

**MINUTES OF THE
FERNLEY CITY COUNCIL MEETING**

December 16, 2009

Mayor LeRoy Goodman called the meeting to order at 4:00pm at Fernley City Hall, 595 Silver Lace Blvd, Fernley, NV. Present were Councilmembers: Curt Chaffin, Robert Chase, Cal Eilrich, Kelly Malloy, and Don Parsons. Also present were City Manager Greg Evangelatos, City Attorney Patrick Kelly, Finance Director Melville Drown, Community Development Director Fred Turnier, Senior Planner Valerie Claussen, Public Works Director Lowell Patton, Parks and Recreation Director Keith Penner and City Clerk Lena Shumway.

1. ROLL CALL.

Mayor Goodman noted there were no absences.

2. APPROVAL OF THE AGENDA.

City Manager Greg Evangelatos relayed items 13.B. and 13.C. would be continued to January 6, 2010. Councilman Chaffin MOVED TO APPROVE THE AGENDA WITH THE EXCEPTION OF ITEMS 13.B. AND 13.C. Councilmember Malloy seconded the motion. The motion carried as follows: Approved 5-0-0.

3. CONSENT AGENDA:

3.A. REVIEW AND ACCEPT VOUCHERS REPORT.

3.B. APPROVAL OF MINUTES – 11/07/2009

3.C. APPROVAL OF COOPERATIVE AGREEMENT WITH THE STATE OF NEVADA, ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION (NDOT), TO PERFORM AN AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) SLURRY SEAL PROJECT ON BEHALF OF THE CITY OF FERNLEY.

3.D. APPROVAL OF RESOLUTION #2009-019 AMENDING RESOLUTION #2007-004 TO CORRECT A CLERICAL ERROR IN WATER RATES FOR COMMERCIAL USERS.

3.E. APPROVAL OF A WILL-SERVE REQUEST FROM THE WENDAL LEHMAN TRUST FOR 1 SEWER ERC AT 775 HARDIE LANE, FERNLEY, LYON COUNTY PARCEL NUMBER 21-121-18.

{End of Consent Agenda}

Councilman Chase asked to remove item 3.A. for discussion. Councilman Chaffin MOVED TO APPROVE CONSENT AGENDA MINUS ITEM 3.A. Councilman Parsons seconded the motion. The motion carried as follows: Approved 5-0-0. **Item 11 was addressed next.**

This item was reopened after item 14. Councilman Chase asked what the payments to Caselle software were for. He also asked about payments for surface water treatment in the amount of \$59,092, the SCADA upgrade for \$27,500, and the Pall Water Processing Division for \$440,000. Mayor Goodman directed Councilman Chase to meet with Public Works Director Lowell Patton to discuss those items.

Mrs. Janice Prichard, Fernley resident, said in regard to Councilman Parson's request for donations to the food pantry, she suggested putting it in the paper to possibly garner some citizen donations. She commented on the water cooler rental and drinking water for the Water Treatment Plant (WTP), which she felt was ironic and not real reassuring to the residents paying the bill for the \$80 million WTP. Mrs. Prichard said she had reviewed all the vouchers with the Finance Department before the meeting and asked why a portable toilet rental was sent to a City employee's address. She said in listening to the Council, she was hearing the City's financial position was drastic. She asked why the City was hiring people and paying for background investigations and physicals when lay-offs just occurred. Mrs. Prichard asked why purchases from Oxborrow were being made for the Diamond F ranch when the City did not own the property.

Councilman Chaffin MOVED TO APPROVE ITEM 3.A. Councilman Parsons seconded the motion. The motion carried as follows: Approved 5-0-0. **Item 15 was addressed next.**

4. PRESENTATION AND ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS.

This item was addressed after item 11. City Treasurer/Finance Director Mel Drown explained this item was for the presentation and acceptance of the audited financial statements for fiscal year ending June 30, 2009. Staff's recommendation was to accept the comprehensive annual financial report (CAFR) including the audited financial statements as presented. Director Drown briefly reviewed what the CAFR was intended to be. It is a document containing useful information about the City's operations and

financial position. It is a thorough and detailed presentation broken down into three sections: the Introduction, the Financials, and Statistics. The CAFR is prepared by the Finance Department with assistance from the outside audit firm, Kafoury Armstrong, in accordance with government accounting standards. The City is responsible for the accuracy, completeness, and fairness of the data presented. The CAFR presents information on an accrual basis recognizing amounts owed by the City, but not paid at the end of the fiscal year and amounts due to the City, but not received by the end of the fiscal year. It also contains information on real property and other fixed assets, long term obligations, and investments. Director Drown then turned the floor over to Ms. Laurel Jackson of Kafoury Armstrong.

