you add in the commercial and industrial ERCs that number increased to over 0.9, slightly under one acre foot. There was concern that everyone understood the actual usage was not 0.5.

On another occasion Special City Attorney Paul Taggart and Mr. Stix, as the former Mayor, went to Elko to testify in front of Senator Amodei as he was concerned that the City was requiring 1.12 af and only actually using 0.05. It had to be explained that based on the Master Plan, the usage was closer to 0.96 af with the total ERCs. He didn't see the growth in development that would warrant such a change. He was also concerned about increased pumping from the water collected to be used for other will-serves. He it was shown in recent studies that the more water is pumped, the lower the quality of water gets in regard to TDS (Total Dissolved Solids). Mr. Stix wanted to make sure everyone understood that even under the Truckee River Operating Agreement (TROA) the City would not get more water to store; the City could only store what was already entitled to them. Storage in Donner was only to make up for a lack of water through other resources.

Associate Engineer Derek Starkey said Staff was aware of the pros and cons and the issues with storage it was in the forefront of their minds when looking at the matter. **Item 7 was addressed next.**

19. DISCUSSION AND POSSIBLE APPROVAL OF UPDATES TO THE CITY PERSONNEL MANUAL REGARDING CORE WORK WEEK AND ALTERNATIVE WORK SCHEDULES.

This item was heard after item 17. Interim City Manager Fred Turnier presented a PowerPoint presentation (Attachment 5) regarding Staff's recommendation to set a policy regarding the core work days for the City of Fernley, specifically City Hall. He reviewed the options as presented which included different alternative work hours for City Hall and different departments and the results of the evaluation from the initial six month trial period. Whatever schedule was decided on would be implemented to be effective July 1, 2011.

Councilman Chaffin asked if City Hall would be fully staffed if option C (9/80s) was selected. Interim City Manager Turnier said it would be more of a skeleton crew on Fridays. Councilman Chaffin said whatever is decided, the communication regarding what services are provided on

Fridays should be clear. Councilman Eilrich thought people would be accepting of whatever schedule is decided upon, but they just needed to know what to expect. Councilwoman Malloy asked if the modified workweek was considered in the energy expenses in the budget. Assistant Finance Director Kathie Orsley said the budget was based on historical data; no adjustments were made for a modified work schedule. Discussion followed regarding providing utility services on the weekends. Councilman Parsons asked the Council to stay consistent; he was supportive of a 4 day 10 hour workweek. More discussion followed regarding how holidays are paid. Councilman Edgington said many departments were already down to skeleton crews, it may be difficult to staff departments every other Friday. He actually did like to have City Hall open on Fridays, but there was sometimes not coverage on regular work days because of cuts. Residents had to understand that with the budget constraints, services had been cut. People may have to wait for a day or two until someone gets back to them. **Motion:** MOVE TO ACCEPT STAFF'S RECOMMENDATION FOR B, TEN HOUR FOUR DAY WORKWEEK, **Action:** Approve, **Moved by** Councilman Eilrich, **Seconded by** Councilman Parsons. **Vote:** Motion passed (summary: Yes = 4, No = 1, Abstain = 0). **Yes:** Councilman Chaffin, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **No:** Councilman Edgington.

Motion: MOVE TO APPROVE THE PROPOSED CHANGES IN SECTION 4.1, 4.3, 4.11, 5.1, 5.2, AND 5.7 IN THE CITY OF FERNLEY PERSONNEL MANUAL, **Action:** Approve, **Moved by** Councilman Parsons, **Seconded by** Councilman Chaffin. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **Item 22 was addressed next.**

20. PRESENTATION AND POSSIBLE DIRECTION TO STAFF REGARDING NORTH LYON COUNTY FIRE PROTECTION DISTRICT PROPOSED RATE INCREASE REGARDING EMERGENCY MEDICAL SERVICES AND RELATED AMBULANCE FRANCHISE AGREEMENT.

This item was discussed after item 9. North Lyon County Fire Protection District Chief Darryl Cleveland said a proposal was made in April to request a 6% increase in ambulance rates, per the franchise agreement. NLCFPD had held off on the request until they could clearly evaluate their fiscal situation in relation to the ambulance service. It was found that the current rates require the Fire Fund to subsidize \$130,000 to the EMS Fund. This was not a feasible practice to keep up for long. With the 6% increase, the rates would still be about 10% below other surrounding ambulance service rates. North Lyon has started the ambulance service with

vehicles that were pretty well worn, as time goes by it will become necessary for that equipment be replaced as the maintenance costs continue to increase.

