

**MINUTES OF THE
FERNLEY CITY COUNCIL BUDGET MEETING
MAY 22, 2024**

Mayor Neal E. McIntyre called the meeting to order at 6:00 pm.

1. INTRODUCTORY ITEMS

1.1. Pledge of Allegiance

1.2. Roll Call

Present: Mayor Neal E. McIntyre, Councilman Ryan Hanan, Councilwoman Felicity Zoberski, Councilman Stan Lau, Councilman Albert Torres (Zoom), Councilwoman Fran McKay, City Manager Benjamin Marchant, Deputy City Manager Lydia Altick, HR Manager Mitzi Carter, City Attorney Aaron Mouritsen, Administrative Specialist II Reba Skinner, Administrative Specialist I Sandy Harris, City Treasurer Robert Carson, Building Official Charity Birkel, Planning Director Michele Rambo, Public Works Director Barry Williams, Court Judge Lori Matheus.

1.3. Public Forum

Tiffany Wood, City employee, expressed her concerns about the Compensation Plan and asked City Council to please pass the Compensation plan.

1.4. (For Possible Action) Approval of Agenda

Motion: I MOVE TO APPROVE THE AGENDA. **Action:** Approved. **Moved by:** Councilman Stan Lau, **Seconded by:** Councilman Ryan Hanan. **Vote:** Passed, **Summary:** Yes 5. **Yes:** Councilwoman Zoberski, Councilman Lau, Councilman Torres, Councilwoman McKay, Councilman Hanan.

2. STAFF REPORTS

2.1. (For Possible Action) (Discussion and Possible Action to approve the 2024 City of Fernley Compensation Plan).

Ben Marchant, City Manager, stated that there was not a presentation for this meeting, as it was presented at the May 15, 2024, budget meeting.

Councilwoman Zoberski asked how the Union plays into the Compensation Plan, and the employees under contract. She also asked for clarification on the step process and which departments have the highest raise. Would still like a second opinion on the Compensation Plan Study.

City Manager Marchant, stated he met with the Union to discuss the proposed changes to the Policy Manual, Job Descriptions, and the Compensation Plan. He stated the Union didn't have anything to say about it unless the Council took action to approve it. The specifics of the compensation were discussed with scenarios for the different positions. They wanted to verify that no one in the Union would be hurt or make less because of this Compensation Plan. After

showing every employee would be better off with the new Compensation Plan, they said that they would be happy to take it to their members with the positive recommendation to approve changing it. Where we are now is, if the Compensation Plan is approved, there is verbal support from the Union that this is what they want, but no formal action has been taken, and it ultimately needs to be taken to their membership for a vote. If their membership votes it down, then they continue with the same wage structure that is in the collective bargaining agreement and if there is no change, we'll have budget savings for the difference. If they vote it up, then it would go forward in accordance with the new Compensation Plan. With the contract employees, the vote by the membership to change the contract would be brought before the council to ratify as an amendment to the Collective Bargaining Agreement. An explanation was given on the step process and the departments with the largest increases are Utility Billing Manager in Public Works, Human Resource Manager in the City Manager's office, and Animal Control Services Manager.

Councilwoman Fran McKay stated that she has objections with the very new employees coming up to the same level as employees who have been here for over two years. Most of the raises only have to do with the cost of living that everybody's going to get on July 1st anyway. She agreed with Councilwoman Zoberski to get a second opinion, but to wait until after the July pay raises and see what happens.

Motion: I MOVE TO APPROVE THE 2024 CITY OF FERNLEY COMPENSATION PLAN.
Action: Approved. **Moved by:** Councilman Stan Lau, **Seconded by:** Councilman Ryan Hanan.
Vote: Passed, **Summary:** Yes 3, No 2. **Yes:** Councilwoman Zoberski, Councilman Lau, Councilman Hanan, **No:** Councilman Torres, Councilwoman McKay.

3. PUBLIC HEARINGS

3.1. (For possible action) Discussion regarding the Fiscal Year 2024/2025 proposed final budget including but not limited to: All funds within the Water Enterprise Fund; Wastewater Enterprise Fund; General Fund; Special Revenue Funds; Capital Improvement Program; rates; all city departments; the budget process; timelines, goals, and existing budget; debt, staffing, including but not limited to reorganization, reclassification, employee positions and contracts, new positions, and other matters related thereto.