Ms. Jackson presented the results of the audit for fiscal year 2009. She reviewed the reports generated as a culmination of the audit process and the results of the audit findings. The auditors expressed an unqualified opinion, which was the highest level of assurance, on the material accuracy of the financial statements. The auditors did make some adjustments as a result of the audit and were incorporated into the financial statements with management's consent. Since the City receives Federal financial assistance, there were additional reports included in the audit process. Ms. Jackson reviewed the report dealing with internal control and compliance over the financial statements. There was one deficiency considered as a material weakness reported. It was addressed in the report as finding 09-1, pertaining to the Finance Department's calculation of capitalized interest related to the debt financed for the construction of water and sewer facilities. The next report dealt with internal control and compliance over the major programs. There was only one Federal program, the Truckee River Operating Agreement (TROA) grant. Testing resulted in one instance of non-compliance, reported as finding 09-2. It related to the reconciliation of Federal financial reports back to the City's accounting records. Those two findings were the only ones required to be presented in the financial reports. However, a separate letter of internal control findings was issued to the Audit Committee at their December 14th meeting. It detailed issues that the auditors felt were important, but were not significant to be included in the financial statements. The final report generated is required by NRS 354.624. The auditors must opine on any identification of misuse with respect to fund creations or designations. The auditors did not identify any such deficiencies. The final

auditors' comments required by statute, highlighted other instances of non-compliance with NRS. The majority were identified in Note 2, in which detailed expenses or expenditures in excess of the amounts budgeted and authorized by the Council (NRS 354.626). In addition NAC 354.750 required all local governments to conduct a physical inventory of capital assets once every two years. The City was not in compliance with that Code. These comments were identified and reported to the Audit Committee at their recent meeting. Ms. Jackson thanked the Finance Department as this was an unusual audit process given the changes that occurred in management. The Finance Department provided a tremendous amount of help and support. Ms. Jackson said with that help, the auditors did not charge above and beyond the contract audit amount because management was able to provide the necessary information.

Councilmember Kelly Malloy relayed the Audit Committee was reviewed the findings from the audit and voted unanimously to approve it. They too were thankful for the Finance Department working diligently along with Kafoury Armstrong to prepare the CAFR. There were some questions asked by the Committee on the audit findings. She was satisfied with the responses and future measures that will be taken by the Finance Department to prevent future instances.

Councilman Eilrich inquired if the past deficiencies were addressed. Ms. Jackson said there were some internal control comments being carried forward from previous years as a part of the formal report given to the Audit Committee. The two material weaknesses reported in this year's report are specific to this audit. There were two findings the previous year related to the City's FEMA grants. Councilman Eilrich noted that according to the memorandum from Staff, they acknowledged the findings and agreed to remedy the deficiencies.

Director Drown had no further comments and asked the Council consider the recommendation to accept the CAFR including the audited financial statements. Councilmember Malloy MOVED TO ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT INCLUDING THE AUDITED FINANCIAL STATEMENTS AS PRESENTED. Councilman Eilrich seconded the motion. The motion carried as follows: Approved 5-0-0. **Item 12 was addressed next.**

5. DISCUSSION AND POSSIBLE ACTION ON ADOPTION OF BILL #141 AS AN ORDINANCE AUTHORIZING THE CITY OF FERNLEY TO ENACT A ZONING MAP AMENDMENT, ZMA 10-06, TO CHANGE THE ZONING FROM C-1 (LIMITED COMMERCIAL) TO C-2 (GENERAL COMMERCIAL) FOR A 0.92 ACRE PARCEL LOCATED AT 305 HWY 95A (APN: 20-057-08); AND OTHER MATTERS PROPERLY RELATED THERETO.

This item was addressed after item 12. Community Development Director Fred Turnier said this was the second reading for this item. The request was in conformance with the City Master Plan. Councilman Parsons asked if any future business would be able to utilize the commercial coaches as is, or would changes be required to comply with existing standards. He also inquired if the applicant was aware of what was required. Director Turnier replied this application was for a zoning change, but any development that occurred on site including change of use will require the owner to come into compliance with the current Building Codes. He said the owner did meet with the Building Official, City Engineering (TRC), and himself to discuss what would be required to come into compliance. Councilman Parsons said the applicant had expressed concerns to him regarding the costs that occur in order to utilize the buildings may not be of benefit to him or eliminating the need for the zone change. Councilman Parsons wanted to be sure the applicant was aware of the ramifications of this zone change. Director Turnier reiterated this was a zone change, a specific development was not tied to the property at this time. The City can't speculate on what future development may occur on the site.

Councilman Eilrich MOVED TO ADOPT BILL #141 AS AN ORDINANCE WHICH WOULD ENACT ZMA 10-06 A ZONING MAP AMENDMENT TO CHANGE THE ZONING FROM C-1 (LIMITED COMMERCIAL) TO C-2 (GENERAL COMMERCIAL) FOR A 0.92 ACRE PARCEL LOCATED AT 305 HWY 95A (APN: 20-057-08) BASED ON THE DISCUSSION AND FINDINGS PROVIDED IN THE OCTOBER 14TH, 2009 PLANNING COMMISSION STAFF REPORT. Councilman Parsons seconded the motion. The motion carried as follows: Approved 5-0-0.

