Mayor Roy Edgington, State of the City

February 7, 2018

Good evening. My name is Roy Edgington, and I was elected as the Mayor of the City of Fernley in November 2014.

The State of the City Address, as required by NRS 266.190 states, from time to time to provide updates in writing to City Council regarding the State of the City.

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State of the City Topics…

• Accomplishments

• Challenges

For the State of the City, I would like to discuss all that the City has:

• accomplished over the last year

• along with where we currently are and what are the challenges that the City faces in the near future.

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ACCOMPLISHMENTS

Revenue Generation Tools

• Water and Sewer Rates

• Water Ancillary Fee

• Business License Fees

In December 2016, the Fernley City Council directed staff to pursue priorities of Asset Management and a Funding Plan with a focus on alternative revenue generation tools such as Special Assessment Districts and a Redevelopment District to support the 2017-2021 Strategic Plan for Water Enterprise, Sewer Enterprise, and General Funds. Here is a look at what we have accomplished with regard to revenue generation tools:

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ACCOMPLISHMENTS

In January 2017 the City implemented new water/sewer rates for residential customers, as well as July 2017 for commercial customers. These new water/sewer rates were determined after a comprehensive study to identify what is needed to manage costs and address aging infrastructure and deficiencies. The utility rates are used to provide services, maintain infrastructure, while preserving adequate cash reserve to handle any planned repairs or emergencies per NRS 354. There will be an annual increase effective each July for at least three years. In this graph the water fund shows a significant increase in operating revenues for fiscal year 2017. The Water fund has reported net operating losses over all of the last five years. As a result of rate increases in FY 17 the net operating loss was significantly reduced to 179,195. The operating losses are funded or offset by water ancillary fee revenue, capital contributions and other non-operating income.

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ACCOMPLISHMENTS

Although t he Sewer fund shows a 24.50% increase in revenues over the previous 5 years, it has reported net operating losses for each of those 5 years with a noted improvement in fiscal year 2017 reporting operating losses at 68,902.

WATER ANCILLARY FEE

The Council adopted a resolution for the water ancillary fee (previously called the water bond debt fee). This fee will be collected as part of the Lyon County Property Tax Statement in an amount equal to the annual Water Enterprise Fund debt service payments (principal and interest). This amount will be reviewed annually for potential adjustment based on the revenue requirement for the upcoming budget year and based upon the number of meters in the system.

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ACCOMPLISHMENTS

BUSINESS LICENSE FEES

The City Council adopted Resolution 16-027 to modify the business license fee structure based on gross receipts for certain business classifications and established fees for specialty businesses. This new fee structure became effective January 1, 2017.

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ACCOMPLISHMENTS

Revenue Generation Tools

• Redevelopment District

• Building Permits and Development Services Fees

• Other Revenue

REDEVELOPMENT DISTRICT

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

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Remaining Redevelopment Community Workshop Dates are scheduled for: Saturday, Feb. 10 from 10 a.m.-4 p.m. and Monday, Feb. 26 from 6 p.m.-9 p.m. here in City Hall.

BUILDING PERMITS AND DEVELOPMENT SERVICE FEES

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

OTHER REVENUE

Staff will continue to analyze revenue streams that need to be adjusted in the upcoming Budget Year, including, but not limited to:

-Franchise Fees

-Transient Lodging Tax Fees

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ACCOMPLISHMENTS

Asset Management and Planning

• Strategic Plan – Action Plan FY 2017-2018

• Water Resource Plan

• Surface Water to Water Treatment Plant

• Master Plan

• Growth and Development

With regard to Planning, the City has accomplished and is continuing to work on several key plans:

The City Council adopted the final strategic plan on October 19, 2016, this plan covers a five-year period (2017 – 2021). The goals and objectives identified in this plan are the basis for many of the decisions made moving forward. Staff will review the plan annually.

Water Resource Plan: Staff will be working on developing a basic water resource plan during FY 2017/2018 focusing on limited resources in managing the water resource program. This plan will officially document and provide policy related to the City’s ability to provide a sustainable water supply to its customers in periods of above and below average rainfall.

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Surface Water to Water Treatment Plant: Funding will be allocated in the FY 2018/2019 budget development using in-lieu-of fees, which will be intended to expand the use of surface water within the City of Fernley.

Master Plan: Staff appropriated $100,000 in the FY 17/18 budget to update the master plan, which is currently in process. This plan provides guidance on the location of different types of develop to protect public health, safety, and welfare. It includes several different elements as well as an action plan to address specific development and quality of life issues within the City.

Growth and Development: The City of Fernley adopted Resolution 17-020 establishing policies related to how and where the City of Fernley chooses to grow, it has a direct impact on revenues and the City’s ability to provide services to residents/customers.