Discussion followed regarding terms of the agreement that allowed the franchisee an automatic rate increases. Chief Cleveland explained that the calculations showed a need or a 3% increase using the established formula. However their collection rate is between 30%-50% therefore a higher rate was required with the collection rate and other issues factored in. **Motion:** MOVE TO DIRECT THE CITY MANGER TO RESEARCH AND PREPARE MODIFICATIONS AS NECESSARY TO THE AMBULANCE SERVICE FRANCHISE AGREEMENT, **Action:** Approve, **Moved by** Councilman Parsons, **Seconded by** Councilman Chaffin. Councilman Eilrich said when the franchise agreement was initially entered into a caveat was added that required quarterly reports. He didn't recall every receiving one. It was important for the City to be aware of the financial situation of the service. He agreed the service needed to break even. Chief Cleveland apologized for the oversight. It was his goal as the new Chief to meet that goal along with improving the billing and collection systems. He didn't want to see this fall through. He was impressed that his staff was able to efficiently provide the service with what they had. They would be applying for Federal grants to replace at least two ambulances, which would relieve the budget a little. He was looking to improve the service and abide by the conditions of the agreement. A clarification was made that the increase being approved was for 6%. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **Item 10 was addressed next.**

21. PRESENTATION AND DISCUSSION REGARDING STATUS OF TRANSFERRING OWNERSHIP OF LYON COUNTY CEMETERY TO THE CITY OF FERNLEY.

This item was addressed after item 8. Mr. Dan Willis, Lyon County Cemetery and Parks Manager, said he came just to observe the discussion and to relay that Lyon County is ready to make the transfer. Interim City Manager Fred Turnier said this item was to bring the Council up to speed on where this conveyance was at. It had been an on-going process that began in July 2009. On October 15, 2009, the Lyon County Commissioners approved the conveyance of the three parcels to the City of Fernley. The City Council voted on November 4, 2009 to accept the conveyance and directed Staff to move forward with procedures to secure the 36 acres. Since that time there had been some significant changes in personnel. The City has continued to have some ongoing communications with Lyon County in regard to the conveyance. Interim

City Manager Turnier said in 2009 there was some information that was unclear regarding the fiscal and operation impacts the City would see with the conveyance. Staff had reached out to Lyon County Comptroller Josh Foli and obtained the estimated annual costs and the hidden costs. The property was in need of maintenance as only three of the eleven lights on site were working. Staff was still working to determine labor and insurance costs. There were some concerns about acceptance; based on the information currently available it appeared the annual cost was going to be around \$4,500 while revenues would be \$1,500 to \$2,000. Interim City Manager Turnier said it was necessary to bring the deficiency to the City Council's attention. This was not budgeted in the current fiscal year.

Councilman Parsons thought it was a great acquisition for the future of the City of Fernley. The City needed their own cemetery and needed to make sure the cemetery in the city was being maintained. He said the City spends more annually on the Spooktacular event than it would cost to take care of this property. It was a good opportunity for the City to acquire 36 acres free of charge. Operating costs were minimal compared to the benefit to the City and the community. If it was offered in the private sector, he figured all kinds of businesses would be willing to purchase the property. Councilman Chaffin inquired if Lyon County would be willing to fund some of the existing facility issues with consolidated tax as they retained a much larger portion than the City. Mr. Willis said since the cemetery started in 1992, all of the lights on the property have been damaged due to vandalism. The lights at the gazebo and workshop are kept operating at this time. He said the annual expense for power was around \$400, while water utility costs were approximately \$2,000. In discussing the transfer with the Lyon County Engineer, Mr. Willis said he was willing to help out with the first year maintenance fees in the amount of \$2,000-\$3,000. Over the last three years, there had been 15 casket burials at \$500 per plot and three cremations, which was \$150 each. Most of the opening and closing were taken care of by funeral homes. Lyon County personnel had only done three funerals within the last three years. Typically his annual duties are to keep the water lines working and try to keep the area clean. Councilman Chaffin asked if Lyon County would be willing to go over the property and get it in good working condition before the transfer. Mr. Willis said the water system was working fine and they had just sprayed the property for weed control. Unfortunately he was down to four staff members and had to maintain 18 parks and 7 cemeteries. Therefore it would be extremely difficult for his staff to thoroughly clean up the property.

Councilman Eilrich too supported the transfer. He didn't see how the City could afford not to take on the facility. He as a business owner would purchase it. Councilman Parsons said the survey work had been done. He said if necessary the City could ask for volunteers and have a clean up day. There was a problem with vandalism and the upkeep would be continual.

Mrs. Janice Prichard, Fernley resident, inquired if the facility was a perpetual care facility. Mr. Willis said there wasn't a clause of perpetual care, but it seemed to be an implied clause by the public. Right now they were doing the best they could. Mrs. Prichard suggested funds from preneed sales be given to the City to offset costs. Mayor Goodman suggested Staff take the comments from the discussion and move forward with the transfer. **Item 9 was heard next.**

22. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING CONSOLIDATED TAX, BILL AB47, AND RELATED POTENTIAL LITIGATION.

This item was heard after item 19. City Attorney Brandi Jensen reviewed the three options dealing with the issues related to Consolidated Tax (CTAX). When the issue of the City's inadequate share of the CTAX was presented, three remedies were presented: administrative; legislative, and litigation. The issue was presented to the Department of Taxation on multiple occasions. The City also drafted a Bill (AB47) which was heard by a Legislative Committee, but never made it to the floor. The City was then left with the third option, judicial relief. She would not proceed in that direction until the Council took action to do so. She would initially research the viability of the litigation and the cost. Councilman Eilrich thought they had done everything they could to get Fernley's fair share and that is why they have a third branch of government.