6. DISCUSSION AND POSSIBLE ACTION ON ADOPTION OF BILL #142, AN ORDINANCE MODIFYING TITLE 4 (REVENUE AND TAXATION) BY AMENDING CHAPTER 2, SECTION 17 (ALLOCATION AND USE OF TRANSIENT LODGING TAX) AND SECTION 18 (USES AND PURPOSES OF TRANSIENT LODGING TAX PROCEEDS), OF THE FERNLEY MUNICIPAL CODE AND OTHER MATTERS PROPERLY RELATING THERETO.

City Manager Greg Evangelatos reviewed the Staff report and provided a brief explanation of the changes made to the designation of funds collected as a result of the transient lodging tax. Previously the ordinance directed the funds to be specifically allocated within the General Fund. The revisions would maintain the funds in a Special Revenue Fund until a determination is made by the City Council via resolution for their allocation. City Manager Evangelatos thought it would be appropriate for the Council to determine the uses of the fund during the upcoming budget hearings.

Councilman Parsons relayed a reference to the Lyon County Fair Board was still included in the language. Mayor Goodman clarified it was part of a description of what funds could and could not be used for. Councilman Eilrich thought a definite timeframe was needed for establishment of the City Room Tax Board, the body that would disperse the funds. The budget process can be lengthy and he would like to see this set up before May. City Manager Evangelatos said Staff would bring it before the Council during the second meeting in January with recommendations. Mayor Goodman agreed some urgency was needed in getting the City Room Tax Board established so items like a site for the civic center, grant procedures, etc. can be decided. He also felt it should be separate from the budget process.

Chaffin MOVED TO ADOPT BILL #142, AS AN ORDINANCE MODIFYING TITLE 4 (REVENUE AND TAXATION) BY AMENDING CHAPTER 2, SECTION 17 (ALLOCATION AND USE OF TRANSIENT LODGING TAX) AND SECTION 18 (USES AND PURPOSES OF TRANSIENT LODGING TAX PROCEEDS), OF THE FERNLEY MUNICIPAL CODE AND OTHER MATTERS PROPERLY RELATING THERETO AS IN ITEM 6. Councilman Eilrich seconded the motion. The motion carried as follows:
Approved 5-0-0.

- 7. DISCUSSION AND POSSIBLE ACTION ON PROPOSAL OF BILL # 144 AS AN ORDINANCE MODIFYING TITLE 2 (BOARDS AND COMMISSIONS) BY AMENDING CHAPTER 2, SECTION A (COMMISSION ESTABLISHED-MEMBERSHIP), OF THE FERNLEY MUNICIPAL CODE BY INCREASING THE NUMBER OF ARTS & CULTURE COMMISSION MEMBERS FROM FIVE MEMBERS TO SEVEN TO SERVE ON THE ARTS & CULTURE COMMISSION.**

Parks and Recreation Director Keith Penner stated there were no changes to the report. Councilman Chaffin inquired about the reason for needing an increase on the Commission. Director Penner said the Commission was finding that the current membership of five was inadequate to the task of meeting all the different program goals and activities. Adding two new members would facilitate faster completion and better coordination for the Commission. Councilman Parsons asked if there was any participation by individuals excluding the actual Commissioners. Director Penner responded there was not an organized group of members, the Commission was a City governing body and followed the Open Meeting Law regulations. Councilman Parsons thought the Commission should add individuals to assist them, not necessarily more Commissioners. He wasn't opposed to the two additional members, but said the Commission couldn't just keep adding members because their projects were expanding.

Councilman Eilrich disclosed his wife is Chairman the Commission, but it would have no affect on his opinion on this matter. He had visited Commission meetings and had seen their board was more than a policy making board, they actually facilitate their programs themselves and work along with Staff. He thought it was a good idea for the Commission to set some kind of support from the community without having to sit on the Commission.

Mayor Goodman thought the last line of the agenda report summarized the request. The addition of two more members would assist the Commission with their function and increase the capacity to carry out program goals. Councilman Chaffin said the purpose of a Commission was to manage and have overall direction; those individuals should not necessarily be the "do-ers" or be hands on. He thought there was a need for more Staff assistance or worker bees. Mayor Goodman explained that the Commissioners were the worker bees in this instance. They had limited Staff support, unlike the Council. Councilman Parsons MOVED TO PROPOSE BILL #144 AS AN ORDINANCE REVISING ORDINANCE 2007-006 WHICH ESTABLISHED THE CITY OF FERNLEY ARTS AND CULTURE COMMISSION TO INCREASE THE NUMBER OF ARTS & CULTURE COMMISSION MEMBERS FROM FIVE MEMBERS TO SEVEN MEMBERS. Mayor Goodman said with the proposal by Councilman Parsons, this item would not be discussed further. It would come back for final action at a later date.