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ACCOMPLISHMENTS

Asset Management and Planning

• Capital Improvement Committee

• Code Enforcement Task Force

• Vueworks

• Parks Master Plan

• Communications Plan – Community Engagement Efforts

The City is also working on a:

Capital Improvement Committee: The City Council directed staff to develop a Capital Improvement Committee as an important tool for planning, reviewing, and prioritizing capital improvements for the upcoming budget cycle and for the next five years.

Code Enforcement Task Force: The Code Enforcement Task Force was established at the direction of City Council. The group will establish a code enforcement process to overcome capacity and monetary constraints and incorporate the positive aspects of code enforcement.

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Vueworks: This year staff has input the installation dates of water, sewer, and storm drain underground pipe infrastructure into the geographic information system (GIS) database. The data will begin to build a more refined database of information that can be used to select and budget for future repair and replacement projects.

Parks Master Plan: The primary purpose of the parks master plan update is to ensure the City’s fiscal resources are appropriately utilized and that parks, trails, and open spaces meet the needs of the community and enhance the quality of life for residents. This plan also provides recommendations for funding, a list of improvements for short and long-term implementation, and a high-level review and recommendations for operations and maintenance, the City Council adopted this plan in September, 2017.

Communications Plan: A strategic communications plan was developed in coordination with the organizational strategic plan. This effort was in response to the challenges within the City relating to growth and development and need for new or expanded service delivery. As part of this plan, the City is also working on continued Community Engagement Efforts.

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Community Engagement Efforts

• Citizens Leadership Academy

The City worked on these efforts throughout the year, partnering to host events, and foster more open communication. Efforts such as the Citizens Leadership Academy; which is now in its second year and currently underway with 30 attendees. The City has partnered with the Fernley Chamber of Commerce to offer this free Academy that allows citizens to learn about our City’s government structure and meet elected officials and City staff. Each City department presents over a 6 week period. This program provides information about each City department and their operations; along with the programs and services provided by the City.

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Community Engagement Efforts

• Spooktacular

The City successfully held it’s annual Spooktacular event on Halloween. The City and local volunteers passed out candy to roughly 15 percent of the City’s population, approximately 2,500 residents were in attendance.

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Community Engagement Efforts

The City of Fernley partnered with the Chamber, Pioneer Crossing Casino, Lyon County Sheriff’s Office and Fierce Entertainment to host the annual 2017 Hometown Christmas parade and tree lighting at the Depot. 2017 saw a huge increase in participation, and the City was able to provide fireworks in conjunction with the Fire District. We are looking forward to an even bigger Hometown Christmas celebration next year.

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Community Engagement Efforts

• OpenGov transparency platform

• Coordination with local media

• Updated website

• Social media outreach

• Arts and Culture Task Force

In addition, the City has implemented additional community engagement efforts including:

-OpenGov transparency platform

-Increased collaboration with local media including radio and newspaper

-Social media outreach

-Improved website updates

-And the arts and culture task force who’s mission is to encourage creativity and enrich residents’ lives through arts and culture.

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ACCOMPLISHMENTS

Growth & Development

• 213 permits processed in 2017 for single family dwellings

• 213 permits were processed in 2017 for single family dwellings, up from 80 in 2016, 32 in 2015, and just 5 new homes in 2014. New homes are being built all over Fernley, including Autumn Winds/Wild Horse Ridge; Sage Valley Estates; Southwest Meadows; Green Valley; Miller Crossing; and Silverland Estates just to name a few.

• The city performed 7,964 inspections in 2017, compared to 950 in 2014.

• One large commercial project was completed in 2017, Schell Creek Car Wash.

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ACCOMPLISHMENTS

Park Improvements

Staff has completed many upgrades and improvements to existing parks and open spaces. A sample of these improvements that have been completed just since July 2017 include:

At the Out of Town Park:

• Reseeded, placed compost, raised 20 sprinkler heads, and replaced 10 more sprinkler heads at the Babe Ruth and Softball fields.

• Raised 11 sprinkler heads at the soccer field

• Improvement project at little league fields, including new concrete walkways and bases for bleachers.

• New LED lights for lighting of new pathways between major and minor field.

• Constructed new planter walls and flatwork.

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• Coordination with FHS students for steel artwork

• New concrete flatwork around 10-acre softball field, including small retaining walls.

At the In Town Park:

• Replaced sprinkler and repaired drip system

• Raised four electrical boxes and water to elevation.

• Concrete flatwork including walkways around concession and curbing along HIGHWAY row. Bleachers were placed on concrete.

• Basket hoops installed, and stripping of courts complete.