Motion: MOVE TO DIRECT STAFF TO DETERMINE THE VIABILITY AND FISCAL IMPACT OF REPRESENTATION OF THE CITY IN LITIGATION TO OBTAIN EQUITABLE RELIEF REGARDING CONSOLIDATED TAX, **Action:** Approve, **Moved by** Councilman Parsons, **Seconded by** Councilman Chaffin. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy

23. DISCUSSION AND POSSIBLE APPROVAL OF THE RESOLUTION # 2011-006 ADJUSTING THE REVENUES, EXPENDITURES FROM THE ORIGINAL FY 2011 APPROVED BUDGET AMOUNTS TO THE EXPECTED FISCAL YEAR 2011 AMOUNTS APPROVED BY COUNCIL ON MAY 18, 2010.

Assistant Finance Director Kathie Orsley noted a typographical error on page 2. This was just an annual housekeeping item to make small adjustments to the budget. The changes must be

made via resolution and submitted to the State Department of Taxation. **Motion:** MOVE TO ADOPT RESOLUTION #2011-006 ADJUSTING THE REVENUES, EXPENDITURES FROM THE ORIGINAL FY 2011 APPROVED BUDGET AMOUNTS TO THE EXPECTED FISCAL YEAR 2011 AMOUNTS APPROVED BY COUNCIL ON MAY 18, 2010 WITH CORRECTIONS AS NOTED, **Action:** Approve, **Moved by** Councilman Edgington, **Seconded by** Councilman Chaffin. **Vote:** Motion carried by unanimous roll call vote (summary: Yes = 5). **Yes:** Councilman Chaffin, Councilman Edgington, Councilman Eilrich, Councilman Parsons, Councilwoman Malloy. **Item 24.B was heard next.**

24. REPORTS BY CITY STAFF, CITY COUNCIL AND MAYOR.

A. REPORTS BY LYON COUNTY SHERIFF'S DEPARTMENT, NORTH LYON COUNTY FIRE PROTECTION DISTRICT AND ADDITIONAL REPORTS AS RECOGNIZED BY THE MAYOR.

This item was heard after item 7. North Lyon County Fire Protection District Chief Cleveland provided the statistics for the month of May. There were 209 calls for service of those 76% were medical calls. The average response time was six minutes and twenty one seconds. NLCFPD closed open burning on May 31st as fire activity had substantially increased over the month. Wildland fires were becoming an almost daily occurrence. He asked the community to abide by the restriction, open burning would resume in October. Lyon County Sheriff's Office Lieutenant Abel Ortiz provided the LCSO Fernley statistics for the month of May. There were 2167 calls for service, 176 reports, 38 arrests were made and 51 citations. He said the Lyon County budget shortfall was predicted to be \$1.9 million. He said Sheriff Allen Veil was going to take up 40% of the shortfall, which equated to approximately ten positions. With more recent news from the State, the shortfall had been reduced to \$500,000. Lyon County has expressed their desire for Sheriff Veil to take the whole amount. He was bringing this to the City's attention in an effort to gain support. Sheriff Veil would was asking to maintain his 40% of the shortfall, with current staffing levels. **Item 8 was heard next.**

B. REPORTS BY CITY STAFF, CITY COUNCIL AND MAYOR.

City Attorney Brandi Jensen said she was unsuccessful in finding an intern for the summer. She had reached out to the University of Nevada, Las Vegas volunteer program and hoped to have more success. Administrative Services Manager Celeste Wallick said she was still in the midst of planning the City Services Faire for July 11, 2011. City Engineer Shari Whalen relayed that two employees, Randy Gahr and Kathy Bennett had been presented with Certificates of

Appreciation from Fernley High School for their work on the student work program. She thanked Mr. Gahr for his hard work to repair landscaping at the Chamber of Commerce building. They did have an intern from the University of Nevada, Reno that would be helping out with miscellaneous projects during the summer. Councilman Edgington asked for an agenda item to discuss keeping the City lobbyists on board for the interim study discussed earlier. Councilwoman Malloy relayed that she had received numerous compliments about the efforts to keep graffiti covered in the local parks. She asked that the bathrooms be opened at the parks by 9am. Councilman Chaffin said the last meeting of the Fernley Convention and Tourism Authority Board had occurred; they funded \$38,000 in grants. Mayor Goodman asked Staff to look at the intersection of Cedar and Hardie Lane; it may need a four way stop sign because private landscaping was obscuring the view.

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

There were no future agenda items.

26. ADJOURNMENT.

There being no further business to come before it, the meeting adjourned at 9:05pm. Approved by the Fernley City Council on _____, by a vote of:

AYES: _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

Mayor LeRoy Goodman

ATTEST: City Clerk Lena Shumway