8. DISCUSSION OF THE ALTERNATIVE WATER ISSUES (PER COUNCILMAN EILRICH REQUEST).

Councilman Eilrich was very concerned with the City's Alternative Water (Purple Pipe) Plan. He said it was a good thought by the Council a number of years ago to impose this program. However he had a strong feeling that it caused an undue hardship on development and it would probably not ever be connected and fully utilized. He said the expense of putting the purple pipe and meters in for new homes was approximately \$4,000. Thus, people who purchased those homes were asked to pay about \$28 more a month (as part of the price of the home) for pipe that may never be used. He saw the need for some use of purple pipe in areas of the community like the Out of Town Park and the industrial area. He suggested the City take a good look at this before development starts back up in Fernley. They needed to facilitate growth to pay for the Water Treatment Plant and get out of the way of development. Therefore he asked the Council to address this as soon as possible and modify the plan.

Councilman Parsons had the same concerns about purple pipe. It was a huge added expense for developers. He understood use in parks and the industrial area, but not in every residential lot. He would like to see it go away completely so the City can focus on paying off the WTP.

Councilman Chaffin said he talked to a builder upset about having to install purple pipe when constructing some apartments. He was told it added several thousand dollars to the project without any absolute certainty that it would ever be connected. On the other hand, when the Council originally considered the program they researched other communities that found the program to be beneficial. It was intended to reduce water treatment and charges to users for irrigation. He did not want to kill the project all together, but saw some benefit to restricting the installation to areas where there was a possibility for connection. He inquired if water delivered via the purple pipe system would truly be cheaper.

Public Works Director Lowell Patton asked the Council to lay out some of the deciding factors for the program, so Staff could return with the item having those areas of concern addressed. He explained the basic principle was to be able to deliver non-potable water to customers without the charge of having been fully processed at the WTP. The

concept had always been that alternative water would be delivered at a lower cost for the residents. This program had been adopted before Director Patton's tenure with the City, from what he understood the argument for the system was to reduce the treatment of a large portion of the community's water, resulting in less expense in treatment costs for the City.

Councilmember Malloy said from her research, she did not see a cost benefit to the consumer. She understood it was successfully used in other municipalities on golf courses, parks, etc. She was opposed to requiring installation on residential property. She had concerns about the future infrastructure costs for the City in order to utilize the system. She asked for a thorough cost-benefit analysis at the next Council meeting. Councilmember Malloy closed her statement by saying that she did not think purple pipe was the right direction for the City at this time.

Councilman Chase said the major reason (for purple pipe) was for reclaimed water, water that goes through the sewer plant and is delivered for irrigation. He said the City did not have that and he didn't think it was needed.

Mayor Goodman asked to discuss this item again on January 20, 2009. Councilman Parsons said it appeared there was a consensus of the Council to put the program on the shelf. He would hate to have someone come in with an application between this meeting and January 20th and be required to comply with existing conditions for the installation of purple pipe. He asked if the requirement could be temporarily put on hold until the item is addressed on January 20th. Mayor Goodman said that was a good point and suggested creating a hiatus on the next Council agenda for purple pipe standards to not be enforced until the Council can further review the program. Director Patton said as with past ordinances, there will be an opportunity for varying implementation triggers. There were no existing applications that would be affected by any actions taken by the Council on January 20th. Mayor Goodman called for public input. There was none, public input was closed.

9. UPDATE ON STATUS OF CITY OF FERNLEY GRANTS.

Grants Administrator Leslieann Hayden explained she had been charged with organizing and cleaning up the City's existing grants. Previously the City had applied for and received grants, but there was no central office that monitored receipt of the funds and

how much was being received. City Staff is actively working on \$13.5 million in grants. Some of those grants extended back before the City's incorporation, while others had been recently applied for and/or received. Thus far the City has only committed \$364,000 in matching funds, which was only 2% of the overall grant funding. She hoped to recapture \$428,000 in administration funds to replenish the General Fund.

Councilman Chaffin thought it was wonderful that emphasis was being put on grants. He had been frustrated in the past because previous elected officials and Staff had not been interested in seeking grant funding. The City was now receiving significant amounts of money in the way of grants. He applauded the City Manager and Ms. Hayden for continuing to look for grants.

Councilman Parsons asked where the matching funds were coming from. Ms. Hayden explained the funds never leave the City. They are expenditures made on behalf of the grant or come in the form of in-kind contribution. The majority of the grants were heard by the Council and any matching funds were approved at that time. However the majority of the match funding was promised before the flood. Which had a significant impact on the contingency funding at the time, she was not aware of the current status of that fund. Ms. Hayden was working with the City Treasurer to establish some internal control and procedures to better manage the funds in the future. City Treasurer/Finance Director Mel Drown agreed saying most of the match funds had been identified within the Grants Fund. The funds were available. Should there be a shortfall, he would come to the Council seeking an augmentation.

Councilman Eilrich liked the report and thought the City was heading in the right direction. He liked the tracking system and accountability; it was nice to know where the City was at all times in regard to grants.

Councilman Chaffin thought the allocation of matching funds was pretty controlled in the past. The commitments were set aside with the understanding there was funding available for each project.

Ms. Hayden would be presenting the procedures and internal controls to the Audit Committee sometime in January. Mayor Goodman thanked Ms. Hayden for the report

and asked to receive similar reports on a quarterly basis. Mayor Goodman asked for additional comments, there were none.