Ben Marchant, City Manager, presented the final budget. A draft of the 2025 Budget was presented to the City Council at the Budget workshop on April 4, 2024. This budget included an appropriation from General Fund reserves to off-set a projected deficit of \$900,000 (expenses exceeding revenues). The proposed budget that was presented included funding for all proposed increases to staff wages, capital projects and operations, decreasing the prior year budgeted deficit from \$3.67 million down to \$900,000. The preliminary FY2024-2025 Budget that is being presented to the City Council is now a fully balanced budget where revenues equal expenses. The difference in cost from the current City of Fernley Compensation Plan compared to the new proposal is an increase of \$282,000. The final balanced budget includes this amount to fund the proposed increases for the new compensation plan. He presented individual department budgets. The Water Fund is an enterprise fund. It operates independently of the General Fund. No funds from the Water Fund can be spent on General Fund projects. It is exclusive to the Water fund, but it can pay for the services that are provided to the Water Fund in the form of HR, finance, management and leadership and other things, and that is where you have inter-fund

billings. The Sewer Fund is similar to the Water Fund. It is a stand-alone independent enterprise fund. We do not use Sewer Fund revenue to do anything in the General Fund or Water Fund. The Transient Lodging Tax is a major source of revenue that we use to fund the Community Response and Resource Center, the arts and cultural events and various other things.

Public Comment:

Dana Uhlhorn, Fernley resident, thanked the council for the money for the arts culture. He also asked about the sewer expenses going down every year.

Robert Carson, City Treasurer, explained that it depends on the 5-year plan for the projects that are proposed for the following year. Some projects may be more expensive or less expensive, there is a 5-year plan that's drawn out for those.

Councilwoman Felicity Zoberiski asked if any of the future park plans are budgeted as well.

Barry Williams, Public Works Director, stated that most of the park's expenses such as all the parks' projects do not come out of these specific line items in the park's operating budget. A lot of it is going to be charged to special funds like transient lodging taxes and those end up in a different part of the budget.

Motion: I MOVE TO APPROVE THE 2024/2025 FISCAL YEAR PROPOSED BUDGET.

Action: Approved. **Moved by:** Councilman Ryan Hanan, **Seconded by:** Councilman Stan Lau.

Vote: Passed, **Summary:** Yes 3, No 2. **Yes:** Councilwoman Zoberiski, Councilman Lau, Councilman Hanan, **No:** Councilman Torres, Councilwoman McKay.

4. ITEMS REQUESTED BY MAYOR OR CITY COUNCIL MEMBERS

4.1. Possible action to request a future agenda item to enter into a closed session to discuss the qualifications, competency and character of Jennie Carrick, Deputy City Treasurer.

Councilwoman Felicity Zoberiski stated she requested this agenda item because in the new title for the city employees, Jennie Carrick, as the Deputy City Treasurer, was being demoted in her title and not in her wage and would like further details.

Motion: I MOVE TO BRING A CLOSED SESSION FORWARD TO DISCUSS QUALIFICATIONS, COMPETENCY, AND THE CHARACTER OF JENNIE CARRICK. **Action:**

Approved. **Moved by:** Councilwoman Felicity Zoberiski, **Seconded by:** Councilwoman Fran McKay. **Vote:** Passed, **Summary:** Yes 4, No 1. **Yes:** Councilwoman Zoberiski, Councilman Torres, Councilwoman McKay, Councilman Hanan, **No:** Councilman Lau.

4.2. Possible action to request a future agenda item to discuss the qualifications, competency and character of Benjamin Marchant, City Manager.

Councilwoman Fran McKay stated that she has been doing some research and found some new information that she would like to share in a closed session.

Motion: I MOVE TO HAVE A CLOSED SESSION TO DISCUSS THE QUALIFICATIONS, COMPETENCY AND CHARACTER FOR BENJAMIN MARCHANT, CITY MANAGER. **Action:**

Approved. **Moved by:** Councilwoman Fran McKay, **Seconded by:** Councilman Albert Torres.

Vote: Passed, **Summary:** Yes 3, No 2. **Yes:** Councilwoman Zoberski, Councilman Torres, Councilwoman McKay, **No:** Councilman Lau, Councilman Hanan.