• New fencing

• Batting cage improvements.

Other improvements include: Millennium Park along Silver Lace – removal of weeds and placed fabric and decomposed granite to prepare for future improvement.

At the Cemetery:

• Staff planted four new trees at east end of cemetery.

• Planted 10 rose shrubs.

• Planted 3 yucca plans at south border of cemetery.

• Planted 4 burning bush shrubs and mid strip at east side of cemetery.

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ACCOMPLISHMENTS

Future Multi-Purpose Community Center and Senior Center

• The City continues to work towards the future vision of opening the historic Depot to the public. The City was awarded a $300,000 CDBG Grant for the second phase of the Depot project. This funding will allow for the construction of a sewer line to the Depot.

• In addition, the City Purchased 8.5-acres adjoining the existing 1.2 acres of the depot property to the east and south for future site of a Community Center. The City has formed a key stakeholder group to collaborate on this future facility. The group includes Lyon County, the Fernley Community Foundation, Lyon County School District, the Boys and Girls Club of Truckee Meadows, Lyon County Sheriff’s Office, and Western Nevada College.

• The City has executed a Memorandum of Understanding with the County for use of a portion of the land for the county’s new 16,000 square foot Senior Center and Human Services offices. The County expects to break ground on this project late this spring.

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ACCOMPLISHMENTS

Grants

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

• Currently the City has just under $450,000 in open Community Development Block Grants. These grants are for the sewer hook up to the Depot; and small business counseling.

• In addition, the City has applied for two more grants from the Community Development Block Grant program, totaling $299,000. One grant is for the future design and public outreach for the Community Center. The second grant is for Main Street Beautification Efforts.

• The City is also currently applying for a $100,000 grant from the Land and Water Conservation Fund for specific park improvements that were identified in the Parks Master Plan.

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CAPITAL IMPROVEMENT PROJECTS

General Fund

• Building Dept. – Vehicle/New Inspector

• Hardie Lane Roadway Reconstruction Project

• Depot Roof and Paint

• 3-Yard and 6-Yard Electric Sander

• Farm District Road Multi-Use Path, Phase II

• A new Building Department Vehicle has been purchased ($22,336) to assist with inspections for our new building inspector.

• Hardie Lane – all of the City’s right of way and easement acquisitions have been completed; all of the environmental studies have been completed and approved; we have received our preliminary approval from BOR for covering the ditch along Hardie Lane which will provide a safe route to schools. Buy America is holding this project up, along with many other projects in Nevada as a whole.

• Council approved to move forward with the lead paint abatement and painting of the Depot this spring ($173,000). Roofing will not be completed this spring as it will be an additional expense.

• 3 and 6-yard electric sanders have been purchased for our snowplows (total of $20,500), they replace old NDOT units that we’ve had for 15 years.

• Farm District Multi Use Path Phase II is – 60 percent complete. Staff received updated plans for the project and sent comments to NDOT design personnel. ($139,953 from Streets / $75,047 from Capital Fund)

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CAPITAL IMPROVEMENT PROJECTS

Water Enterprise Fund

• Fire Hydrant Replacement

• Water Meter Replacements City-Wide

• Improvements to deliver and treat surface water to Water Treatment Plant

• NE Tank Recoat

• 7 of 10 fire hydrants have been replaced year to date; with the remainder to be completed by June. Amount of $25,000

• The City is replacing water meters city-wide, this project is ongoing, anticipating another 3-4 more years to fully replace all meters. When it’s complete, the city will be able to read meters in real time, no more driving to meter locations. Total cost $250,000.

• The City is working on improvements to deliver and treat surface water to the Water Treatment Plant. Amount of $300,000.

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NE TANK RECOAT – BEFORE

The Engineering and Public Works Departments teamed up this year to complete the interior and exterior recoating one of the City’s 2.5 million gallon water storage tanks. The tank, known as the Northeast Tank, is located north of Interstate 80 behind the Terrible’ s Casino and refueling station. Every three years, the public works department has all of its tanks inspected and cleaned and the last inspection revealed that the interior of the tank was corroding in many areas and in need of minor repair and recoating. The exterior of the tank was also showing its age after years of exposure to the elements and the occasional vandal. It was decided that both the interior and exterior would need to be recoated.