10. ADDRESS OPPORTUNITY TO SUBMIT DETAILED 'ECONOMIC DEVELOPMENT SET ASIDE PROJECTS' FOR CDBG FUNDING TO BE SPONSORED BY AND FOR THE CITY OF FERNLEY AND THE RURAL COUNTIES. ALL PROJECTS SHOULD BE SUBMITTED TO FRED R. TURNIER, AICP, COMMUNITY DEVELOPMENT DIRECTOR, CITY OF FERNLEY BY THURSDAY, DECEMBER 31, 2009 BY THE CLOSE OF BUSINESS.

Community Development Director Fred Turnier stated this item was to notify the public that CDBG funding is available. The City sponsored the Boys & Girls Club feasibility study the previous year and was still working on that project. Two proposals had been submitted thus far. Director Turnier would bring a final list of proposals to the City Council on January 6th. At that time, action can be taken by the Council to recommend which application should be forwarded to the USDA. The two projects that had been received were for improvements to Hardie Lane and for development of sustainable housing within the City. Director Turnier said CDBG grants were pretty flexible, but the City would be competing against all of rural Nevada for funds. Councilman Parsons asked if the Veteran's War Memorial could be considered under this program. Director Turnier affirmed it could. Councilman Chaffin was happy to see the City participating in the CDBG, because there had been no participation from the City in the past. Mayor Goodman encouraged anyone with ideas for a public project to contact Director Turnier.

11. PUBLIC INPUT.

This item was addressed after item 3. Mrs. Sandra Mathewson, Fernley resident, questioned information she read on a public website regarding City business. She was coming to the Council, because she was unable to get an answer from the author. Her question related to Ordinance 2008-013, mandatory trash service. She requested back up information and materials related to a statement that if the ordinance was repealed, it could result in a multi-million lawsuit for the City. Mrs. Mathewson said TrashPros was not a multi-million business. She asked for a list of the millions of dollars TrashPros had invested in equipment and real estate, as relayed in the statement. She thought making such statements without basis on actual documentation was reckless. She inquired if the website was meant to reflect the views and opinions of the entire Council. Mrs.

Mathewson read a portion of the statements in question. She did not think it was appropriate behavior for a public official and would deter any business or family from relocating to Fernley. Mrs. Mathewson said she had been slandered by the City Manager and it was hurting her real estate business. She encouraged the Council to view this website and Google® “City of Fernley” to see what is listed. She didn’t think it was the image the City was looking for in their attempts to attract business.

Mr. Dave Mathewson, Fernley resident, stated government is in place and serves at the will of the people for three primary purposes: securing peace, to protect property, and protect an environment of happiness and contentment. He said the local government failed to protect its citizens. He said the Council continued to think the property belonging to the Mathewson’s and other residents on Mesa Drive was not taken from them by the City. He disagreed; the value of their property had been significantly reduced with the addition of the Water Treatment Plant (WTP). He said the Mesa Drive neighborhood was a tranquil and valued location used solely for residential purposes. With the construction of the industrial WTP, there are issues with noise pollution, traffic, and obstructed views. He thought it constituted a property confiscation, without due process on behalf of the residents. The WTP was a looming financial disaster caused by the actions and bad decisions of the local government and it placed a huge financial burden on all residents during a time when such a burden can not be afforded. He said the Council’s actions were performed in ignorance of the law and in violation of the duties for public officials. Mr. Mathewson closed his statement by saying he was proud to be considered a troublemaker by the Council. **Item 4 was addressed next.**

Public Input was reopened at 5:21pm, after item 10. Mrs. Janice Prichard, Fernley resident, apologized to Community Development Director Fred Turnier as she had made some comments at the last City Council meeting based on information which was inaccurate. Mrs. Prichard said she had requested an item be added to the agenda through the City Manager on November 18th. It was her third request for an agenda item. She did not receive a response until December 11th, which she said was a violation of City policy. The response said the City Manager had considered her request and determined to not put the item on the agenda for the December 16th meeting. The City Manager suggested Mrs. Prichard bring up her concerns during Public Input and if any

member of the City Council wished to hear the item further it would be added to a future agenda. Mrs. Prichard thought the City Manager was shirking his responsibility as outlined in Ordinance 2008-007. She asked for clarification on how to get an item on the agenda. Mayor Goodman said Mrs. Prichard only needed to state clearly during Public Input that she would like to have an item added to the agenda.

Mr. Ken Jeffers, Lyon County Sheriff's Office VIP member, relayed that the Shop with the Sheriff event was very successful. The number of children participating doubled from the previous year. He was proud to be part of the event.