Mayor Neal E. McIntyre vetoed the vote.

5. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS

Councilwoman Felicity Zoberski would like a wage study done by an outside source and have it compared to the inside study. Also, look at how dated our master plans are, just to make sure that we're staying on track as far as budgeting and following those master plans.

Councilman Albert Torres requested to have our independent auditors come in and do a presentation, talking about fund balance and budgeting.

6. PUBLIC FORUM

None at this time.

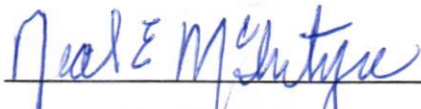
Next meeting will June 5, 2024, at 5:00 pm.

7. ADJOURNMENT

There being no further business to come before it, the Fernley City Council Budget meeting adjourned at 7:09 pm.

Approved by the Fernley City Council on June 5, 2024, by a vote of:

AYES 5 NAYS: 0 ABSTENTIONS: 0 ABSENT: 0



Mayor Neal E. McIntyre



ATTEST: City Clerk Kim Swanson

FCC Budget 5/22/2024

FCC Budget 5/22/2024

[illegible]

Dear Esteemed Council Members,

I wanted to express to the council my concern about the Compensation Plan that was discussed in the last meeting. I read the letter which the mayor wrote a response to at the last meeting, and I became more concerned there are members of the council who may be overlooking what this compensation plan can do for the city in the long term. The sustainability of this plan was a point of contention to those who would not support this plan despite the balanced budget being presented and while the arguments against it are valid and warrant the careful consideration you have shown, I do not believe they justify killing the plan or picking it apart.

Seval concerns were brought up about being able to maintain basic essential functions of the city in the event of an economic crisis, but it was also pointed out in that last meeting that the greatest resource available to the city to respond to such a crisis has been exclusively committed to the CRRRC. The city's reserve is a huge tool taken away from the council and the city that would help sustain street maintenance and the other projects the council wanted to preserve if we were to come upon hard times. While I understand the importance of the CRRRC to the City, if the council decided to overturn the resolution binding the city's reserves to the CRRRC then the council can still choose whether to use it if we need it rather than removing it as an option. Then this compensation plan would not need to be destroyed for the sake of a worse case scenario that may not come to pass. The original letter mentioned the budget for the city ought to be approached in the same manner as you would for a small family, but with the reserve funds taken off the table then a family in this scenario of economic hardship would be telling their children that they must starve because all of their savings are committed to the mortgage. Regardless of the ability to use reserve funds, however, this council has seen the budget proposed is balanced and you have the power to ensure it will balance each year upon review even with the compensation plan in place.

I understand it is a substantial cost to the City to bring all of theses positions up to the average minimum wage of those positions in this area but it is important to also consider the cost of keeping these position below their market value. It is difficult to retain staff when they can see the grass is actually greener everywhere else. It was mentioned the city should have spent money on a professional study for the wages in the area, but I thought it prudent to mention that money was wisely saved for the city by having HR access the free, public information of the municipalities around us to compile a simple verifiable report for council. The city manager has said there are ongoing expenses having to keep training new staff, which is important, but I ask you to consider what it does to staff morale to keep seeing our colleagues and leaders leave. It is difficult to consider staying at the city and committing to building a career here when we see senior staff who have accumulated experience and

education/certifications to serve this city, being told that they are not worth the average minimum salary befitting their positions. That is the message sent by council members who do not support this compensation plan.

I appreciate the acknowledgement that staff on lower-level positions who struggle the most to make ends meet are being considered with this plan since I might be able to afford to live here rather than Fallon with the potential increase, but I personally believe if the minimum average is good enough for some of us, it should be considered for ALL of us. The citizens deserve to have a city run with dedicated and appreciated staff rather than putting us in a perpetual state of "all hands-on deck" to cover the experience and expertise lost as we continue to lose people not just at the bottom of the hierarchy, but at the top as well. Then this compensation plan would actually be ensuring the sustainability of the city by investing in its staff to keep everything running smoothly and efficiently. Therefore, I implore the council to pass this plan, and pass the entire plan for all of us.

Sincerely,

Tiffany Wood