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NE TANK RECOAT – AFTER

The  contractor then opened the tank by cutting a large door into the side of the tank so that their equipment could enter the tank. Unfortunately, after opening the tank, we all realized that the project was not going to be as easy or as quick as just recoating. The rafters that supported the roof of the tank were badly corroded and severely warped due to years of expansion and contraction through Fernley’s hot summers and cold winters. Engineering and Public Works staff worked with the contractor to inspect the rafters and come up with a solution to repair the roof. Unfortunately, it was determined that all 104 rafters were so badly damaged that they would all need to be replaced. These additional repairs more than doubled the final cost of the project from $331,091 to $713,791.  
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CAPITAL IMPROVEMENT PROJECTS

Wastewater Enterprise Fund

• Sewer Master Plan Update

• East Lift Station Bypass, Hot Tap and Line Stop

• Donner Trails Lift Station

• We are working to update the Sewer Master Plan which was last updated in 2009, it is outdated and is needed for planning and operations of the City. The amount is $60,000.

• East Lift Station was in need of a bypass, when it was originally designed it did not have one. City staff did much of the work on this project, and gave a herculean effort and saved lots of money by performing the work in house. They installed an emergency bypass, hot tap and line stop at the City’s East Lift Station, which will allow staff and/or contractors to make repairs to Influent Pump No. 1, which is currently offline. This project cost $125,000.

• The city plans to replace the existing Donner Trails Lift Station, construction has commenced and is currently 95 percent complete. Total project cost is $1.1 million.

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Where are we currently?

Challenges?

Where are we currently? What are the City’s challenges?

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Where are we currently? Challenges

• Aging Infrastructure, Storm Water Enterprise

• Wastewater Treatment Plant

• Treatment of Surface Water

• Communication with Residents

The City is facing challenges with the following items:

• Aging Infrastructure including roads and Storm Water Enterprise

• Wastewater Treatment Plant

• Treatment of Surface Water

• Communication with Residents

• Funding

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Where are we currently? Challenges

Aging Infrastructure, Storm Water Enterprise

• Growth and development bring challenges with new infrastructure needs.

• The City must also look for ways to address aging infrastructure, which is an issue across the country.

• There are 45 retention basins in Fernley and only 50 percent under city ownership. Minimal funding is in place to maintain them. The City is working on establishing a storm water enterprise with ordinances in place to operate the system.

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Where are we currently? Challenges

Wastewater Treatment Plant

The City’s Wastewater Treatment Plant is more than 30 years old, and requires significant maintenance, and will need to eventually be upgraded. The City has 9 major lift stations that are in operation, and over 200 E-1 units (individual, residential lift stations). The City’s Wastewater Treatment Plant is more than 30 years old, and requires significant maintenance, and will need to eventually be upgraded. The City received a $500,000 grant from the State Revolving Fund (SRF) through a low interest bond agreement. In addition, the City received a $291,000 grant from the Environmental Protection Agency (EPA). The plant improvements are part of a $2.3 million project to replace a 30-year-old pond liner and remove sludge from the wastewater treatment plant. During this process the City built filter beds so that we can remove and process sludge and take it to a permitted landfill for disposal.

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Where are we currently? Challenges

Treatment of Surface Water

• As it was identified in the Council Priorities, Access to Surface Water and Treatment of Surface Water are keys to continuing Fernley’s growth.

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

• In December 2016, the City Council adopted Ordinance 2016-020, placing an expiration date of January 1, 2018 for the ability to pay a fee in lieu of dedication.

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

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

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Where are we currently? Challenges

Communication with Residents

• The City is continually working on trying to improve communication with our residents. We are using media resources such as Biggest Little Radio, Fernley’s new local radio station; and the Fernley Reporter, our new local online newspaper.

• In addition the City utilizes the electronic sign in front of the Depot to provide the public with weekly updates.

• The City strives to provide up to date, factual information in a timely manner through press releases, and information distributed on our City’s web page, and our City’s Facebook page.

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Where are we going?

• Building Partnerships & Moving Forward:

–Lyon County

–Churchill County

–TCID

–EDAWN

–NNDA

• The City is proactively working on building partnerships with key administrations and organizations, such as Lyon County, Churchill County, TCID, EDAWN, and NNDA.

• We are currently working on the budget for the upcoming fiscal year, which begins on July 1, 2018. Budget workshops, which are open to the public, will be held in April and May, and the final budget must be submitted to the State by June 1st.

• Council meets on the first and third Wednesdays of every month, we begin at 5 p.m., you are always encouraged to attend. This is twice a month, you get to meet with all of your council members, senior staff, your opportunity to speak with us. We always take a break during the meeting, or afterwards and we are happy to speak with you. Always encouraged if you can’t attend, send an email, send a letter, we can read it onto the record. You can always go onto our webpage and view the meetings.

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SPECIAL THANK YOU TO:

City Council Members

City Staff

Service Partners

Businesses

And last but not least…

Our Residents

I would like to say a special thank you to:

• Our City Council Members

• City Staff

• Service Partners

• Businesses

• And last, but not least, our residents.