Mrs. Susan Seidl, Fernley resident, presented a proposal for a million dollar research team. The goal of the team would be to bring the Council ways to save the City \$1 million over the next year. The team would do the research and bring the Council comprehensive savings plans. She thought it would be a benefit to the City to look at the financial situation with a fresh set of eyes. She proposed the team be composed of two people with government experience. The first project they would like to review is the fee associated with the use of credit cards for payments. She estimated the fee amounted to a loss of over \$30,000 a year. She said Lyon County charges a 3% surcharge for credit card payments and suggested the City implement a similar fee. The money generated from a credit card usage fee could be used to buy windmills in attempts to reduce energy costs. She estimated City's power bills averaged \$34,000 a month, with \$3,400 stemming from City Hall alone. The team would use the fees from the credit cards to purchase the first windmill and use the savings from that windmill in addition to credit card fees to purchase the second windmill and so on. They would need information from Staff and access to the agenda and various documents without being charged. They would act as a research team for the Council. She asked to have this item placed on the agenda for consideration.

Mayor Goodman called a recess at 5:33pm. The meeting reconvened at 5:44pm.

12. REPORTS.

12.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 addressed after item 4. North Lyon Fire Protection District Interim Chief Scott Huntley reported on the ambulance service. They had an inspection by the State of Nevada Health Division planned for the following Monday. He did not anticipate any issues with the implementation of one ALS and one ILS ambulance. He hired two Paramedics that day, the other Paramedic was now on staff and working 40 hour shifts. Once the billing process was lined out with Medicare, which was a 60 day process, NLCFPD ambulances would start running calls. In the meantime Central Lyon County Fire Protection District was providing services. NLCFPD had purchased a lot of equipment to meet the required standards. NLCFPD had some available funds and was fortunate to have some outside assistance from the community. Interim Chief Huntley also hired a Fire Inspector that day. This would help out with business inspections and fire safety for both the firefighters and the community. He anticipated taking back plan review in the future. With this addition, City Staff will have personnel more readily available. He acknowledged there had been some issues with slow response and he was working on making a more smooth transition.

Councilman Chaffin said he saw a request was made to Central Lyon County Fire Protection District for an additional 60 days to continue covering ambulance service within the City. He asked if that request was heard by CLCFPD's Board yet. Interim Chief Huntley said it was heard and approved for 90 days. He didn't foresee NLCFPD needing 60 days, but was glad to have coverage for the added time in case issues did arise. He assured there would be no decreased service, the transition would occur seamlessly.

Lyon County Sheriff's Office Lieutenant Albert Torres provided the statistics for November. There were a total of 1,766 calls for service resulting in 29 arrests: 9 Felony, 1 Gross Misdemeanor, 5 DUI, 12 Misdemeanor, and 2 Domestic Violence. 38 citations were written during the month. **Item 5 was addressed next.**

This item was reopened after item 11. Mrs. Susan Seidl, Lahontan Valley Environmental Alliance (LVEA) representative, relayed that Ms. Erica Behimer, LVEA Director, was involved in a serious car accident. She asked the City to send a card or letter to her as she was still in the hospital.

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

City Manager Greg Evangelatos provided an update on receipt of Federal funds for the Nevada Pacific Parkway project in the amount of \$535,000. It was intended for the use of connecting Exit 50 off of Interstate 80 to US 50A. This funding was for $\frac{3}{4}$ to one mile of the connection segment.

Public Works Director Lowell Patton said in light of the recent storm activity, there was some confusion regarding what services the City provides. He said there was information on the snow and ice control program on the City's website, including a list of streets that have priority for plowing and sanding.

Community Development Director Fred Turnier relayed that Mrs. Bonnie Cook was interviewing members of the community regarding the feasibility of having a Boys and Girls Club in Fernley. Director Turnier provided a development update which listed \$29.5 million in commercial projects in the City. There was approximately \$4 million in projects being plan checked.

Parks and Recreation Director Keith Penner gave a report on the Festival of Trees hosted by the Arts & Culture Commission. There was a good turnout for the preschool and High School Choir performances. On the opening day of the Festival of Trees, there were approximately 300 hayrides given in the Miller Meadows subdivision.

Councilmember Malloy relayed a couple of the Audit Committee Members were very concerned about the City's financial situation. At their last meeting they discussed the audit, but during that conversation concerns were expressed about what was currently happening and what would continue to happen with decreases in property taxes and permit fees. The Contingency Fund was not enough. During the meeting, Committee Members were asking questions along those lines, but they had to be stopped because it was not related to the item on the agenda. However, she thought it was a conversation the Council needed to have. The Council needed to look carefully at the budget. Councilmember Malloy had spoken to Ms. Laurel Jackson, Kafoury Armstrong, about how the City's financial status was compared to other municipalities. In Ms. Jackson's opinion the City had not made enough cuts. Councilmember Malloy asked to have discussion about the City's current financial status on an upcoming agenda so the Council can review the City's finances a little more carefully.

Councilman Parsons had noticed the lines at the food pantry were getting longer. He was informed it took \$1,200 a month to keep the food pantry doors open so food and commodities can be distributed. He would like the Council to consider donating a couple thousand dollars to this organization, so they can provide services to families for the holidays. Councilman Parsons expressed concerns about other municipalities' budget shortfalls. He had talked to Mike Glass, Lyon County Assessor about the reduction in assessed valuation and how it was going to affect the City. This year the Assessor was expecting to cut both property and structure valuation by 40%. Councilman Parsons said every other community is tightening their belts and looking for ways to save money. He would like to start looking at the City's budget earlier in the year in order to take a closer look at it. Councilman Parsons said progress was being made with the Veteran's Memorial project.

Councilman Parsons asked if the voucher report could be broken down by department. It was difficult for him to understand where the funds were coming from to pay invoices. Councilman Parson was disappointed by the lack of Christmas decorations in the downtown area and City Hall. He asked Staff to do a little better next year and possibly involve the businesses and community in decorating the City.

Councilman Chase stated he received several complaints about black water coming out of residents' faucets. Mayor Goodman suggested Councilman Chase meet with the Public Works Director.

Councilman Chaffin attended the Shop with a Sheriff event at Wal-Mart. It was a good experience on a stormy, icy day. Councilman Chaffin attended the Chamber of Commerce holiday luncheon, during which there was a recap of events Fernley had seen throughout the year. It was an impressive list, he was glad to see the Chamber of Commerce so active in their attempts to make Fernley a better place.

Councilman Eilrich also expressed concerns with the lines of people waiting to receive food at the food distribution center. He understood there was a City-wide employee challenge to raise funds for the food pantry. He had discussed using City funds as a donation with the City Manager. There were many worthy charities within the City, he didn't think it wise to start donating to such causes as the requests would be endless. The City as a government can't give to something without having to take away from

something else. He encouraged participation in the Staff challenge and asked the City Manager how it was going. City Manager Greg Evangelatos said after talking to the Finance Director, the total was approximately \$350 with five or six people donating. He would be turning the money in later in the week. Councilman Eilrich challenged the other Councilmembers to reach in their pockets and make an affordable donation.

Councilman Eilrich received complaints from residents in Donner Trails regarding restricted access to the neighborhood mailboxes. Snow was plowed in front of the boxes making them difficult to access. Mayor Goodman said he visited the neighborhood and didn't see a problem. Councilman Eilrich sadly announced that a long time Fernley resident Mr. Gil Clements passed away recently. Councilman Eilrich then read a short statement about his website which he uses to express his opinions. He clearly stated he does not independently speak for the City (unless authorized to do so) or represent the whole Council. He used this form of communication to exercise his first amendment rights.

Mayor Goodman thought a good job was done clearing the drive and walkways around City Hall during the recent snow storm. In the future, he asked to extend that service to the Lyon County Library and Justice Court, since they are in the same complex. He asked the Council to consider starting at 2:30pm on January 6th, as the Lyon County Assessor would be coming to discuss taxation and property valuation. He also asked to include the members of the Planning Commission in that meeting. Mayor Goodman agreed with the concerns expressed about the budget. He thought the Council should look at the travel budget and institute a moratorium on travel through the end of the year. Mayor Goodman said the evaluation of the City Manager is coming up after the beginning of the year. A Citizen's Advisory Team (CAT) is scheduled for January 11th at 3:00pm in the Council Chambers to work on the branding contest. Mayor Goodman asked for an update on the stimulus money received by the State. Mayor Goodman, City Manager Evangelatos, Director Turnier, and Director Patton would be meeting with the Nevada Department of Transportation (NDOT) on January 12th to discuss several topics including: Silver Lace Blvd, the underpass, NDOT properties, Highway 95A and others. The City was still looking for an individual to serve on the East Truckee River Citizen's Advisory Board. Mayor Goodman asked to get the establishment of the Fernley

Room Tax Board going. He also asked to hear more about a possible 318 District at the golf course in January.

The City received the population projections from the State Demographer and is appealing the overall projection for combined Fernley, Lyon County. Mayor Goodman has Staff researching how the City can share more of the consolidated tax and how to go about getting funds from the Lyon County Road Fund. He also asked to move forward with the reorganization and encouraged the Councilmembers to present any ideas on the reorganization in order to move forward with it.

13. PUBLIC HEARING:

13.A. DISCUSSION AND POSSIBLE ACTION ON THE INTRODUCTION OF BILL #146 AS AN ORDINANCE AUTHORIZING THE CITY OF FERNLEY TO ENTER INTO A DEVELOPMENT AGREEMENT (DA 09-56) WITH GUARANTY PLUS PROPERTIES LLC-2 TO EXTEND THE PERIOD OF TIME FOR FINAL MAP APPROVAL OF TRUCKEE RIVER RANCH PHASE III (TSM 03-07), LOCATED IN THE VICINITY OF DESERT SHADOWS LANE AND CLEARWATER PARKWAY, SOUTH OF THE TCID CANAL; APN: 21-301-46.

Senior Planner Valerie Claussen relayed there had been some changes to the Staff report, the timeframe for the road improvements was clarified. The applicant was requesting an extension of time for final map recordation for the Truckee River Ranch subdivision. The final map would be extended out to 2014, with each subsequent map receiving an extra two year period. The Development Agreement included improvements to Clearwater Parkway (the location of the bridge from Farm District Road to Desert Shadows). Senior Planner Claussen said the application met the findings and was recommended for approval as modified with the addition of the proposed language.

Councilman Chaffin inquired what would happen with the property between now and 2014. Senior Planner Claussen said the applicant was being required to make the roadway improvements within nine months. Other improvements would be made as the property starts selling.

Mrs. Cindy Scanlon, Assets Solutions Group, represented the applicant and was available to answer any questions. Councilman Parsons clarified that paving was required on Clearwater Parkway to the bridge within six months of the effective date of

the agreement. Within nine months, the applicant would also be required to extend a gravel roadway from the bridge to Desert Shadows. Councilman Parsons didn't see why both roadways couldn't be finished at the same time, as the equipment would already be on site. He would like to see the improvements occur immediately. Mrs. Scanlon understood the area north of the bridge already had plans approved. They would need additional time to submit plans for the area south of the bridge. Councilman Parsons said there was a previous agreement that required a temporary access from Desert Shadows to the bridge until such time that a map was submitted to the City. Public Works Director Lowell Patton explained the City was trying to put in a more permanent alternative in a shorter amount of time than what was originally approved. At the end of the time period discussed, there will be a 3-G gravel road with the appropriate fill between the bridge and Desert Shadows.

Councilman Chaffin asked if the Development Agreement in anyway relaxed the requirements to meet the Development or Building Codes. Senior Planner Claussen said it did not, in fact this Development Agreement procured road improvements ahead of the recordation of the final map. The purpose for the Development Agreement was to extend the timeframe for the final map. Councilman Chaffin MOVED TO INTRODUCE BILL #146 AS AN ORDINANCE WHICH WOULD AUTHORIZE THE CITY OF FERNLEY TO ENTER INTO A DEVELOPMENT AGREEMENT (DA 09-56) WITH GUARANTY PLUS PROPERTIES LLC-2 TO EXTEND THE PERIOD OF TIME FOR FINAL MAP APPROVAL OF TRUCKEE RIVER RANCH PHASE III (TSM 03-07), LOCATED IN THE VICINITY OF DESERT SHADOWS LANE AND CLEARWATER PARKWAY, SOUTH OF THE TCID CANAL; APN 21-301-46 BASED ON THE DISCUSSION AND FINDINGS PROVIDED IN THE STAFF REPORT AS AMENDED FOR ITEM 13.A. Councilmember Malloy seconded the motion. The motion carried as follows: Approved 5-0-0.

13.B. DISCUSSION AND POSSIBLE ACTION ON THE ADOPTION OF RESOLUTION 09-018 FOR MASTER PLAN AMENDMENT, MPA 10-17 FERNLEY VILLAGE, TO CHANGE THE LAND USE CLASSIFICATION FROM RESIDENTIAL HIGH DENSITY TO MULTI-FAMILY FOR +/- 18.13 ACRES LOCATED IN THE VICINITY NORTH OF WESTERLUND LN AND EAST OF SILVER LACE BLVD (APN'S 21-103-45; 22-561-01; 22-561-02; 22-561-03; 22-561-04; 22-561-05; 22-562-01; 22-562-02; 22-562-03; 22-562-04; 22-562-05; 22-562-06; 22-562-07; 22-562-08)

This item was continued to January 6, 2010.

13.C. DISCUSSION AND POSSIBLE ACTION ON THE INTRODUCTION OF BILL #145 AS AN ORDINANCE AUTHORIZING THE CITY OF FERNLEY TO ENACT A ZONING MAP AMENDMENT, ZMA 10-16, TO CHANGE THE ZONING FROM NR-1/PD (SINGLE FAMILY, 6,000 SQUARE FOOT LOTS WITH A PLANNED DEVELOPMENT OVERLAY) TO NR-2 (MULTIPLE RESIDENCE) FOR +/- 18.13 ACRES LOCATED IN THE VICINITY NORTH OF WESTERLUND LN AND EAST OF SILVER LACE BLVD (APN'S 21-103-45; 22-561-01; 22-561-02; 22-561-03; 22-561-04; 22-561-05; 22-562-01; 22-562-02; 22-562-03; 22-562-04; 22-562-05; 22-562-06; 22-562-07; 22-562-08); AND OTHER MATTERS PROPERLY RELATED THERETO.

This item was continued to January 6, 2010.

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

Mayor Goodman thought work was needed on the way ordinances are maintained. He did not think ordinances were needed to amend existing ordinances. He asked to have the ordinances cleaned up.

Councilman Eilrich liked Mrs. Susan Seidl's idea and asked to have it placed on a future agenda. He asked to discuss and possibly suspend the 3% water rate increase scheduled for July 1, 2010. He also asked to have an item to discuss and possibly act on an item to stimulate job producing industrial development for 2010. **Item 3.A was addressed next.**

15. ADJOURNMENT.

This was addressed after item 3.A. There being no further business to come before it, the meeting adjourned at 6:39pm. Approved by the Fernley City Council on _____, by a vote of:

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

Mayor LeRoy Goodman

ATTEST: City Clerk Lena Shumway